

FARM SECURITY ACT OF 2001

AUGUST 31, 2001.—Ordered to be printed

Mr. COMBEST, from the Committee on Agriculture,
submitted the following

SUPPLEMENTAL REPORT

[To accompany H.R. 2646]

[Including cost estimate of the Congressional Budget Office]

This supplemental report includes additional committee positions and the Congressional Budget Office cost estimate and shows the changes in existing law made by the bill (H.R. 2646), as reported, which was omitted in part 1 of the report submitted on August 2, 2001 (H. Rept. 107-191, pt. 1).

This supplemental report is submitted in accordance with clause 3(a)(2) of Rule XIII of the Rules of the House of Representatives.

ADDITIONAL COMMITTEE POSITION

Several of the statutory changes made by title II of H.R. 2646 are merely clarifying or simplifying the programs authorized under title XII of the Food Security Act of 1985. These statutory changes do not require—and the Committee does not expect—any changes in program administration. In order to ensure that the Committee's expectation with regard to these provisions is clearly understood, the following additional committee views are included with regard to Title II of H.R. 2646.

Sec. 221. Elimination of General Provisions

This provision eliminates the Environmental Conservation Acreage Reserve Program ("ECARP") because it is redundant, unnecessary, and USDA has not used its priority areas authority in program implementation. USDA has instead relied upon specific priority area authority under the separate Title XII programs. Understanding that this deletion will remove the ECARP reference to the phrase "soil, water and related natural resources," the Committee notes that related resources, such as wildlife habitat, are ade-

quately addressed and included in the specific programs authorized by Title XII.

Sec. 232. Enrollment

In eliminating the priority area authority in section 1231(f), the Committee does not intend for the Secretary to administer the CRP without any priorities. Rather, in directing the Secretary to develop regulations to implement section 1231(i), the Committee intends that the Secretary shall develop a means by which some priority shall be given to applications proposing to address particularly important environmental issues. In so doing, it is the intent of the Committee that the Secretary, in consultation with other appropriate interested parties, shall focus on priority issues rather than specific geographic areas.

In including the provision regarding the eligibility of expiring CRP contracts, it is the Committee's intent that expiring CRP acreage be eligible to re-enroll, not that it automatically be re-enrolled. Acreage with expiring contracts would still have to compete during general sign-ups with all other acreage being offered or meet the other eligibility requirements for enrollment in the continuous sign-up.

Sec. 233. Duties of Owners and Operators

With respect to managed grazing, limited haying and the installation of wind turbines, the Committee expects that any such permitted activity will be done in a manner which is consistent with the overall goals of the Conservation Reserve Program.

Sec. 242. Easements and Agreements

USDA currently enrolls acres in the Wetlands Reserve Program either through easements (permanent or otherwise) or cost-share restoration. The Committee expects USDA to continue to enroll acres in these manners as appropriate, and is merely simplifying those statutory provisions in section 1237 to remove the reference to enrollment percentages, which are no longer relevant.

Similarly, the change made to section 1237A is also simplifying the statute by removing redundant references to mowing and spraying, which are already habitat alterations under section 1237A(b)(2). The Committee notes that the statute, as rewritten, prohibits habitat alternation unless contained in the management plan, and the committee expects this to include mowing, grazing, and spraying of chemicals.

Even though the Committee is deleting the mandatory requirement for the Secretary to consult with the State Technical Committee in developing a wetland restoration plan, the Committee notes that the Secretary maintains the discretionary authority to do so, and expects the Secretary to consult with the State Technical Committee when appropriate.

Sec. 243. Duties of the Secretary

Similarly, even though the Committee is deleting the mandatory requirement to consult with the Secretary of the Interior in awarding easements, the Committee notes that Secretary continues to have the discretionary authority to do so, and expects the Secretary to consult the Secretary of Interior when appropriate for assistance

in determining the value of an agreement for protecting and enhancing habitat for migratory birds and other wildlife.

Sec. 252. Definitions

The Committee notes that while wildlife habitat is not included in the definition of a structural practice, it is the intent of this Committee that the Secretary shall award, whenever possible, EQIP contracts in which incidental benefits to wildlife are also produced.

Sec. 255. Duties of the Producer

This section deletes section 1240D(2) as unnecessary. The Committee is unaware of this circular provision being used by USDA as authority in program administration, and notes that the provision adds nothing to the authority of the Secretary in administering EQIP. The Committee does not intend the deletion of this provision to impact in any way the Secretary's authority to include appropriate terms and conditions in agreements entered into with producers under EQIP.

Sec. 274. Grassland Reserve Program

The Committee notes that the Secretary has the discretionary authority to consult with state fish and wildlife agencies in appropriate circumstances to assist in determining the end of the nesting and brood rearing season for birds in the local area, and expects the Secretary to do so.

The Committee also intends that necessary surface disturbances required by a management plan on a restored site are implicitly excepted from the general prohibition on activities which would disturb the surface of the land, owing to the fact that the restored site has already been disturbed.

Sec. 275. Farmland Stewardship Program

The Committee notes that the Secretary will continue to have the discretionary authority to consult with State Technical Committees, when appropriate, in determining whether a particular provision of a conservation program may be waived.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 23, 2001.

Hon. LARRY COMBEST,
*Chairman, Committee on Agriculture,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2646, the Farm Security Act of 2001.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jim Langley.

Sincerely,

DAN L. CRIPPEN,
Director.

Enclosure.

H.R. 2646—Farm Security Act of 2001

Summary: H.R. 2646 would amend and extend through 2011 the major farm income support, land conservation, credit assistance, food assistance, trade promotion, marketing assistance, and rural development programs administered by the U.S. Department of Agriculture (USDA). CBO estimates that enactment of this legislation would increase direct spending by \$1.9 billion in 2002, \$33.4 billion over the 2002–2006 period, and \$69.5 billion over the 2002–2011 period. Additional outlays occurring after 2011 would bring the total of new direct spending from the legislation to \$73.1 billion. When combined with estimated spending under current law, enactment of H.R. 2646 would bring total spending to \$35.1 billion in 2002, \$203.1 billion over the 2002–2006 period, and \$409.7 billion over the 2002–2011 period. Because enactment of the bill would affect direct spending, pay-as-you-go procedures would apply.

The bill also would authorize discretionary appropriations for existing and new programs for research and education, nutrition, trade promotion, rural development, credit assistance, and forestry initiatives. Assuming appropriation of the necessary amounts, CBO estimates that implementing those provisions affecting discretionary spending would cost about \$14.6 billion over the 2002–2006 period, and \$37.4 billion over the next 10 years.

The bill contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). State, local, and tribal governments would probably receive some of the assistance authorized by this bill. Any costs these governments might incur to comply with conditions of this assistance would be voluntary.

H.R. 2646 would impose private-sector mandates as defined by UMRA. The bill would impose new assessments on importers of dairy products and U.S. producers of caneberries. The bill also would allow the Secretary of Agriculture to expand the reporting requirement now placed on manufacturers and persons who store dairy products. Based on information provided by industry sources and USDA, CBO estimates that the direct costs of those private-sector mandates would fall below the annual threshold for private-sector mandates established in UMRA (\$113 million in 2001, adjusted annually for inflation).

Estimated cost to the Federal Government: The estimated budgetary impact of the bill is shown in Table 1. The costs of this legislation fall within budget functions 300 (natural resources and environment), 350 (agriculture), 450 (community and regional development), and 600 (income security).

TABLE 1. ESTIMATED BUDGETARY IMPACT OF H.R. 2646

	By fiscal year, in millions of dollars					
	2001	2002	2003	2004	2005	2006
DIRECT SPENDING						
Spending Under Current Law: ¹						
Estimated Budget Authority	44,278	33,520	34,014	34,273	34,333	34,027
Estimated Outlays	43,972	33,219	33,991	34,347	34,161	34,014
Proposed Changes:						
Estimated Budget Authority	0	3,280	7,285	8,827	8,682	8,657
Estimated Outlays	0	1,906	6,504	8,345	8,277	8,371
Spending Under H.R. 2646:						
Estimated Budget Authority	44,278	36,800	41,299	43,100	43,015	42,684

TABLE 1. ESTIMATED BUDGETARY IMPACT OF H.R. 2646—Continued

	By fiscal year, in millions of dollars					
	2001	2002	2003	2004	2005	2006
Estimated Outlays	43,972	35,125	40,495	42,692	42,438	42,385
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law:						
Estimated Authorization Level ²	3,507	4,545	464	473	481	443
Estimated Outlays	3,569	4,418	2,395	1,218	554	497
Proposed Changes:						
Specified Authorization Level	0	150	2,838	2,838	2,838	2,838
Estimated Outlays	0	68	1,428	2,215	2,783	2,839
Estimated Authorization Level	0	46	1,585	1,613	1,642	1,672
Estimated Outlays	0	23	863	1,351	1,508	1,566
Spending Under H.R. 2646:						
Estimated Authorization Level	3,507	4,741	4,887	4,924	4,961	5,003
Estimated Outlays	3,569	4,509	4,686	4,784	4,845	4,902

¹ The amounts shown as direct spending for 2001 are CBO's estimates of farm income support and related spending under current law including \$5.5 billion in assistance payments enacted in Public Law 107–25. The 2002–2006 amounts are CBO's current-law baseline levels, which assume that assistance under the Federal Agricultural Improvement and Reform Act of 1996 (Public Law 104–127) is continued under the terms of that law when it expires at the end of 2002.

² The 2001 level is the amount appropriated that year for affected agricultural trade promotion, nutrition, credit assistance, and rural development, and research programs. Amounts for 2002 and beyond are authorized to be appropriated for these programs in current law.

Basis of estimate: The bill would make several changes to direct spending programs and would authorize the appropriation of funds for other programs. For this estimate, CBO assumes that H.R. 2646 will be enacted by December 2001, and thus would affect farm programs for 2002 crops, and that the necessary amounts would be appropriate for each fiscal year.

Direct spending

The bill would amend existing programs and establish new programs to be administered by USDA. Under current law, spending for the existing programs is governed, in large part, by provisions of the Federal Agricultural Improvement and Reform Act of 1996 (FAIR Act, Public Law 104–127). The Congress has supplemented that spending with additional farm income support payments over the last four years. For example, Public Law 107–25, enacted, in early August, will provide \$5.5 billion of additional payments to farmers in fiscal year 2001, resulting in total direct spending for agriculture programs of about \$44 billion this year. CBO estimates that spending under H.R. 2646 would be much higher than projected under a simple (baseline) extension of the FAIR Act, but that such spending would fall slightly below the total spending in 2001—averaging about \$41 billion over the 2002–2006 period.

Relative to CBO's current-law baseline projections for direct spending, we estimate that enacting this legislation would cost \$33.4 billion over the 2002–2006 period and \$69.5 billion over the 2002–2011 period (see Table 2). The bill would provide \$73.1 billion in new direct spending authority, relative to the baseline levels, but CBO estimates that \$3.6 billion of that total would be spent after 2011. The following paragraphs detail those proposed changes.

Title I: Commodity Programs. This title would reauthorize and amend the current commodity support programs administered by USDA, and also would implement new programs. CBO estimates that enactment of title I would increase direct spending by \$25.8

billion over 2002–2006 period, and by \$49.8 billion over the 2002–2011 period.

Fixed, Decoupled Payments for Covered Commodities. Section 104 of the bill would continue and increase USDA’s fixed payments to growers of grains and cotton, and would allow producers of soybeans and other oilseeds to receive them. Under the bill, farmers would have a one-time opportunity to update their program acreage—the historical average used to determine their eligibility for programs benefits. CBO estimates that the cost of increasing payments rates, adding soybeans and oilseeds, and allowing the program acreage update would be \$6.9 billion over the 2002–2006 period and \$13.9 billion over the 2002–2011 period.

TABLE 2. ESTIMATED CHANGES IN DIRECT SPENDING FOR H.R. 2646, BY TITLE
[Outlays in millions of dollars, by fiscal year]

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Title I—Commodity Programs:										
Fixed, Decoupled Payments	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387
Counter-Cyclical Payments	0	4,232	5,394	5,048	4,874	4,601	4,122	3,496	2,957	2,575
Market Assistance Loans	-147	-1,032	-832	-774	-701	-559	-516	-480	-485	-385
Payments for Grazing	5	4	3	3	2	2	2	1	1	1
Marketing Assistance Loans for Wool, Mohair, and Honey	25	33	33	32	32	31	31	30	29	28
Milk Price Support Program	24	90	89	86	85	85	84	83	73	74
Sugar Program	50	40	-42	-38	-25	-18	-1	0	-9	25
Peanut Program	299	504	499	493	486	251	246	242	236	231
Subtotal—Title I	1,643	5,258	6,531	6,237	6,140	5,780	5,355	4,759	4,189	3,936
Title II—Conservation:										
Conservation Reserve Program	21	78	123	190	232	237	205	164	169	173
Wetlands Reserve Program	93	158	178	184	189	195	201	207	213	222
Limitation and Timing of Environmental Quality Payments	0	121	104	30	30	41	24	16	-100	-101
Groundwater Conservation	13	31	46	50	54	59	63	65	68	68
Environmental Quality Incentives	40	341	621	700	777	885	955	1,003	1,062	1,069
Wildlife Habitat Incentives Program	6	13	25	25	25	25	25	25	25	25
Farmland Protection Program	0	11	35	45	50	50	50	50	50	50
Grassland Reserve Program	0	2	10	23	40	55	61	54	43	37
Subtotal—Title II	173	755	1,142	1,247	1,397	1,547	1,584	1,584	1,530	1,543
Title III—Trade	21	111	136	137	137	137	137	137	137	137
Title IV—Nutrition	40	302	344	406	411	422	427	422	427	438
Title V—Credit	0	0	0	0	0	0	0	0	0	0
Title VI—Rural Development Outlays	8	46	98	127	132	133	125	113	95	95
Title VII—Research and Related Items	0	0	58	87	116	131	145	145	145	145
Title VIII—Forestry Initiatives	6	12	16	16	17	18	20	22	26	31
Title IX—Miscellaneous Provisions	16	20	20	20	21	21	21	21	21	21
Total Changes	1,906	6,504	8,345	8,277	8,371	8,189	7,814	7,203	6,570	6,346

Counter-Cyclical Payments for Covered Commodities. The bill would authorize USDA to make automatic payments to producers to offset low prices—known as counter-cyclical payments. These payments would be based in part on a farm's production history. The payment rate would be the target price established in the bill less the fixed, decoupled payment rate (also specified in the bill) and less the crop price or the price-support loan rate if it is higher than the crop price. CBO estimates this provision would cost \$19.5 billion over the 2002–2006 period and \$37.3 billion over the 2002–2011 period.

Marketing Assistance Loans for Covered Commodities. H.R. 2646 would authorize USDA to continue crop loans and marketing loan programs for major row crops (grains, oilseeds, and cotton). Loan programs would remain unchanged from current law for most of these crops, but maximum loan rates for soybeans and other oilseeds would decline by about 6.5 percent. From 2002 through 2006, CBO estimates these provisions would reduce spending by \$3.5 billion, compared to current law. Savings would total \$5.9 billion over the 2002–2011 period. Income and incentives to grow oilseeds would decline under reduced loan rates resulting in lower spending for oilseed loans, loan deficiency payments and marketing loan gains of \$5.6 billion over 2002 through 2006, and \$8.9 billion over 2002 through 2011. These lower costs would be partially offset by increased costs of about \$2.2 billion over five years, and \$3 billion over 10 years for similar programs for corn and other crops, as growers switched their planting preferences away from soybeans and other oilseeds.

Loan Deficiency Payments for Grazing. The bill would permit producers to receive loan deficiency payments on grains which were grazed by livestock instead of harvested for grain. CBO estimates this provision would cost \$17 million over five years and \$24 million over 10 years.

Marketing Assistance Loans for Wool, Mohair, and Honey. H.R. 2646 would establish a nonrecourse marketing assistance loan program for producers of wool, mohair, and honey. Marketing loan gains and loan deficiency payment provisions would apply to these commodities and would be subject to a separate \$75,000 payment limitation. CBO estimates that these new provisions would cost \$94 million for wool and mohair, and \$61 million for honey, over the 2002–2006 period. Over 10 years, those totals would rise to \$202 million for wool and mohair, and \$101 million for honey.

Milk Price Support Program. H.R. 2646 would extend the current milk price support program through 2011 at the current purchase price of \$9.90 per hundredweight. Under the bill, the recourse loan program for dairy processors would be repealed. CBO estimates this provision would save \$65 million over the next 10 years. CBO estimates that continuing the dairy price support through 2011 would cost \$838 million over the 2002–2011 period. Under the bill, we estimate that the net cost of the milk price support program over the next 10 years would be \$773 million. (The net cost would be \$374 million through 2006.)

Sugar Program. The bill would continue and amend USDA's sugar program by removing the marketing assessment currently paid by growers, lowering the interest rate charged on price-support loans, and adding a storage facility loan. We estimate these

amendments would increase program costs by about \$500 million over the next 10 years. Moreover, the bill would provide new authority to pay farmers with government-owned stocks of sugar (payment-in-kind) for idling acreage, and the authority to use marketing allotments to control supply if sugar imports decline in the future. We estimate these new authorities would reduce the cost of the sugar program relative to current law, and that net spending for the sugar program would decline by \$18 million over the 2002–2011 period.

Peanuts. H.R. 2646 would make substantial changes to USDA's peanut program. Under the bill, CBO estimates that the peanut program would cost \$2.3 billion over the 2002–2006 period and \$3.5 billion over the 2002–2011 period. Peanut marketing quotas, and support rates for peanuts produced within the marketing quotas would be eliminated. Instead, peanut producers would become eligible for fixed, decoupled payments, counter-cyclical payments, and marketing assistance loan benefits. Under the legislation, a single, nonrecourse marketing assistance loan rate would apply to all peanut production that is lower than the current rate. The bill would compensate some peanut growers for the loss of asset value due to elimination of marketing quotas. Over the next 10 years, CBO estimates that the new peanut provisions would cost \$625 million for fixed, decoupled payments, \$1,242 million for counter-cyclical payments, \$436 million for marketing assistance loans, and \$1,180 million for compensation to peanut quota holders.

Title II: Conservation Programs. This title would reauthorize and expand land conservation programs administered by USDA. CBO estimates these provisions would cost \$4.8 billion over the 2002–2006 period, and \$12.5 billion over the 2002–2011 period. (Spending would continue for a number of years after 2011, for a total estimated cost of \$15.7 billion.)

Changes to Existing Programs. The bill would increase the maximum acreage enrollment in the Conservation Reserve Program to 39.2 million acres from the current cap of 36.4 million acres. We estimate that this increase would cost \$644 million through 2006, and \$1.6 billion over the 2002–2011 period.

Acreage enrollment in the Wetlands Reserve Program (WRP) would expand by 150,000 acres per fiscal year under the bill, for a total acreage enrollment of 2.575 million acres by 2011. We estimate that the WRP provisions would cost \$802 million through 2006, and \$1.8 billion over the 2002–2011 period.

Funding for the Environmental Quality Incentives Program (EQIP) would be increased by \$1 billion a year, for a cost of \$2.5 billion through 2006, \$7.5 billion over the 2002–2011 period, and additional costs after 2011. The bill would add \$517 million to EQIP to address groundwater conservation, and accelerate the timing of EQIP payments that would increase outlays by \$165 million over the 10-year period.

The bill also would increase funding for the Wildlife Habitat Incentives Program by \$25 million a year, and for the Farmland Protection Program by \$50 million a year. CBO estimates that the total cost for these amendments would be \$610 million over the 2002–2011 period.

Technical Assistance. The bill would provide \$850 million for salaries and expenses to design and implement conservation programs

over the 2002–2011 period. That amount is included in the changes cited above for the individual conservation programs.

New Conservation Program. H.R. 2646 would establish the Grasslands Reserve Program. This program would authorize the Secretary of Agriculture to enroll up to 2 million acres in 10-year to 20-year contracts, equally divided between virgin (never cultivated) grasslands and restored grasslands. To be eligible for this program, land would need to be dominated by natural grass or shrubland and have the potential to serve as habitat for animal or plant populations of ecological value. CBO estimates that the program would cost \$325 million over the 2002–2011 period.

Title III: Trade Programs. Title III would extend USDA’s authority to administer programs to promote trade through 2011, and would increase funding for the Market Access Program, the Foreign Market Development Cooperator Program, and the Food for Progress Program. CBO estimates that enacting title III would cost about \$540 million over the next five years, and about \$1.2 billion through 2011.

Increases to Existing Programs. The bill would increase annual funding for the Market Access Program from \$90 million to \$200 million, increase annual funding for the Foreign Market Development Cooperator Program from \$28 million to \$35 million, and increase the caps on annual funding for administrative and transportation expenditures under the Food for Progress program. The cap on administrative expenditures would be increased from \$10 million to \$12 million, while the cap on transportation and other non-commodity expenditures would be increased from \$30 million to \$35 million. Those provisions account for most of the estimated 10-year cost of \$1.2 billion for title III.

New Trade Program. Title III also would authorize \$3 million in annual funding from the Commodity Credit Corporation to establish an export assistance program for specialty crop producers. We estimate this provision would cost \$29 million over the next 10 years.

Title IV: Nutrition Programs: This title would reauthorize and modify the Food Stamp Program and related programs through fiscal year 2011. Under the bill, most changes in this title would become effective in 2003. It also would increase funding for commodity purchases for the Emergency Food Assistance program. CBO estimates these changes would increase direct spending by \$40 million in 2002, by \$1.5 billion through 2006, and by \$3.6 billion over the 2002–2011 period.

Reauthorization of the Food Stamp Program. Section 406 would reauthorize the Food Stamp program through fiscal year 2011. Because it is assumed to continue in CBO’s baseline, there are no changes in spending associated with its reauthorization.

Income Definition. Section 401 would allow a state to exclude from gross income in the Food Stamp program any educational loans or other educational assistance that the state is required to exclude in Medicaid. It also would allow a state to exclude types of income that it excludes in Medicaid or Temporary Assistance for Needy Families (TANF). CBO estimates that this provision would increase spending by \$57 million over the next 10 years. CBO used Food Stamp Quality Control (QC) data to estimate the change in benefits if educational assistance that is counted under current law

is excluded from income in determining benefits. About 5,000 households are estimated to be affected with an average reduction of \$68 a month. We also added the costs of excluding a small portion of unearned income. States have flexibility to determine what is excluded from the definition of income in Medicaid and TANF, so these rules vary by state, but most differences are minor. CBO assumes that 90 percent of states would exercise the option to exclude income as allowed under this section.

Standard Deduction. Section 402 would set the amount of the standard deduction as a percentage of the net income threshold for fiscal year 2002. Under current law, all households receive the same standard deduction from gross income: \$134 in the 48 states and the District of Columbia. (Alaska, Hawaii, Guam, and the U.S. Virgin Islands have different standard deductions.) This bill would set the standard at 9.7 percent of the net income threshold by household size. Smaller households would be guaranteed the current-law standard deduction, and no household could receive a standard that is higher than 9.7 percent of the net income threshold for a household of six people in 2002.

Under this section, some households would receive higher Food Stamp benefits than under current law, because less of these households' income would be considered available for purchasing food. Most households of four people or more would receive higher benefits. Using QC data, CBO estimates that over 1.5 million households would receive an average increase in benefits of more than \$8 per month for total costs of \$150 million in 2003 and \$1.4 billion over the 2003–2011 period.

Transitional Food Stamps. Section 403 would allow states to provide up to six months of Food Stamp benefits to households leaving the TANF Program. These benefits would be frozen at the level received in the month prior to leaving welfare, although a household could reapply for benefits. Under final regulations released in November 2000, states have the option to provide transitional benefits to these households for up to three months. This section would allow states to provide transitional benefits for an additional three months, even if the transitional benefit period extends beyond the household's Food Stamp certification period.

Based on the number of active cases and TANF cases closed in 1999, CBO estimates there will be about 1.6 million closed cases annually. We made adjustments to this number for households that would continue to be Food Stamp recipients under current law, for households that would return to TANF during the transition period, and for households that would not be eligible because of sanctions or noncooperation with welfare rules. These adjustments are based on various studies of people who leave welfare. CBO estimates about 35,000 TANF households in an average month could potentially be eligible for transitional benefits, and that states accounting for about half of these cases would choose this option by 2005. These households would receive an additional three months of benefits relative to current law with average benefits of about \$250 per month in 2003, for costs of \$80 million in 2003, and \$1.5 billion over the 10-year period.

Quality Control System. Under current law, USDA measures the accuracy of benefit determinations and computes payment error rates for every state. States that have payment error rates higher

than the national performance measure are subject to sanctions. Most states subject to sanctions enter into agreements with USDA to reinvest these liabilities into program improvements. Section 404 would revise the QC system to sanction states that have error rates with a 95 percent statistical probability of being 1 percentage point greater than the national average for three years in a row. Based on information from USDA, CBO assumes that USDA would continue to work with states to reinvest liabilities into program improvements so there would be no change in collections from sanctions.

This section also would create bonus payments for two new performance measures: timeliness in processing applications and accuracy of denying or terminating eligibility. The five states with the best performance in a year and the five states with the most improved performance in a year would receive \$1 million each for fiscal years 2002 through 2007. CBO expects that states would receive these payments in the year after the year for which the bonus is made. Spending would increase by \$10 million each year for fiscal years 2003 through 2008.

Simplified Application Forms and Eligibility Determination Systems. Section 405 would provide up to \$10 million each year to pay for 100 percent of the costs incurred by states to develop and implement simplified application forms and eligibility processes. CBO estimates this would increase direct spending by \$9 million in 2003 and \$10 million each subsequent year.

Two smaller programs within the Food Stamp Act would be reauthorized by H.R. 2646. Section 406 would reauthorize the modified Food Stamp program in American Samoa at \$5.3 million each year through 2011. The bill also would reauthorize assistance for community food projects at \$7.5 million each year for fiscal years 2002–2011, which is \$5 million more than the fiscal year 2002 authorization. CBO estimates that implementing these two programs would cost \$114 million over the 2002–2011 period.

Section 406 would authorize \$140 million each year from 202 through 2011 for commodity purchases for the Emergency Food Assistance program. Current law authorizes \$100 million through 2002. The bill would require that \$10 million of the funds be used for costs associated with distributing the commodities. This provision would increase direct spending by \$38 million in 2002 and by \$398 million over the 2002–2011 period.

Title VI: Rural Development Programs. This title would provide funding for several rural development initiatives, including \$50 million a year for value-added agricultural product market development grants, \$200 million over the 2002–2006 period for loans and grants to improve local television access in rural areas, and \$30 million a year for community water assistance grants. It also would provide \$15 million in grants to support a new pilot program for strategic regional development planning. DBO estimates that enacting title VI would cost \$411 million over the 2002–2006 period and \$972 million over the 2002–2011 period.

Title VII: Research and Related Items. This title would increase mandatory research spending for the Initiative for Future Agriculture and Food Systems by \$261 million over the 2002–2006 period and \$972 million over the 2002–2011 period. This initiative would award funding to research projects that address critical

emerging issues related to future food production, environmental protection, farm income or alternative uses of agricultural products.

Title VIII: Forestry Initiatives. This title would repeal two existing forestry programs and establish a new program to provide assistance to owners of private nonindustrial forest lands. The bill would authorize the Secretary of Agriculture to spend \$150 million over the next 10 years to implement that program. Based on information from USDA, we estimate that the proposed program would cost \$138 million over 2002–2001 period, and additional amounts after 2011.

This title also would allow USDA and the Department of the Interior to use long-term stewardship contracts to implement projects to remove hazardous fuels (overly dense forest vegetation) from certain federal lands. Under such contracts, the agencies could retain and spend any receipts generated from such contracts to implement additional projects. Based on information from the Forest Service, we estimate that the net increase in direct spending from this provision would total \$46 million over the 2002–2011 period. That estimate assumes that, in some cases, the agency would use stewardship contracts to implement projects that otherwise would have been completed using the agency’s existing authorities.

Title IX: Miscellaneous Programs. Based on information from USDA, CBO estimates that this title would provide \$56 million over the next 10 years for a Tree Assistance program to compensate orchardists for losses of trees due to natural disasters. The title also would authorize \$15 million a year in direct spending for farmers market nutrition programs, for total spending of about \$146 million over the 2002–2011 period.

Spending subject to appropriation

Implementing H.R. 2646 also would increase spending subject to appropriation. Assuming appropriation of the necessary amounts, CBO estimates that implementing the bill would cost about \$14.6 billion over the 2002–2006 period, and \$37.4 billion over the 2002–2011 period (see Table 3).

Title II. Conservation. The bill would authorize the appropriation of \$15 million a year for the Small Watershed Rehabilitation Program. CBO estimates that this program would cost \$65 million over five years and \$140 million over 10 years.

Title III: Trade. This title would reauthorize appropriations for the Food for Peace program through 2011. Based on the amount provided for this program in 2001, CBO estimates that the Food for Peace program would cost about \$3.3 billion over the 2002–2006 period and, \$8.6 billion over the 2002–2011 period, subject to the appropriation of the necessary funds each year.

Title IV: Nutrition. This title would reauthorize two commodity assistance programs, and authorize the establishment of a trust fund for a Congressional fellowship program. Assuming appropriation of the necessary amounts, CBO estimates these provisions would cost \$1.4 billion over the 10-year period.

Commodity Assistance Programs. Section 442 would extend the authorization for the Commodity Supplemental Food program (CSFP) for fiscal years 2003 through 2011. The program would be authorized at the level needed to maintain traditional assistance levels. The CSFP provides supplemental commodities for women,

[illegible]

TABLE 3. ESTIMATED CHANGES IN DISCRETIONARY AUTHORIZATIONS IN H.R. 2646, BY TITLE ¹—
Continued

	By fiscal year, in millions of dollars									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Changes:										
Estimated Au- thorization Level	196	4,423	4,451	4,480	4,560	4,588	4,617	4,649	4,678	4,707
Estimated Out- lays	90	2,291	3,566	4,292	4,406	4,478	4,528	4,556	4,586	4,613

¹ Title I would not affect discretionary spending.

Congressional Hunger Fellowship Trust Fund. Subtitle C would authorize \$18 million to establish a trust fund for a Congressional hunger fellowship program. Public Law 106–387 appropriated \$2 million in 2001 for Congressional hunger center fellowships. Only returns on investments of the trust fund would be used to fund the fellowships and the operation of the program. Assuming appropriation of the authorized amount, CBO estimates a net increase in spending of \$1 million each year beginning in fiscal year 2003. The gross appropriation of \$18 million would be offset by an intragovernmental transfer of the same amount to establish the trust fund. Therefore, the only cost would be from spending the returns on the investments of the fund.

Title V: Credit Programs. This title would make several amendments to the programs administered by the Farm Service Agency that extend credit to producers. Assuming appropriation of the necessary amounts, CBO estimates that implementing these provisions would cost about \$246 million over the 2002–2006 period, and \$535 million over the 2002–2011 period.

Changes to Credit Provisions. This title includes provisions that would limit eligibility for direct ownership and operating loans after 2006 to socially disadvantaged and beginning farmers, ease restrictions on lending to borrowers with debt forgiveness, and extend until 2011 an existing interest buy-down program on guaranteed operating loans. Assuming appropriation of the necessary amounts, CBO estimates that implementing these provisions would cost about \$495 million over the 2002–2011 period. The reauthorization of the interest buy-down program accounts for most of the estimated cost.

Changes to Emergency Loan Programs. The bill also would expand eligibility for the emergency loan program to allow loans to producers with losses caused by increased energy costs, or quarantines, and it would allow loans to horse breeders with losses resulting from mare reproductive loss syndrome. Assuming appropriation of the necessary amounts and based on information from USDA, CBO estimates these emergency loan provisions would cost about \$40 million over the 2002–2011 period.

Title VI: Rural Development. This title would authorize the appropriation of funds for various rural development programs; including Rural Business Opportunity Grants, Rural Cooperative Development Grants, and water system grants for rural areas of Alaska and for individuals with low or moderate income. Assuming appropriation of the specified amounts, CBO estimates these provi-

sions would cost \$320 million over the 2002–2006 period, and \$1.1 billion over the 2002–2011 period.

Title VII: Research and Related Matters. This title would reauthorize discretionary research programs administered by USDA through 2001. The authority for most of these research programs expires in 2002. Assuming appropriation of the necessary amounts and based on 2001 appropriations for some programs, we estimate that implementing the bill would cost \$9.5 billion over the 2002–2006 period, and \$24 billion over the next 10 years.

Title VIII: Forestry Initiatives. This title would reauthorize certain existing programs related to renewable resources and international forestry and authorize appropriations for a new program to protect local communities from forest fires. Based on information from USDA, we estimate that these programs would cost \$317 million over the 2002–2006 period and \$822 million over the 2002–2011 period, assuming appropriation of the necessary amounts.

Title IX: Miscellaneous Provisions. This title would authorize the appropriation of \$50 million per year to establish a grant program to offset the costs of purchasing hazardous brush and other fuels from forest lands for use by biomass-to-energy facilities. The bill also would authorize an increase of \$15 million a year in funds for the outreach for socially disadvantaged farmers. Assuming appropriation of the authorized amounts, the provisions of this title would cost \$308 million over the 2002–2006 period and \$636 million over the 2002–2011 period.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays in that are subject to pay-as-you-go procedures are shown in Table 4. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

TABLE 4. ESTIMATED EFFECTS OF H.R. 2646 ON DIRECT SPENDING AND RECEIPTS

	By fiscal year, in millions of dollars										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Changes in outlays	0	1,906	6,504	8,345	8,277	8,371	8,189	7,814	7,203	6,570	6,346
Changes in receipts	(1) ¹	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

¹ Not applicable.

Estimated impact on State, local, and tribal governments: This bill contains no intergovernmental mandates as defined in UMRA. State, local, and tribal governments receive funds through some of the programs reauthorized by this bill and probably would receive additional funds from newly authorized programs. Some of these programs—both new and existing—include matching requirements and other conditions of assistance. Any costs these governments might incur to comply with conditions of this assistance would be voluntary.

Estimated impact on the private sector: H.R. 2646 would impose private-sector mandates as defined in UMRA. The bill would impose new assessments on importers of dairy products and U.S. producers of caneberries. The bill also would allow the Secretary of Agriculture to expand the reporting requirement now placed on manufacturers and persons who store dairy products. Based on information provided by industry sources and USDA, CBO estimates that the direct costs of those private-sector mandates would fall below the annual threshold for private-sector mandates established in UMRA (\$113 million in 2001, adjusted annually for inflation).

The bill would impose a mandate on importers of dairy products by expanding a dairy promotion assessment to cover imports of dairy products. Under current law, USDA collects an assessment from domestic dairy producers to fund activities of the National Dairy Promotion and Research Board. The bill would require the assessment rate on imported dairy products to be determined in the same manner as the assessment rate per hundredweight or the equivalent of domestic milk. Importers would be required to pay the assessment to the U.S. Customs Service at the time the products enter the country. The funds collected from importers of dairy products would be combined with collections from domestic producers. Using an assessment rate equivalent to the current rate paid by domestic producers of dairy products, CBO estimates the cost of the assessment on importers would total about \$11 million annually.

H.R. 2646 also would impose a private-sector mandate on U.S. producers of caneberries who would be required to comply with a marketing order to be issued by USDA. Caneberries are berries that grow on a cane, such as raspberries, blackberries, marionberries, and boysenberries. Federal marketing orders are typically funded by an assessment on the production of a particular good. Based on recent data on the national production of caneberries, and the assessment rates of existing state marketing orders, CBO estimates the cost of an assessment on U.S. producers of caneberries would be about \$0.5 million annually.

In addition, the bill would amend the Agriculture Marketing Act to allow the Secretary of Agriculture to expand the reporting requirement now placed on manufacturers and persons who store dairy products. That is, the bill would give the Secretary the authority to expand the list of products for which producers must report on inventories and make records available to the government. The provisions would impose a new mandate if the Secretary used the authority to make additional products subject to current requirements. USDA could not indicate which products, if any, would be added to the list. Nonetheless, since producers already keep ex-

tensive records on inventories at storage facilities, the incremental cost of complying with such requirements would be small.

Estimate prepared by Federal Costs Jim Langley, Dave Hull, Greg Hitz, Lanette Walker, Megan Carroll, and Mark Hadley; and Valerie Baxter Womer. Impact on State, local, and Tribal Governments: Marjorie Miller. Impact on the Private Sector: Lauren Marks, Cecil McPherson, and Mickey Paggi; and Ralph Smith.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SECTION 15 OF THE AGRICULTURAL MARKETING ACT

MISCELLANEOUS PROVISIONS

SEC. 15. (a) * * *

* * * * *

[(d) That the inclusion in any governmental report, bulletin, or other such publication hereafter issued or published of any prediction with respect to cotton prices is hereby prohibited. Any officer or employee of the United States who authorizes or is responsible for the inclusion in any such report, bulletin, or other publication of any such prediction, or who knowingly causes the issuance or publication of any such report, bulletin, or other publication containing any such prediction, shall, upon conviction thereof, be fined not less than \$500 or more than \$5,000, or imprisoned for not more than five years, or both: *Provided*, That this subdivision shall not apply to the members of the board when engaged in the performance of their duties herein provided.]

* * * * *

FEDERAL AGRICULTURE IMPROVEMENT AND REFORM ACT OF 1996

* * * * *

TITLE I—AGRICULTURAL MARKET TRANSITION ACT

* * * * *

Subtitle D—Other Commodities

CHAPTER 1—DAIRY

* * * * *

[SEC. 142. RECOURSE LOAN PROGRAM FOR COMMERCIAL PROCESSORS OF DAIRY PRODUCTS.

[(a) RECOURSE LOANS AVAILABLE.—Under such reasonable terms and conditions as the Secretary may prescribe, the Secretary shall make recourse loans available to commercial processors of eligible dairy products to assist the processors to manage inventories of eligible dairy products and assure a greater degree of price stability for the dairy industry during the year. The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

[(b) AMOUNT OF LOAN.—The Secretary shall establish the amount of a loan for eligible dairy products, which shall reflect a milk equivalent value of \$9.90 per hundredweight of milk containing 3.67 percent butterfat. The rate of interest charged participants under this section shall not be less than the rate of interest charged the Commodity Credit Corporation by the United States Treasury.

[(c) PERIOD OF LOAN.—The original term of a recourse loan made under this section may not extend beyond the end of the fiscal year in which the loan is made. At the end of the fiscal year, the Secretary may extend the loan for an additional period not to exceed the end of the next fiscal year.

[(d) DEFINITION OF ELIGIBLE DAIRY PRODUCTS.—In this section, the term “eligible dairy products” means cheddar cheese, butter, and nonfat dry milk.

[(e) EFFECTIVE DATE.—This section shall be effective beginning January 1, 2002.]

* * * * *

CHAPTER 2—PEANUTS AND SUGAR

[SEC. 155. PEANUT PROGRAM.

[(a) QUOTA PEANUTS.—

[(1) AVAILABILITY OF LOANS.—The Secretary shall make non-recourse loans available to producers of quota peanuts.

[(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be \$610 per ton.

[(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

[(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 162.

[(5) OFFERS FROM HANDLERS.—If a producer markets a quota peanut crop, meeting quality requirements for domestic edible use, through the marketing association loan for two consecutive marketing years and the Secretary determines that a handler provided the producer with a written offer, upon delivery, for the purchase of the quota peanut crops at a price equal to or in excess of the quota support price, the producer shall be ineligible for quota price support for the next marketing year. The Secretary shall establish the method by which a producer may appeal a determination under this paragraph regarding ineligibility for quota price support.

[(b) ADDITIONAL PEANUTS.—

[(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

[(2) LIMITATION.—The Secretary shall establish the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

[(3) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

[(c) AREA MARKETING ASSOCIATIONS.—

[(1) WAREHOUSE STORAGE LOANS.—

[(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

[(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

[(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

[(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

[(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

[(B) ELIGIBILITY TO PARTICIPATE IN NEW MEXICO POOLS.—

[(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

[(ii) EXCEPTION.—A producer of Valencia peanuts may enter Valencia peanuts that are produced in Texas into the pools of New Mexico in a quantity not greater than the average annual quantity of the peanuts that the producer entered into the New Mexico pools for the 1990 through 1995 crops.

[(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

[(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

[(i) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool.

[(ii) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts.

[(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

[(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

[(2) PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and edible export use.

[(3) OFFSET WITHIN AREA.—Further losses in an area quota pool shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation in that area and sold for domestic edible use, in accordance with regulations issued by the Secretary. This paragraph shall not apply to profits or gains from a farm with 1 acre or less of peanut production.

[(4) FIRST USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this paragraph that the Secretary determines are not required to cover losses in area quota pools.

[(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–

1(b)(8)), shall be offset by any gains or profits from quota pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

[(6) OFFSET GENERALLY.—If losses in an area quota pool have not been entirely offset under the preceding paragraphs, further losses shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation and sold for domestic edible use, in accordance with regulations issued by the Secretary. This paragraph shall not apply to profits or gains from a farm with 1 acre or less of peanut production.

[(7) SECOND USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) and attributable to handlers to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this paragraph that the Secretary determines are not required to cover losses in area quota pools.

[(8) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment for producers established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. The increased assessment shall apply only to quota peanuts in the production area covered by the pool. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

[(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

[(f) QUALITY IMPROVEMENT.—

[(1) IN GENERAL.—With respect to peanuts under loan, the Secretary shall—

[(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

[(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

[(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act

(7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

[(D) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

[(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

[(g) MARKETING ASSESSMENT.—

[(1) IN GENERAL.—The Secretary shall provide for a non-refundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

[(2) FIRST PURCHASERS.—

[(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

[(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

[(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

[(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

[(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

[(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

[(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

[(B) DEFINITION OF FIRST PURCHASER.—In this subsection, the term “first purchaser” means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

[(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

[(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, the producer portion of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

[(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

[(A) the quantity of peanuts involved in the violation; by

[(B) the national average quota peanut rate for the applicable crop year.

[(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

[(h) CROPS.—Subsections (a) through (g) shall be effective only for the 1996 through 2002 crops of peanuts.

[(i) POUNDAGE QUOTAS.—

[(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

[(A) in section 358–1 (7 U.S.C. 1358–1)—

[(i) in the section heading, by striking “1991 through 1997 crops of”;

[(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking “of the 1991 through 1997 marketing years” each place it appears and inserting “marketing year”;

[(iii) in subsection (a)(3), by striking “1990” and inserting “1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years”;

[(iv) in subsection (b)(1)(A)—

[(I) by striking “each of the 1991 through 1997 marketing years” and inserting “each marketing year”; and

[(II) in clause (i), by inserting before the semicolon the following: “, in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years”;

[(v) in subsection (b)(1), by adding at the end the following:

[(“D) CERTAIN FARMS INELIGIBLE FOR QUOTA.—Effective beginning with the 1998 crop, the Secretary shall not establish a farm poundage quota under subparagraph (A) for a farm owned or controlled by—

[(i) a municipality, airport authority, school, college, refuge, or other public entity (other than a university used for research purposes); or

[(ii) a person who is not a producer and resides in another State.”;

[(vi) in subsection (b)(2), by adding at the end the following:

[(E) TRANSFER OF QUOTA FROM INELIGIBLE FARMS.—Any farm poundage quota held at the end of the 1996 marketing year by a farm described in paragraph (1)(D) shall be allocated to other farms in the same State on such basis as the Secretary may by regulation prescribe.”; and

[(vii) in subsection (f), by striking “1997” and inserting “2002”;

[(B) in section 358b (7 U.S.C. 1358b)—

[(i) in the section heading, by striking “**1991 through 1995 crops of**”; and

[(ii) in subsection (c), by striking “1995” and inserting “2002”;

[(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking “1995” and inserting “2002”; and

[(D) in section 358e (7 U.S.C. 1359a)—

[(i) in the section heading, by striking “**for 1991 through 1997 crops of peanuts**”; and

[(ii) in subsection (i), by striking “1997” and inserting “2002”.

[(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

[(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended—

[(A) in subsection (a)(1), by striking “domestic edible, seed,” and inserting “domestic edible use (except seed)”; and

[(B) in subsection (b)(2)—

[(i) in subparagraph (A), by striking “subparagraph (B) and subject to”; and

[(ii) by striking subparagraph (B) and inserting the following:

[(B) TEMPORARY QUOTA ALLOCATION.—

[(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

[(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted and determined under regulations prescribed by the Secretary.

[(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total, to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

[(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regard-

ing the use of quota and additional peanuts established by section 358e(b).”.

[(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

[(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

[(i) in paragraph (1)(B), by striking “including—” and clauses (i) and (ii) and inserting “including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).”;

[(ii) in paragraph (3)(B), by striking “include—” and clauses (i) and (ii) and inserting “include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).”; and

[(iii) by striking paragraphs (8) and (9); and

[(B) in section 358b(a) (7 U.S.C. 1358b(a))—

[(i) in paragraph (2), by striking “(including any applicable under marketings)”;

[(ii) in paragraph (3), by striking “(including any applicable undermarketings)”.

[(5) DISASTER TRANSFERS.—Section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is amended by adding at the end the following:

[(“8) DISASTER TRANSFERS.—

[(“A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

[(“B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

[(“i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

[(“ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

[(“C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.”.

[(6) SALE OR LEASE.—Section 358b(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b(a)) is amended—

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

[(“1) SALE AND LEASE AUTHORITY.—

[(“A) SALE OR LEASE WITHIN SAME STATE.—Subject to subparagraph (B) and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of a farm in a State for which a farm poundage quota has been established may sell or

lease all or any part of the poundage quota to any other owner or operator of a farm within the same State for transfer to the farm. However, any such lease of poundage quota may be entered into in the fall or after the normal planting season—

[(i) if not less than 90 percent of the basic quota (the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

[(ii) under such terms and conditions as the Secretary may by regulation prescribe.

“In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization. A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

[(B) PERCENTAGE LIMITATIONS ON SPRING TRANSFERS.—Spring transfers under subparagraph (A) by sale or lease of a quota for farms in a county to any owner or operator of a farm outside the county within the same State shall not exceed the applicable percentage specified in this subparagraph of the quotas of all farms in the originating county (as of January 1, 1996) for the crop year in which the transfer is made, plus the total amount of quotas eligible for transfer from the originating county in the preceding crop year that were not transferred in that year or that were transferred through an expired lease. However, not more than an aggregate of 40 percent of the total poundage quota within a county (as of January 1, 1996) may be transferred outside of the county. Cumulative unexpired transfers outside of a county may not exceed for a crop year the following:

[(i) For the 1996 crop, 15 percent.

[(ii) For the 1997 crop, 25 percent.

[(iii) For the 1998 crop, 30 percent.

[(iv) For the 1999 crop, 35 percent.

[(v) For the 2000 and subsequent crops, not more than an aggregate of 40 percent of the total poundage quota within the county as of January 1, 1996.

[(C) CLARIFICATION REGARDING FALL TRANSFERS.—The limitation in subparagraph (B) does not apply to 1-year fall transfers, which in all cases may be made to any farm in the same State.

[(D) EFFECT OF TRANSFER.—Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if the transferred quota is produced or considered produced on the receiving farm.”; and

[(B) by adding at the end the following:

[(4) TRANSFERS IN COUNTIES WITH SMALL QUOTAS.—Notwithstanding paragraphs (1) and (2), in the case of any county in a State for which the poundage quota allocated to the coun-

ty was less than 100,000 pounds for the preceding year's crop, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in the county to a farm in another county in the same State.".]

SEC. 156. SUGAR PROGRAM.

(a) * * *

* * * * *

(c) **[REDUCTION IN LOAN RATES] LOAN RATE ADJUSTMENTS.—**

(1) **[REDUCTION REQUIRED] POSSIBLE REDUCTION.—**The Secretary **[shall]** *may* reduce the loan rate specified in subsection (a) for domestically grown sugarcane and subsection (b) for domestically grown sugar beets if the Secretary determines that negotiated reductions in export subsidies and domestic subsidies provided for sugar of other major sugar growing, producing, and exporting countries in the aggregate exceed the commitments made as part of the Agreement on Agriculture.

* * * * *

(e) **LOAN TYPE; PROCESSOR ASSURANCES.—**

(1) * * *

* * * * *

(3) **PREVENTION OF ONEROUS NOTIFICATION REQUIREMENTS.—***The Secretary may not impose or enforce any prenotification or similar administrative requirement that has the effect of preventing a processor from choosing to forfeit the loan collateral upon the maturity of the loan.*

[(f) MARKETING ASSESSMENT.—

[(1) SUGARCANE.—Effective for marketings of raw cane sugar during the 1996 through 2003 fiscal years, the first processor of sugarcane shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

[(A) in the case of marketings during fiscal year 1996, 1.1 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

[(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.375 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

[(2) SUGAR BEETS.—Effective for marketings of beet sugar during the 1996 through 2003 fiscal years, the first processor of sugar beets shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

[(A) in the case of marketings during fiscal year 1996, 1.1794 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the proc-

essor from domestically produced sugar beets or sugar beet molasses, that has been marketed; and

[(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.47425 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.

[(3) COLLECTION.—

[(A) TIMING.—A marketing assessment required under this subsection shall be collected on a monthly basis and shall be remitted to the Commodity Credit Corporation not later than 30 days after the end of each month. Any cane sugar or beet sugar processed during a fiscal year that has not been marketed by September 30 of the year shall be subject to assessment on that date. The sugar shall not be subject to a second assessment at the time that it is marketed.

[(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be non-refundable.

[(4) PENALTIES.—If any person fails to remit the assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

[(A) the quantity of cane sugar or beet sugar involved in the violation; by

[(B) the loan rate for the applicable crop of sugarcane or sugar beets.

[(5) ENFORCEMENT.—The Secretary may enforce this subsection in a court of the United States.]

(f) *LOANS FOR IN-PROCESS SUGAR.*—

(1) *AVAILABILITY; RATE.*—*The Secretary shall make non-recourse loans available to processors of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from such crops. The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, depending on the source material for the in-process sugars and syrups.*

(2) *FURTHER PROCESSING UPON FORFEITURE.*—*As a condition on the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (1), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b). Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Corporation, which shall make a payment to the processor in an amount equal to the difference between the loan rate for raw cane sugar or refined beet sugar, whichever applies, and the loan rate the processor received under paragraph (1).*

(3) *LOAN CONVERSION.*—If the processor does not forfeit the collateral as described in paragraph (2), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may then obtain a loan under subsection (a) or (b) on the raw cane sugar or refined beet sugar, as appropriate.

(4) *DEFINITION.*—In this subsection the term “in-process sugars and syrups” does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished products that are otherwise eligible for loans under subsection (a) or (b).

* * * * *

(h) *INFORMATION REPORTING.*—

(1) * * *

(2) *DUTY OF PRODUCERS TO REPORT.*—

(A) *PROPORTIONATE SHARE STATES.*—The Secretary shall require a producer of sugarcane located in a State (other than Puerto Rico) in which there are in excess of 250 sugarcane producers to report, in the manner prescribed by the Secretary, the producer’s sugarcane yields and acres planted to sugarcane.

(B) *OTHER STATES.*—The Secretary may require producers of sugarcane or sugar beets not covered by paragraph (1) to report, in the manner prescribed by the Secretary, each producer’s sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

(3) *DUTY OF IMPORTERS TO REPORT.*—The Secretary shall require an importer of sugars, syrups or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption, except such sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are at the lower rate of duties, to report, in the manner prescribed by the Secretary, the quantities of such products imported and the sugar content or equivalent of such products.

[(2)] (4) *PENALTY.*—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, shall be subject to a civil penalty of not more than \$10,000 for each such violation.

[(3)] (5) *MONTHLY REPORTS.*—Taking into consideration the information received under [paragraph (1)] *this subsection*, the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

(i) *CROPS.*—This section [(other than subsection (f))] shall be effective only for the 1996 through [2002] 2011 crops of sugar beets and sugarcane.

(j) *AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.*—

(1) *NO COST.*—To the maximum extent practicable, the Secretary shall operate the sugar program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

(2) *INVENTORY DISPOSITION.*—In support of the objective specified in paragraph (1), the Commodity Credit Corporation may accept bids for commodities in the inventory of the Corporation from (or otherwise make available such commodities, on appro-

prate terms and conditions, to) processors of sugarcane and processors of sugar beets (when the processors are acting in conjunction with the producers of the sugarcane or sugar beets processed by such processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate. The authority provided under this paragraph is in addition to any authority of the Corporation under any other law.

* * * * *

Subtitle E—Administration

* * * * *

SEC. 162. ADJUSTMENTS OF LOANS.

(a) * * *

(b) MANNER OF ADJUSTMENT.—The adjustments under the authority of this section shall, to the maximum extent practicable, be made in such 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 as provided in [this title] *this title and title I of the Farm Security Act of 2001.*

* * * * *

SEC. 163. COMMODITY CREDIT CORPORATION INTEREST RATE.

Notwithstanding any other provision of law, the monthly Commodity Credit Corporation interest rate applicable to loans provided for agricultural commodities by the Corporation shall be 100 basis points greater than the rate determined under the applicable interest rate formula in effect on October 1, 1995. *For purposes of this section, raw cane sugar, refined beet sugar, and in process sugar eligible for a loan under section 156 shall not be considered an agricultural commodity.*

SEC. 164. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

(a) IN GENERAL.—Except as provided in subsection (b), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under [this title] *this title and title I of the Farm Security Act of 2001* unless the loan was obtained through a fraudulent representation by the producer.

(b) LIMITATIONS.—Subsection (a) shall not prevent the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

(1) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(2) a failure to properly care for and preserve a commodity;

or

(3) a failure or refusal to deliver a commodity in accordance with a program established under [this title] *this title and title I of the Farm Security Act of 2001.*

(c) ACQUISITION OF COLLATERAL.—In the case of a nonrecourse loan made under this title or the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), if the Commodity Credit Corporation acquires title to the unredeemed collateral, the Corpora-

tion shall be under no obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(d) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived.

* * * * *

SEC. 166. COMMODITY CERTIFICATES.

(a) IN GENERAL.—In making in-kind payments under [subtitle C] *subtitle C of this title and title I of the Farm Security Act of 2001*, the Commodity Credit Corporation may—

(1) * * *

* * * * *

(c) ADMINISTRATION.—

(1) FORM.—At the option of a producer, the Commodity Credit Corporation shall make negotiable certificates authorized under subsection (b)(3) available to the producer, in the form of program payments or by sale, in a manner that the Corporation determines will encourage the orderly marketing of commodities pledged as collateral for loans made to producers under [subtitle C] *subtitle C of this title and title I of the Farm Security Act of 2001*.

* * * * *

Subtitle F—Permanent Price Support Authority

SEC. 171. SUSPENSION AND REPEAL OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—

(1) SUSPENSIONS.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through [2002] 2011 crops of loan commodities, peanuts, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this title and ending on December 31, [2002] 2011:

(A) * * *

* * * * *

(E) Part VII of subtitle B of title III (7 U.S.C. 1359aa–1359jj), *but only with respect to sugar marketings through fiscal year 2002*.

(b) AGRICULTURAL ACT OF 1949.—

(1) SUSPENSIONS.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 1996 through [2002] 2011 crops of loan commodities, peanuts, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this title and ending on December 31, [2002] 2011:

(A) * * *

* * * * *

(c) **SUSPENSION OF CERTAIN QUOTA PROVISIONS.**—The joint resolution entitled “A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended”, approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through **[2002]** *2011*.

* * * * *

TITLE III—CONSERVATION

* * * * *

[Subtitle F—National Natural Resources Conservation Foundation]

[SEC. 351.SHORT TITLE.

[This subtitle may be cited as the “National Natural Resources Conservation Foundation Act”.

[SEC. 352. DEFINITIONS.

[In this subtitle (unless the context otherwise requires):

[(1) BOARD.—The term “Board” means the Board of Trustees established under section 354.

[(2) DEPARTMENT.—The term “Department” means the Department of Agriculture.

[(3) FOUNDATION.—The term “Foundation” means the National Natural Resources Conservation Foundation established by section 353(a).

[(4) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

[SEC. 353. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION.

[(a) ESTABLISHMENT.—A National Natural Resources Conservation Foundation is established as a charitable and nonprofit corporation for charitable, scientific, and educational purposes specified in subsection (b). The Foundation is not an agency or instrumentality of the United States.

[(b) DUTIES.—The Foundation shall—

[(1) promote innovative solutions to the problems associated with the conservation of natural resources on private lands, particularly with respect to agriculture and soil and water conservation;

[(2) promote voluntary partnerships between government and private interests in the conservation of natural resources;

[(3) conduct research and undertake educational activities, conduct and support demonstration projects, and make grants to State and local agencies and nonprofit organizations;

[(4) provide such other leadership and support as may be necessary to address conservation challenges, such as the prevention of excessive soil erosion, the enhancement of soil and water quality, and the protection of wetlands, wildlife habitat,

and strategically important farmland subject to urban conversion and fragmentation;

[(5) encourage, accept, and administer private gifts of money and real and personal property for the benefit of, or in connection with, the conservation and related activities and services of the Department, particularly the Natural Resources Conservation Service;

[(6) undertake, conduct, and encourage educational, technical, and other assistance, and other activities, that support the conservation and related programs administered by the Department (other than activities carried out on National Forest System lands), particularly the Natural Resources Conservation Service, except that the Foundation may not enforce or administer a regulation of the Department; and

[(7) raise private funds to promote the purposes of the Foundation.

[(c) LIMITATIONS AND CONFLICTS OF INTEREST.—

[(1) POLITICAL ACTIVITIES.—The Foundation shall not participate or intervene in a political campaign on behalf of any candidate for public office.

[(2) CONFLICTS OF INTEREST.—No director, officer, or employee of the Foundation shall participate, directly or indirectly, in the consideration or determination of any question before the Foundation affecting—

[(A) the financial interests of the director, officer, or employee; or

[(B) the interests of any corporation, partnership, entity, organization, or other person in which the director, officer, or employee—

[(i) is an officer, director, or trustee; or

[(ii) has any direct or indirect financial interest.

[(3) LEGISLATION OR GOVERNMENT ACTION OR POLICY.—No funds of the Foundation may be used in any manner for the purpose of influencing legislation or government action or policy.

[(4) LITIGATION.—No funds of the Foundation may be used to bring or join an action against the United States.

[SEC. 354. COMPOSITION AND OPERATION.

[(a) COMPOSITION.—The Foundation shall be administered by a Board of Trustees that shall consist of 9 voting members, each of whom shall be a United States citizen and not a Federal officer. The Board shall be composed of—

[(1) individuals with expertise in agricultural conservation policy matters;

[(2) a representative of private sector organizations with a demonstrable interest in natural resources conservation;

[(3) a representative of statewide conservation organizations;

[(4) a representative of soil and water conservation districts;

[(5) a representative of organizations outside the Federal Government that are dedicated to natural resources conservation education; and

[(6) a farmer or rancher.

[(b) NONGOVERNMENTAL EMPLOYEES.—Service as a member of the Board shall not constitute employment by, or the holding of, an office of the United States for the purposes of any Federal law.

[(c) MEMBERSHIP.—

[(1) INITIAL MEMBERS.—The Secretary shall appoint 9 persons who meet the criteria established under subsection (a) as the initial members of the Board and designate 1 of the members as the initial chairperson for a 2-year term.

[(2) TERMS OF OFFICE.—

[(A) IN GENERAL.—A member of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

[(B) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms as a member of the Board.

[(3) SUBSEQUENT MEMBERS.—The initial members of the Board shall adopt procedures in the constitution of the Foundation for the nomination and selection of subsequent members of the Board. The procedures shall require that each member, at a minimum, meets the criteria established under subsection (a) and shall provide for the selection of an individual, who is not a Federal officer or a member of the Board.

[(d) CHAIRPERSON.—After the appointment of an initial chairperson under subsection (c)(1), each succeeding chairperson of the Board shall be elected by the members of the Board for a 2-year term.

[(e) VACANCIES.—A vacancy on the Board shall be filled by the Board not later than 60 days after the occurrence of the vacancy.

[(f) COMPENSATION.—A member of the Board shall receive no compensation from the Foundation for the service of the member on the Board.

[(g) TRAVEL EXPENSES.—While away from the home or regular place of business of a member of the Board in the performance of services for the Board, the member shall be allowed travel expenses paid by the Foundation, including per diem in lieu of subsistence, at the same rate as a person employed intermittently in the Government service is allowed under section 5703 of title 5, United States Code.

[SEC. 355. OFFICERS AND EMPLOYEES.

[(a) IN GENERAL.—The Board may—

[(1) appoint, hire, and discharge the officers and employees of the Foundation, other than appoint the initial Executive Director of the Foundation;

[(2) adopt a constitution and bylaws for the Foundation that are consistent with the purposes of this subtitle; and

[(3) undertake any other activities that may be necessary to carry out this subtitle.

[(b) OFFICERS AND EMPLOYEES.—

[(1) APPOINTMENT AND HIRING.—An officer or employee of the Foundation—

[(A) shall not, by virtue of the appointment or employment of the officer or employee, be considered a Federal employee for any purpose, including the provisions of title 5, United States Code, governing appointments in the competitive service, except that such an individual may participate in the Federal employee retirement system as if the individual were a Federal employee; and

[(B) may not be paid by the Foundation a salary in excess of \$125,000 per year.

[(2) EXECUTIVE DIRECTOR.—

[(A) INITIAL DIRECTOR.—The Secretary shall appoint an individual to serve as the initial Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

[(B) SUBSEQUENT DIRECTORS.—The Board shall appoint each subsequent Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

[(C) QUALIFICATIONS.—The Executive Director shall be knowledgeable and experienced in matters relating to natural resources conservation.

[(SEC. 356. CORPORATE POWERS AND OBLIGATIONS OF THE FOUNDATION.

[(a) IN GENERAL.—The Foundation—

[(1) may conduct business throughout the United States and the territories and possessions of the United States; and

[(2) shall at all times maintain a designated agent who is authorized to accept service of process for the Foundation, so that the serving of notice to, or service of process on, the agent, or mailed to the business address of the agent, shall be considered as service on or notice to the Foundation.

[(b) SEAL.—The Foundation shall have an official seal selected by the Board that shall be judicially noticed.

[(c) POWERS.—To carry out the purposes of the Foundation under section 353(b), the Foundation shall have, in addition to the powers otherwise provided under this subtitle, the usual powers of a corporation, including the power—

[(1) to accept, receive, solicit, hold, administer, and use any gift, devise, or bequest, either absolutely or in trust, of real or personal property or any income from, or other interest in, the gift, devise, or bequest;

[(2) to acquire by purchase or exchange any real or personal property or interest in property, except that funds provided under section 360 may not be used to purchase an interest in real property;

[(3) unless otherwise required by instrument of transfer, to sell, donate, lease, invest, reinvest, retain, or otherwise dispose of any property or income from property;

[(4) to borrow money from private sources and issue bonds, debentures, or other debt instruments, subject to section 359, except that the aggregate amount of the borrowing and debt instruments outstanding at any time may not exceed \$1,000,000;

[(5) to sue and be sued, and complain and defend itself, in any court of competent jurisdiction, except that a member of the Board shall not be personally liable for an action in the performance of services for the Board, except for gross negligence;

[(6) to enter into a contract or other agreement with an agency of State or local government, educational institution, or other private organization or person and to make such pay-

ments as may be necessary to carry out the functions of the Foundation; and

[(7) to do any and all acts that are necessary to carry out the purposes of the Foundation.

[(d) INTERESTS IN PROPERTY.—

[(1) INTERESTS IN REAL PROPERTY.—The Foundation may acquire, hold, and dispose of lands, waters, or other interests in real property by donation, gift, devise, purchase, or exchange. An interest in real property shall be treated, among other things, as including an easement or other right for the preservation, conservation, protection, or enhancement of agricultural, natural, scenic, historic, scientific, educational, inspirational, or recreational resources.

[(2) GIFTS.—A gift, devise, or bequest may be accepted by the Foundation even though the gift, devise, or bequest is encumbered, restricted, or subject to a beneficial interest of a private person if any current or future interest in the gift, devise, or bequest is for the benefit of the Foundation.

[SEC. 357. ADMINISTRATIVE SERVICES AND SUPPORT.

[For each of fiscal years 1996 through 1998, the Secretary may provide, without reimbursement, personnel, facilities, and other administrative services of the Department to the Foundation.

[SEC. 358. AUDITS AND PETITION OF ATTORNEY GENERAL FOR EQUITABLE RELIEF.

[(a) AUDITS.—

[(1) IN GENERAL.—The accounts of the Foundation shall be audited in accordance with Public Law 88–504 (36 U.S.C. 1101 et seq.), including an audit of lobbying and litigation activities carried out by the Foundation.

[(b) RELIEF WITH RESPECT TO CERTAIN FOUNDATION ACTS OR FAILURE TO ACT.—The Attorney General may petition in the United States District Court for the District of Columbia for such equitable relief as may be necessary or appropriate, if the Foundation—

[(1) engages in, or threatens to engage in, any act, practice, or policy that is inconsistent with this subtitle; or

[(2) refuses, fails, neglects, or threatens to refuse, fail, or neglect, to discharge the obligations of the Foundation under this subtitle.

[SEC. 359. RELEASE FROM LIABILITY.

[(a) IN GENERAL.—The United States shall not be liable for any debt, default, act, or omission of the Foundation. The full faith and credit of the United States shall not extend to the Foundation.

[(b) STATEMENT.—An obligation issued by the Foundation, and a document offering an obligation, shall include a prominent statement that the obligation is not directly or indirectly guaranteed, in whole or in part, by the United States (or an agency or instrumentality of the United States).

[SEC. 360. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to the Department to be made available to the Foundation \$1,000,000 for each of fiscal

years 1997 through 1999 to initially establish and carry out activities of the Foundation.】

* * * * *

Subtitle H—Miscellaneous Conservation Provisions

* * * * *

SEC. 387. WILDLIFE HABITAT INCENTIVES PROGRAM.

(a) * * *

* * * * *

[(c) FUNDING.—To carry out this section, a total of \$50,000,000 shall be made available for fiscal years 1996 through 2002 from funds made available to carry out 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.).】

(c) FUNDING.—To carry out this section, there shall be made available \$25,000,000 for each of fiscal years 2002 through 2011, from funds made available from the Commodity Credit Corporation.

SEC. 388. FARMLAND PROTECTION PROGRAM.

(a) IN GENERAL.—The Secretary of Agriculture shall establish and carry out a farmland protection program under which the Secretary shall purchase conservation easements or other interests in not less than 170,000, nor more than 340,000, acres of land with prime, unique, or other productive soil, *or agricultural land that contains historic or archeological resources*, that is subject to a pending offer from a State or local government for the purpose of protecting topsoil by limiting nonagricultural uses of the land.

* * * * *

[(c) FUNDING.—The Secretary shall use not more than \$35,000,000 of the funds of the Commodity Credit Corporation to carry out this section.】

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

* * * * *

FOOD SECURITY ACT OF 1985

TITLE I—DAIRY

* * * * *

SUBTITLE E—MISCELLANEOUS

* * * * *

DAIRY EXPORT INCENTIVE PROGRAM

SEC. 153. (a) During the period beginning 60 days after the date of enactment of this Act and ending on December 31, [2002] 2011, the Commodity Credit Corporation shall establish and operate an

export incentive program as described in this section for dairy products under section 5 of the Commodity Credit Corporation Charter Act.

* * * * *

TITLE X—GENERAL COMMODITY PROVISIONS

SUBTITLE A—MISCELLANEOUS COMMODITY PROVISIONS

PAYMENT LIMITATIONS

SEC. 1001. Notwithstanding any other provision of law:

(1) LIMITATION ON ~~【PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS】~~ *FIXED, DECOUPLED PAYMENTS*.—The total amount of ~~【contract payments made under the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts】~~ *fixed, decoupled payments made to a person* during any fiscal year may not exceed ~~§【4】~~ 50,000.

(2) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—The total amount of the ~~【payments specified in paragraph (3) that a person shall be entitled to receive under the Agricultural Market Transition Act for 1 or more contract commodities and oilseeds】~~ *following payments that a person shall be entitled to receive* during any crop year may not exceed ~~§【75】~~ 150,000~~【.】~~.

~~【(3) DESCRIPTION OF PAYMENTS SUBJECT TO LIMITATION.—The payments referred to in paragraph (2) are the following】:~~

(A) Any gain realized by a producer from repaying a marketing assistance loan under ~~【section 131 of the Agricultural Market Transition Act for a crop of any loan commodity at a lower level than the original loan rate established for the loan commodity under section 132】~~ *section 121 of the Farm Security Act of 2001 for a crop of any covered commodity at a lower level than the original loan rate established for the commodity under section 122 of the Act.*

(B) Any loan deficiency payment received for a loan commodity under ~~【section 135】~~ *section 125 of the Act.*

(3) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—*The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed the amount specified in paragraph (2), as in effect on the day before the date of the enactment of the Farm Security Act of 2001.*

~~【(4) DEFINITIONS.—In this title, the terms “contract commodity”, “contract payment”, “loan commodity”, “oilseed”, and “production flexibility contract” have the meaning given those terms in section 102 of the Agricultural Market Transition Act.】~~

(4) DEFINITIONS.—*In this title, the terms “covered commodity”, “counter-cyclical payment”, and “fixed, decoupled payment” have the meaning given those terms in section 100 of the Farm Security Act of 2001.*

* * * * *

TITLE XI—TRADE

* * * * *

SUBTITLE A—PUBLIC LAW 480 AND USE OF SURPLUS COMMODITIES
IN INTERNATIONAL PROGRAMS

* * * * *

SEC. 1110. (a) * * *

* * * * *

(e)(1) * * *

(2) Notwithstanding any other provision of law, the Commodity Credit Corporation may use funds appropriated to carry out title I of the Agricultural Trade Development and Assistance Act of 1954 in carrying out this section with respect to commodities made available under that Act, *and subsection (g) does not apply to such commodities furnished on a grant basis or on credit terms under title I of the Agricultural Trade Development Act of 1954.*

(f)(1) * * *

* * * * *

(3) No funds of the Commodity Credit Corporation in excess of **[\$30,000,000]** *\$35,000,000* (or, in the case of fiscal year 1999, \$35,000,000) (exclusive of the cost of commodities) may be used for each of fiscal years 1996 through **[2002]** *2011* to carry out this section with respect to commodities made available under section 416(b) of the Agricultural Act of 1949 unless authorized in advance in appropriation Acts.

* * * * *

(g) Not more than 500,000 metric tons of commodities may be furnished under this section in each of the fiscal years 1986 through **[2002]** *2011*.

* * * * *

(j) In carrying out this section, the President **[may]** *is encouraged*, on request and subject to the availability of commodities, to approve agreements that provide for commodities to be made available for distribution or sale by the recipient on a multiyear basis if the agreements otherwise meet the requirements of this section.

(k) This section shall be effective during the period beginning October 1, 1985, and ending December 31, **[2002]** *2011*.

(l)(1) To enhance the development of private sector agriculture in countries receiving assistance under this section the President may, in each of the fiscal years 1996 through **[2002]** *2011*, use in addition to any amounts or commodities otherwise made available under this section for such activities, not to exceed \$10,000,000 (or, in the case of **[fiscal year 1999]** *fiscal years 2002 through 2011*, \$12,000,000) of Commodity Credit Corporation funds (or commodities of an equal value owned by the Corporation), to provide assistance in the administration, sale, and monitoring of food assistance programs, and to provide technical assistance for monetization programs, to strengthen private sector agriculture in recipient countries.

* * * * *

(p) *The Secretary is encouraged to finalize program agreements and resource requests for programs under this section before the beginning of the relevant fiscal year. By November 1 of the relevant fiscal year, the Secretary shall provide to the Committee on Agriculture of the House of Representatives, and the Committee on Agri-*

culture, Nutrition, and Forestry of the Senate a list of approved programs, countries, and commodities, and the total amounts of funds approved for transportation and administrative costs, under this section.

* * * * *

TITLE XII—CONSERVATION

SUBTITLE A—DEFINITIONS

DEFINITIONS

SEC. 1201. (a) For purposes of subtitles A through E:

[(1) The term “agricultural commodity” means—

[(A) any agricultural commodity planted and produced in a State by annual tilling of the soil, including tilling by one-trip planters; or

[(B) sugarcane planted and produced in a State.]]

(1) *AGRICULTURAL COMMODITY.*—*The term “agricultural commodity” means any agricultural crop planted or produced in a State.*

* * * * *

SUBTITLE B—HIGHLY ERODIBLE LAND CONSERVATION

SEC. 1213. DEVELOPMENT AND IMPLEMENTATION OF CONSERVATION PLANS AND CONSERVATION SYSTEMS.

(a) * * *

* * * * *

[(e) **TECHNICAL ASSISTANCE.**—The Secretary shall, using available resources and consistent with the Secretary’s other conservation responsibilities and objectives, provide technical assistance to a person throughout the development, revision, and application of the conservation plan and any conservation system of the person. At the request of the person, the Secretary may provide technical assistance regarding conservation measures and management practices for other lands of the person that do not contain highly erodible cropland.]]

(e) *TECHNICAL ASSISTANCE.*—*A producer who is subject to this subtitle shall be eligible to receive technical assistance in accordance with section 1243(d) throughout the development, revision, and application of the conservation plan and any conservation system of the producer.*

* * * * *

Subtitle C—Wetland Conservation

SEC. 1221. PROGRAM INELIGIBILITY.

(a) * * *

(b) **INELIGIBILITY FOR CERTAIN LOANS AND PAYMENTS.**—If a person is determined to have committed a violation under subsection (a) during a crop year, the Secretary shall determine which of, and the amount of, the following loans and payments *relating to any commodity produced during that crop year by such person* for which the person shall be ineligible:

(1) * * *

* * * * *

SEC. 1222. DELINEATION OF WETLANDS; EXEMPTIONS.

(a) * * *

* * * * *

[(k) **MITIGATION BANKING PROGRAM.**—Using authorities available to the Secretary, the Secretary may operate a pilot program for mitigation banking of wetlands to assist persons to increase the efficiency of agricultural operations while protecting wetland functions and values. Subsection (f)(2)(C) shall not apply to this subsection.]

* * * * *

Subtitle D—Agricultural Resources Conservation Program

**CHAPTER 1—ENVIRONMENTAL CONSERVATION
ACREAGE RESERVE PROGRAM**

[Subchapter A—General Provisions

[SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

[(a) **ESTABLISHMENT.**—

[(1) **IN GENERAL.**—During the 1996 through 2002 calendar years, the Secretary shall establish an environmental conservation acreage reserve program (referred to in this section as “ECARP”) to be implemented through contracts and the acquisition of easements to assist owners and operators of farms and ranches to conserve and enhance soil, water, and related natural resources, including grazing land, wetland, and wildlife habitat.

[(2) **MEANS.**—The Secretary shall carry out the ECARP by—

[(A) providing for the long-term protection of environmentally sensitive land; and

[(B) providing technical and financial assistance to farmers and ranchers to—

[(i) improve the management and operation of the farms and ranches; and

[(ii) reconcile productivity and profitability with protection and enhancement of the environment.

[(3) **PROGRAMS.**—The ECARP shall consist of—

[(A) the conservation reserve program established under subchapter B;

[(B) the wetlands reserve program established under subchapter C; and

[(C) the environmental quality incentives program established under chapter 4.

[(b) **ADMINISTRATION.**—

[(1) **IN GENERAL.**—In carrying out the ECARP, the Secretary shall enter into contracts with owners and operators and acquire interests in land through easements from owners, as provided in this chapter and chapter 4.

[(2) **PRIOR ENROLLMENTS.**—Acreage enrolled in the conservation reserve or wetlands reserve program prior to the date of

enactment of this paragraph shall be considered to be placed into the ECARP.

[(c) CONSERVATION PRIORITY AREAS.—

[(1) DESIGNATION.—The Secretary may designate watersheds, multistate areas, or regions of special environmental sensitivity as conservation priority areas that are eligible for enhanced assistance under this chapter and chapter 4.

[(2) ASSISTANCE.—The Secretary may designate areas as conservation priority areas to assist, to the maximum extent practicable, agricultural producers within the conservation priority areas to comply with nonpoint source pollution requirements under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and other Federal and State environmental laws and to meet other conservation needs.

[(3) PRODUCERS.—The Secretary may provide technical assistance, cost-share payments, and incentive payments to producers in a conservation priority area under this chapter and chapter 4 based on—

[(A) the significance of the soil, water, wildlife habitat, and related natural resource problems in a watershed, multistate area, or region; and

[(B) the structural practices or land management practices that best address the problems, and that maximize environmental benefits for each dollar expended, as determined by the Secretary.]

* * * * *

Subchapter B—Conservation Reserve

SEC. 1231. CONSERVATION RESERVE.

(a) **IN GENERAL.—**Through the **[2002]** 2011 calendar year, the Secretary shall formulate and carry out the enrollment of lands in a conservation reserve program through the use of contracts to assist owners and operators of lands specified in subsection (b) to conserve and improve the soil **[and water]**, *water, and wildlife* resources of such lands.

(b) **ELIGIBLE LANDS.—**The Secretary may include in the program established under this subchapter—

(1) * * *

[(2) marginal pasture lands converted to wetland or established as wildlife habitat prior to the enactment of the Food, Agriculture, Conservation, and Trade Act of 1990;

[(3) marginal pasture lands to be devoted to trees in or near riparian areas or for similar water quality purposes, not to exceed 10 percent of the number of acres of land that is placed in the conservation reserve under this subchapter in each of the 1991 through 2002 calendar years;]

(2) marginal pasturelands to be devoted to natural vegetation in or near riparian areas or for similar water quality purposes;

[(4)] (3) croplands that are otherwise not eligible—

[(A) if the Secretary determines that (i) such lands contribute to the degradation of water quality or would pose an on-site or off-site environmental threat to water quality if permitted to remain in agricultural production, and (ii) water quality objectives with respect to such land cannot

be achieved under the water quality incentives program established under chapter 2;】

(A) *if the Secretary determines that—*

(i) the lands contribute to the degradation of soil, water, or air quality, or would pose an on-site or off-site environmental threat to soil, water, or air quality if permitted to remain in agricultural production; and

(ii) soil, water, and air quality objectives with respect to the land cannot be achieved under the environmental quality incentives program established under chapter 4;

* * * * *

(C) that will be devoted to newly established living snow fences, permanent wildlife habitat, windbreaks, shelterbelts, or filterstrips devoted to trees or shrubs; 【or】

(D) if the Secretary determines that such lands pose an off-farm environmental threat, or pose a threat of continued degradation of productivity due to soil salinity, if permitted to remain in production【.】; or

(E) *if the Secretary determines that enrollment of such lands would contribute to conservation of ground or surface water.*

* * * * *

(d) MAXIMUM ENROLLMENT.—The Secretary may maintain up to 【36,400,000】 39,200,000 acres in the conservation reserve at any one time during the 1986 through 【2002】 2011 calendar years (including contracts extended by the Secretary pursuant to section 1437(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 16 U.S.C. 3831 note)).

* * * * *

【(f) CONSERVATION PRIORITY AREAS.—

【(1) DESIGNATION.—Upon application by the appropriate State agency, the Secretary shall designate watershed areas of the Chesapeake Bay Region (Pennsylvania, Maryland, and Virginia), the Great Lakes Region, the Long Island Sound Region, and other areas of special environmental sensitivity as conservation priority areas.

【(2) ELIGIBLE WATERSHEDS.—Watersheds eligible for designation under this subsection shall include areas with actual and significant adverse water quality or habitat impacts related to agricultural production activities.

【(3) EXPIRATION.—Conservation priority area designation under this subsection shall expire after 5 years, subject to redesignation, except that the Secretary may withdraw a watershed's designation—

【(A) upon application by the appropriate State agency;

or

【(B) in the case of areas specified in this subsection, if the Secretary finds that such areas no longer contain actual and significant adverse water quality or habitat impacts related to agricultural production activities.

【(4) DUTY OF SECRETARY.—In utilizing the authority granted under this subsection, the Secretary shall attempt to maximize

water quality and habitat benefits in such watersheds by promoting a significant level of enrollment of lands within such watersheds in the program under this subchapter by whatever means the Secretary determines appropriate and consistent with the purposes of this subchapter.】

(f) *ELIGIBILITY ON CONTRACT EXPIRATION.*—*On the expiration of a contract entered into under this subchapter, the land subject to the contract shall be eligible to be re-enrolled in the conservation reserve.*

* * * * *

(i) *BALANCE AMONG CONTRACTS AWARDED.*—*In determining the acceptability of contract offers under this subchapter, the Secretary shall balance conservation interests in soil erosion, water quality, and wildlife habitat.*

DUTIES OF OWNERS AND OPERATORS

SEC. 1232. (a) Under the terms of a contract entered into under this subchapter, during the term of such contract, an owner or operator of a farm or ranch must agree—

(1) * * *

* * * * *

(3) not to use such land for agricultural purposes, except as described in section 1232(a)(7) or for other purposes as permitted by the Secretary;

(4) to establish approved vegetative cover, or water cover for the enhancement of wildlife, *where practicable, or maintain existing cover* on such land, except that—

(A) * * *

* * * * *

(5) 【in addition to the remedies provided under section 1236(d),】 on the violation of a term or condition of the contract at any time the owner or operator has control of such land—

(A) * * *

* * * * *

(7) not to conduct any harvesting or grazing, nor otherwise make commercial use of the forage, on land that is subject to the contract, nor adopt any similar practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract, except that the 【Secretary—

【(A) may permit—

【(i) harvesting or grazing or other commercial use of the forage on land that is subject to the contract in response to a drought or other similar emergency; and

【(ii) limited grazing on such land where such grazing is incidental to the gleaning of crop residues on the fields in which such land is located and occurs—

【(I) in the case of land other than eligible acreage enrolled under section 1231(h), during the 7-month period in which grazing of conserving use acreage is allowed in a State under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) or after the producer harvests the grain crop of the surrounding field for a reduction in rental payment

commensurate with the limited economic value of such incidental grazing; and

[(II) in the case of eligible acreage enrolled under section 1231(h), at any time other than during the period beginning May 1 and ending August 1 of each year for a reduction in rental payment commensurate with the limited economic value of such incidental grazing; and

[(B) shall approve not more than six projects, no more than one of which may be in any State, under which land subject to the contract may be harvested for recovery of biomass used in energy production if—

[(i) no acreage subject to the contract is harvested more than once every other year;

[(ii) not more than 25 percent of the total acreage enrolled in the program under this subchapter in any crop reporting district (as designated by the Secretary), is harvested in any 1 year;

[(iii) no portion of the crop is used for any commercial purpose other than energy production from biomass;

[(iv) no wetland, or acreage of any type enrolled in a partial field conservation practice (including riparian forest buffers, filter strips, and buffer strips), is harvested;

[(v) the owner or operator agrees to a payment reduction under this section in an amount determined by the Secretary.

[(C) the total acres for all of the projects shall not exceed 250,000 acres.] *Secretary may permit—*

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

(B) wind turbines for the provision of wind energy, whether or not commercial in nature; and

(C) land subject to the contract to be harvested for recovery of biomass used in energy production, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of such activity;

* * * * *

[(c) ENVIRONMENTAL USE.—To the extent practicable, not less than one-eighth of land that is placed in the conservation reserve under this subchapter during the 1991 through 2002 calendar years shall be devoted to trees, or devoted to shrubs or other noncrop vegetation or water that may provide a permanent habitat for wildlife including migratory waterfowl.

[(d) ALLEY-CROPPING.—

[(1) The Secretary may permit alley cropping of agricultural commodities on land that is subject to contracts entered into under this subchapter, if—

[(A) such land is planted to hardwood trees;

[(B) such agricultural commodities will be produced in conjunction with, and in close proximity to, such hardwood trees; and

[(C) the owner or operator of such land agrees to implement appropriate conservation practices concerning such land.

[(2) The Secretary shall develop a bid system by which owners and operators may offer to reduce their annual rental payments in exchange for permission to produce agricultural commodities on such land in accordance with this subsection. The Secretary shall not accept offers under this paragraph that provide for less than a 50 percent reduction in such annual payments.

[(3) The Secretary shall ensure that the total annual rental payments over the term of any contract modified under this subsection are not in excess of that specified in the original contract.

[(4) For the purposes of this subsection, the term “alley cropping” means the practice of planting rows of trees bordered on each side by a narrow strip of groundcover, alternated with wider strips of row crops or grain.]

[(e)] (c) FORECLOSURE.—Notwithstanding any other provision of law, an owner or operator who is a party to a contract entered into under this subchapter may not be required to make repayments to the Secretary of amounts received under such contract if the land that is subject to such contract has been foreclosed upon and the Secretary determines that forgiving such repayments is appropriate in order to provide fair and equitable treatment. This subsection shall not void the responsibilities of such an owner or operator under the contract if such owner or operator resumes control over the property that is subject to the contract within the period specified in the contract. Upon the resumption of such control over the property by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.

DUTIES OF THE SECRETARY

SEC. 1233. (a) *IN GENERAL*.—In return for a contract entered into by an owner or operator under section 1232, 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] *conservation reserve payment* in an amount necessary to compensate for—

(A) the conversion of highly erodible cropland normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use; and

(B) the retirement of any cropland base and allotment history that the owner or operator agrees to retire permanently[; and].

[(3) provide conservation technical assistance to assist the owner or operator in carrying out the contract.]

(b) *TECHNICAL ASSISTANCE*.—An owner or operator who is participating in the program under this subtitle shall be eligible to receive

technical assistance in accordance with section 1243(d) to assist the owner or operator in carrying out a contract entered into under section 1232.

PAYMENTS

SEC. 1234. (a) * * *

* * * *

(c)(1) * * *

* * * *

[(3) In determining the acceptability of contract offers, the Secretary may—

[(A) take into consideration the extent to which enrollment of the land that is the subject of the contract offer would improve soil resources, water quality, wildlife habitat, or provide other environmental benefits; and

[(B) establish different criteria in various States and regions of the United States based upon the extent to which water quality or wildlife habitat may be improved or erosion may be abated.]]

* * * *

(f)(1) * * *

* * * *

[(3) Rental payments received by an owner or operator shall be in addition to, and not affect, the total amount of payments that such owner or operator is otherwise eligible to receive under this Act, the Food, Agriculture, Conservation, and Trade Act of 1990, or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).]

* * * *

CONTRACTS

SEC. 1235. (a)(1) No contract shall be entered into under this subchapter concerning land with respect to which the ownership has changed in the 1-year period preceding the first year of the contract period unless—

(A) the new ownership was acquired by will or succession as a result of the death of the previous owner; or

[(B) the new ownership was acquired before January 1, 1985;

[(C) the Secretary determines that the land was acquired under circumstances that give adequate assurance that such land was not acquired for the purpose of placing it in the program established by this subchapter; or]

[(D)] (B) the ownership change occurred due to foreclosure on the land and the owner of the land immediately before the foreclosure exercises a right of redemption from the mortgage holder in accordance with State law.

* * * *

(f) *RESTORATION OF BASE.*—On the expiration of a contract entered into under this subchapter, the Secretary shall restore the base, contract acreage, quota, or allotment history applicable to the land when the contract was entered into.

【BASE HISTORY

【SEC. 1236. (a) A reduction, based on a ratio between the total cropland acreage on the farm and the acreage placed in the conservation reserve authorized by this subchapter, as determined by the Secretary, shall be made during the period of the contract, in the aggregate, in crop bases, quotas, and allotments on the farm with respect to crops for which there is a production adjustment program.

【(b) Notwithstanding sections 1211 and 1221, the Secretary, by appropriate regulation, may provide for preservation of cropland base and allotment history applicable to acreage converted from the production of agricultural commodities under this section, for the purpose of any Federal program under which the history is used as a basis for participation in the program or for an allotment or other limitation in the program, unless the owner and operator agree under the contract to retire permanently that cropland base and allotment history.

【(c) The Secretary shall offer the owner or operator of a farm or ranch an opportunity to extend the preservation of cropland base and allotment history pursuant to subsection (b) for such time as the Secretary determines to be appropriate after the expiration date of a contract under this subchapter at the request of such owner or operator. In return for such extension, the owner or operator shall agree to continue to abide by the terms and conditions of the original contract, except that—

【(1) such owner or operator shall receive no additional cost share, annual rental, or bonus payment; and

【(2) the Secretary may permit, subject to such terms and conditions as the Secretary may impose, haying and grazing of acreage subject to such agreement, except during any consecutive 5 month period that is established by the State committee. Each 5 month period shall be established during the period beginning April 1 and ending October 31 of a year. In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

【(d) In addition to any other remedy prescribed by law, the Secretary may reduce or terminate the amount of cropland base and allotment history preserved pursuant to subsection (c) for acreage with respect to which a violation of a term or condition occurs.】

Subchapter C—Wetlands Reserve Program

SEC. 1237. WETLANDS RESERVE PROGRAM.

(a) * * *

(b) **ENROLLMENT CONDITIONS.—**

【(1) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the wetlands reserve program shall not exceed 975,000 acres.

【(2) METHODS OF ENROLLMENT.—

【(A) IN GENERAL.—Subject to subparagraph (B), effective beginning October 1, 1996, to the maximum extent practicable, the Secretary shall enroll into the wetlands reserve program—

【(i) $\frac{1}{3}$ of the acres through the use of permanent easements;

[(ii) $\frac{1}{3}$ of the acres through the use of 30-year easements; and

[(iii) $\frac{1}{3}$ of the acres through the use of restoration cost-share agreements.

[(B) TEMPORARY EASEMENTS.—Effective beginning October 1, 1996, the Secretary shall not enroll acres in the wetlands reserve program through the use of new permanent easements until the Secretary has enrolled at least 75,000 acres in the program through the use of temporary easements.

[(C) For purposes of subparagraph (A), to the maximum extent practicable should be interpreted to mean that acceptance of wetlands reserve program bids may be in proportion to landowner interest expressed in program options.

[(c) ELIGIBILITY.—For purposes of enrolling land in the wetland reserve established under this subchapter during the 1991 through 2002 calendar years, land shall be eligible to be placed into such reserve if the Secretary, in consultation with the Secretary of the Interior at the local level, determines that—

[(1) such land maximizes wildlife benefits and wetland values and functions;

[(2) such land is farmed wetland or converted wetland, together with adjacent lands that are functionally dependent on such wetlands, except that converted wetlands where the conversion was not commenced prior to December 23, 1985, shall not be eligible to be enrolled in the program under this section; and

[(3) the likelihood of the successful restoration of such land and the resultant wetland values merit inclusion of such land in the program taking into consideration the cost of such restoration.

[(d) OTHER ELIGIBLE LAND.—The Secretary may include in the wetland reserve established under this subchapter, together with land that is eligible under subsection (c), land that maximizes wildlife benefits and that is—

[(1) farmed wetland and adjoining lands, enrolled in the conservation reserve, with the highest wetland functions and values, and that are likely to return to production after they leave the conservation reserve;

[(2) other wetland of an owner that would not otherwise be eligible if the Secretary determines that the inclusion of such wetland in such easement would significantly add to the functional value of the easement; or

[(3) riparian areas that link wetlands that are protected by easements or some other device or circumstance that achieves the same purpose as an easement.

[(e) INELIGIBLE LAND.—The Secretary may not acquire easements on—

[(1) land that contains timber stands established under the conservation reserve under subchapter B; or

[(2) pasture land established to trees under the conservation reserve under subchapter B.]

(1) ANNUAL ENROLLMENT.—*In addition to any acres enrolled in the wetlands reserve program as of the end of a calendar*

year, the Secretary may in the succeeding calendar year enroll in the program a number of additional acres equal to—

(A) if the succeeding calendar year is calendar year 2002, 150,000;

(B) if the succeeding calendar year is a calendar year after calendar year 2002—

(i) 150,000; plus

(ii) the amount (if any) by which 150,000, multiplied by the number of calendar years in the period that begins with calendar year 2002 and ends with the calendar year preceding such succeeding calendar year, exceeds the total number of acres added to the reserve during the period.

(2) **METHODS OF ENROLLMENT.**—The Secretary shall enroll acreage into the wetlands reserve program through the use of easements, restoration cost share agreements, or both.

(c) **PRIORITY.**—For purposes of enrolling acreage in the wetlands reserve program, the Secretary shall give priority to land that maximizes wetland functions and values.

(d) **INELIGIBLE LAND.**—The Secretary may not acquire an easement under this chapter on land which is—

(1) enrolled in the conservation reserve program established under subchapter B; or

(2) subject to a contract under the environmental quality incentives program established by chapter 4.

[(f)] (e) **TERMINATION OF EXISTING CONTRACT.**—The Secretary may terminate or modify an existing contract entered into under section 1231(a) if eligible land that is subject to such contract is transferred into the program established by this subchapter.

[(g)] **EASEMENTS.**—The Secretary shall enroll lands in the wetland reserve through the purchase of easements as provided for in section 1237A.]

SEC. 1237A. EASEMENTS AND AGREEMENTS.

(a) * * *

(b) **TERMS OF EASEMENT.**—An owner granting an easement under subsection (a) shall be required to provide for the restoration and protection of the functional values of wetland pursuant to a wetland easement conservation plan that—

(1) * * *

[(2) prohibits—

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

[(B) the spraying of such land with chemicals or the mowing of such land, except where such spraying or mowing is permitted by the plan or is necessary—

[(i) to comply with Federal or State noxious weed control laws; or

[(ii) to comply with a Federal or State emergency pest treatment program; and

[(C) any activities to be carried out on such participating landowner'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, de-

grade, or otherwise diminish the functional value of the eligible land; and

[(D) the adoption of any other practice that would tend to defeat the purposes of this subchapter, as determined by the Secretary;]

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

* * * * *

[(c) RESTORATION PLANS.—The development of a restoration plan, including any compatible use, under this section shall be made through the local Natural Resources Conservation Service representative, in consultation with the State technical committee.]

[(d)] (c) COMPATIBLE USES.—Wetland reserve program lands 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 plan and consistent with the long-term protection and enhancement of the wetlands resources for which the easement was established.

[(e)] (d) TYPE AND LENGTH OF EASEMENT.—A conservation easement granted under this section—

(1) shall be in a recordable form; and

[(2) shall be for 30 years, permanent, or the maximum duration allowed under applicable State laws.]

(2) *shall be consistent with applicable State law.*

[(f)] (e) COMPENSATION.—Compensation for easements acquired by the Secretary under this subchapter shall be made in cash in such amount as is agreed to and specified in the easement agreement, but not to exceed the fair market value of the land less the fair market value of such land encumbered by the easement. Lands may be enrolled through the submission of bids under a procedure established by the Secretary. Compensation may be provided in not less than 5, nor more than 30, annual payments of equal or unequal size, as agreed to by the owner and the Secretary.

[(g)] (f) VIOLATION.—On the violation of the terms or conditions of the easement or related agreement entered into under subsection (a), the 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 this subchapter, together with interest thereon as determined appropriate by the Secretary.

[(h) RESTORATION COST-SHARE AGREEMENTS.—The Secretary may enroll land into the wetlands reserve program through an agreement that requires the landowner to restore wetlands on the land, if the agreement does not provide the Secretary with an easement.]

* * * * *

SEC. 1237C. DUTIES OF THE SECRETARY.

(a) IN GENERAL.—In return for the granting of an easement by an owner under this subchapter, the Secretary [shall—

[(1)] *shall* share the cost of carrying out the establishment of conservation measures and practices, and the protection of the wetland functions and values, as set forth in the plan to

the extent that the Secretary determines that cost sharing is appropriate and in the public interest; and

[(2) provide necessary technical assistance to assist owners in complying with the terms and conditions of the easement and the plan.] *interest.*

(b) COST-SHARE [AND TECHNICAL ASSISTANCE].—

(1) * * *

* * * * *

[(3) TECHNICAL ASSISTANCE.—The Secretary shall provide owners with technical assistance to assist owners in complying with the terms of easements and restoration cost-share agreements.]

(2) *TECHNICAL ASSISTANCE.—A producer who is participating in the program under this subtitle shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the producer in complying with the terms of easements and restoration cost share agreements under this subchapter.*

* * * * *

[(d) EASEMENT PRIORITY.—In carrying out this subchapter, to the extent practicable, taking into consideration costs and future agricultural and food needs, the Secretary shall give priority to obtaining permanent conservation easements before shorter term conservation easements and, in consultation with the Secretary of the Interior, shall place priority on acquiring easements based on the value of the easement for protecting and enhancing habitat for migratory birds and other wildlife.]

SEC. 1237D. PAYMENTS.

(a) * * *

* * * * *

(c) PAYMENT LIMITATION.—

(1) IN GENERAL.—The total amount of [easement payments] *payments* made to a person under this subchapter for any year may not exceed \$50,000, except such limitation shall not apply with respect to payments for perpetual or 30-year easements.

* * * * *

[(3) OTHER PAYMENTS.—Easement payments received by an owner shall be in addition to, and not affect, the total amount of payments that such owner is otherwise eligible to receive under this Act, the Food, Agriculture, Conservation, and Trade Act of 1990, or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).]

* * * * *

SEC. 1237E. CHANGES IN OWNERSHIP; AGREEMENT MODIFICATION; TERMINATION.

(a) LIMITATIONS.—No easement shall be created under this subchapter on land that has changed ownership in the preceding 12 months unless—

(1) * * *

[(2) the new ownership was acquired before January 1, 1990; or]

(2) *the ownership change occurred due to foreclosure on the land and the owner of the land immediately before the fore-*

closure exercises a right of redemption from the mortgage holder in accordance with State law, or

* * * * *

Subchapter D—Grassland Reserve Program

SEC. 1238. GRASSLAND RESERVE PROGRAM.

(a) *ESTABLISHMENT.*—The Secretary, acting through the Farm Service Agency, shall establish a grassland reserve program (referred to in this subchapter as the “program”) to assist owners in restoring and conserving eligible land described in subsection (c).

(b) *ENROLLMENT CONDITIONS.*—

(1) *MAXIMUM ENROLLMENT.*—The total number of acres enrolled in the program shall not exceed 2,000,000 acres, not more than 1,000,000 of which shall be restored grassland, and not more than 1,000,000 of which shall be virgin (never cultivated) grassland.

(2) *METHODS OF ENROLLMENT.*—The Secretary shall enroll in the program for a willing owner not less than 100 contiguous acres of land west of the 90th meridian or not less than 50 contiguous acres of land east of the 90th meridian through 10-year, 15-year, or 20-year contracts.

(c) *ELIGIBLE LAND.*—Land shall be eligible to be enrolled in the program if the Secretary determines that—

(1) *the land is natural grass or shrubland; or*

(2) *the land—*

(A) *is located in an area that has been historically dominated by natural grass or shrubland; and*

(B) *has potential to serve as habitat for animal or plant populations of significant ecological value if the land is restored to natural grass or shrubland.*

SEC. 1238A. CONTRACTS AND AGREEMENTS.

(a) *REQUIREMENTS OF LANDOWNER.*—To be eligible to enroll land in the program, the owner of the land shall—

(1) *agree to comply with the terms of the contract and related restoration agreements; and*

(2) *agree to the suspension of any existing cropland base and allotment history for the land under any program administered by the Secretary.*

(b) *TERMS OF CONTRACT.*—A contract under subsection (a) shall—

(1) *permit—*

(A) *common grazing practices on the land in a manner that is consistent with maintaining the viability of natural grass and shrub species indigenous to that locality;*

(B) *haying, mowing, or haying for seed production, except that such uses shall not be permitted until after the end of the nesting season for birds in the local area which are in significant decline or are conserved pursuant to State or Federal law, as determined by the Natural Resources Conservation Service State conservationist; and*

(C) *construction of fire breaks and fences, including placement of the posts necessary for fences;*

(2) *prohibit—*

(A) *the production of any agricultural commodity (other than hay); and*

(B) unless allowed under subsection (d), the conduct of any other activity that would disturb the surface of the land covered by the contract; and

(3) include such additional provisions as the Secretary determines are appropriate to carry out or facilitate the administration of this subchapter.

(c) **RANKING CONTRACT APPLICATIONS.**—

(1) **ESTABLISHMENT OF CRITERIA.**—The Secretary shall establish criteria to evaluate and rank applications for contracts under this subchapter.

(2) **EMPHASIS.**—In establishing the criteria, the Secretary shall emphasize support for native grass and shrubland, grazing operations, and plant and animal biodiversity.

(d) **RESTORATION AGREEMENTS.**—The Secretary shall prescribe the terms by which grassland that is subject to a contract under the program shall be restored. The agreement shall include duties of the land owner and the Secretary, including the Federal share of restoration payments and technical assistance.

(e) **VIOLATIONS.**—On the violation of the terms or conditions of a contract or restoration agreement entered into under this section—

(1) the contract shall remain in force; and

(2) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.

SEC. 1238B. DUTIES OF SECRETARY.

(a) **IN GENERAL.**—In return for the granting of a contract by an owner under this subchapter, the Secretary shall make contract payments and payments of the Federal share of restoration and provide technical assistance to the owner in accordance with this section.

(b) **CONTRACT PAYMENTS.**—In return for the granting of contract by an owner under this subchapter, the Secretary shall make annual contract payments to the owner in an amount that is not more than 75 percent of the grazing value of the land.

(c) **FEDERAL SHARE OF RESTORATION.**—The Secretary shall make payments to the owner of not more than—

(1) in the case of virgin (never cultivated) grassland, 90 percent of the costs of carrying out measures and practices necessary to restore grassland functions and values; or

(2) in the case of restored grassland, 75 percent of such costs.

(d) **TECHNICAL ASSISTANCE.**—A landowner who is receiving a benefit under this subchapter shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the owner or operator in carrying out a contract entered into under this subchapter.

(e) **PAYMENTS TO OTHERS.**—If an owner who is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated 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 the circumstances.

CHAPTER 2—FARMLAND STEWARDSHIP PROGRAM

SEC. 1239. DEFINITIONS.

In this chapter:

(1) **AGREEMENT.**—The terms “farmland stewardship agreement” and “agreement” mean a stewardship contract authorized by this chapter.

(2) **CONTRACTING AGENCY.**—The term “contracting agency” means a local conservation district, resource conservation and development council, local office of the Department of Agriculture, other participating government agency, or other non-governmental organization that is designated by the Secretary to enter into farmland stewardship agreements on behalf of the Secretary.

(3) **ELIGIBLE AGRICULTURAL LANDS.**—The term “eligible agricultural lands” means private lands that are in primarily native or natural condition or are classified as cropland, pastureland, grazing lands, timberlands, or other lands as specified by the Secretary that—

(A) contain wildlife habitat, wetlands, or other natural resources; or

(B) provide benefits to the public at large, such as—

- (i) conservation of soil, water, and related resources;
 - (ii) water quality protection or improvement;
 - (iii) control of invasive and exotic species;
 - (iv) wetland restoration, protection, and creation;
- and
- (v) wildlife habitat development and protection;
 - (vi) preservation of open spaces, or prime, unique, or other productive farm lands; and
 - (vii) and other similar conservation purposes.

(4) **FARMLAND STEWARDSHIP PROGRAM; PROGRAM.**—The terms “Farmland Stewardship Program” and “Program” mean the conservation program of the Department of Agriculture established by this chapter.

SEC. 1239A. ESTABLISHMENT AND PURPOSE OF PROGRAM.

(a) **ESTABLISHMENT.**—The Secretary shall establish a conservation program of the Department of Agriculture, to be known as the Farmland Stewardship Program, that is designed to more precisely tailor and target existing conservation programs to the specific conservation needs and opportunities presented by individual parcels of eligible agricultural lands.

(b) **RELATION TO OTHER CONSERVATION PROGRAMS.**—Under the Farmland Stewardship Program, the Secretary may implement, or combine together, the features of—

- (1) the Wetlands Reserve Program;
- (2) the Wildlife Habitat Incentives Program;
- (3) the Forest Land Enhancement Program;
- (4) the Farmland Protection Program; or
- (5) other conservation programs administered by other Federal agencies and State and local government entities, where feasible and with the consent of the administering agency or government.

(c) **FUNDING SOURCES.**—

(1) *IN GENERAL.*—*The Farmland Stewardship Program and agreements under the Program shall be funded by the Secretary using—*

(A) the funding authorities of the conservation programs that are implemented in whole, or in part, through the use of agreements or easements; and

(B) such funds as are provided to carry out the programs specified in paragraphs (1) through (4) of subsection (b).

(2) *COST-SHARING.*—*It shall be a requirement of the Farmland Stewardship Program that the majority of the funds to carry out the Program must come from other existing conservation programs, which may be Federal, State, regional, local, or private, that are combined into and made a part of an agreement, or from matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources.*

(d) *PERSONNEL COSTS.*—*The Secretary may use the Natural Resources Conservation Service to carry out the Farmland Stewardship Program.*

(e) *TECHNICAL ASSISTANCE.*—*An owner or operator who is receiving a benefit under this chapter shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the owner or operator in carrying out a contract entered into under this chapter.*

SEC. 1239B. USE OF FARMLAND STEWARDSHIP AGREEMENTS.

(a) *AGREEMENTS AUTHORIZED.*—*The Secretary shall carry out the Farmland Stewardship Program by entering into stewardship contracts as determined by the Secretary, to be known as farmland stewardship agreements, with the owners or operators of eligible agricultural lands to maintain and protect for the natural and agricultural resources on the lands.*

(b) *BASIC PURPOSES.*—*An agreement with the owner or operator of eligible agricultural lands shall be used—*

(1) to negotiate a mutually agreeable set of guidelines, practices, and procedures under which conservation practices will be provided by the owner or operator to protect, maintain, and, where possible, improve, the natural resources on the lands covered by the agreement in return for annual payments to the owner or operator;

(2) to implement a conservation program or series of programs where there is no such program or to implement conservation management activities where there is no such activity; and

(3) to expand conservation practices and resource management activities to a property where it is not possible at the present time to negotiate or reach agreement on a public purchase of a fee-simple or less-than-fee interest in the property for conservation purposes.

(c) *MODIFICATION OF OTHER CONSERVATION PROGRAM ELEMENTS.*—*If most, but not all, of the limitations, conditions, and requirements of a conservation program that is implemented in whole, or in part, through the Farmland Stewardship Program are met with respect to a parcel of eligible agricultural lands, and the purposes to be achieved by the agreement to be entered into for such lands are consistent with the purposes of the conservation program, then the Secretary may waive any remaining limitations, conditions,*

or requirements of the conservation program that would otherwise prohibit or limit the agreement.

(d) *STATE AND LOCAL CONSERVATION PRIORITIES.*—To the maximum extent practicable, agreements shall address the conservation priorities established by the State and locality in which the eligible agricultural lands are located.

(e) *WATERSHED ENHANCEMENT.*—To the extent practicable, the Secretary shall encourage the development of Farmland Stewardship Program applications on a watershed basis.

SEC. 1239C. PARTNERSHIP APPROACH TO PROGRAM.

(a) *AUTHORITY OF SECRETARY EXERCISED THROUGH PARTNERSHIPS.*—The Secretary may administer agreements under the Farmland Stewardship Program in partnership with other Federal, State, and local agencies whose programs are incorporated into the Program under section 1239A.

(b) *DESIGNATION AND USE OF CONTRACTING AGENCIES.*—Subject to subsection (c), the Secretary may authorize a local conservation district, resource conservation & development district, nonprofit organization, or local office of the Department of Agriculture or other participating government agency to enter into and administer agreements under the Program as a contracting agency on behalf of the Secretary.

(c) *CONDITIONS ON DESIGNATION.*—The Secretary may designate an eligible district or office as a contracting agency under subsection (b) only if the district or office—

(1) submits a written request for such designation to the Secretary;

(2) affirms that it is willing to follow all guidelines for executing and administering an agreement, as promulgated by the Secretary;

(3) demonstrates to the satisfaction of the Secretary that it has established working relationships with owners and operators of eligible agricultural lands, and based on the history of these working relationships, demonstrates that it has the ability to work with owners and operators of eligible agricultural lands in a cooperative manner;

(4) affirms its responsibility for preparing all documentation for the agreement, negotiating its terms with an owner or operator, monitoring compliance, making annual reports to the Secretary, and administering the agreement throughout its full term; and

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

SEC. 1239D. PARTICIPATION OF OWNERS AND OPERATORS OF ELIGIBLE AGRICULTURAL LANDS.

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

(1) submit to the Secretary an application indicating interest in the Program and describing the owner's or operator's property, its resources, and their ecological and agricultural values;

(2) *submit to the Secretary a list of services to be provided, a management plan to be implemented, or both, under the proposed agreement;*

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

(b) *APPLICATION ON BEHALF OF AN OWNER OR OPERATOR.—A designated contracting agency may submit the application required by subsection (a) on behalf of an owner or operator by if the contracting agency has secured the consent of the owner or operator to enter into an agreement.*

[CHAPTER 3—ENVIRONMENTAL EASEMENT PROGRAM

[SEC. 1239. ENVIRONMENTAL EASEMENT PROGRAM.

[(a) **ESTABLISHMENT.**—The Secretary shall, during the 1991 through 1995 calendar years, formulate and carry out an environmental easement program (hereafter in this chapter referred to as the “easement program”) in accordance with this chapter, through the acquisition of permanent easements or easements for the maximum term permitted under applicable State law from willing owners of eligible farms or ranches in order to ensure the continued long-term protection of environmentally sensitive lands or reduction in the degradation of water quality on such farms or ranches through the continued conservation and improvement of soil and water resources.

[(b) **ELIGIBILITY; TERMINATION.**—

[(1) **IN GENERAL.**—The Secretary may acquire easements under this section on land placed in the conservation reserve under this subtitle (other than such land that is likely to continue to remain out of production and that does not pose an off-farm environmental threat), land under the Water Bank Act (16 U.S.C. 1301), or other cropland that—

[(A) contains riparian corridors;

[(B) is an area of critical habitat for wildlife, especially threatened or endangered species; or

[(C) contains other environmentally sensitive areas, as determined by the Secretary, that would prevent a producer from complying with other Federal, State, or local environmental goals if commodities were to be produced on such land.

[(2) **INELIGIBLE LAND.**—The Secretary may not acquire easements on—

[(A) land that contains timber stands established under the conservation reserve under subtitle D; or

[(B) pasture land established to trees under the conservation reserve under subtitle D.

[(3) **TERMINATION OF EXISTING CONTRACT.**—The Secretary may terminate or modify any existing contract entered into under section 1231(a) if eligible land that is subject to such contract is transferred into the program established by this chapter.

[SEC. 1239A. DUTIES OF OWNERS; COMPONENTS OF PLAN.

[(a) **DUTIES OF OWNERS.**—

[(1) PLAN.—In conjunction with the creation of an easement on any lands under this chapter, the owner of the farm or ranch wherein such lands are located must agree to implement a natural resource conservation management plan under subsection (b) approved by the Secretary in consultation with the Secretary of the Interior.

[(2) AGREEMENT.—In return for the creation of an easement on any lands under this chapter, the owner of the farm or ranch wherein such lands are located must agree to the following:

[(A) To the creation and recordation of an appropriate deed restriction in accordance with applicable State law to reflect the easement agreed to under this chapter with respect to such lands.

[(B) To provide a written statement of consent to such easement signed by those holding a security interest in the land.

[(C) To comply with such additional provisions as the Secretary determines are desirable and are included in the easement to carry out this chapter or to facilitate the practical administration thereof.

[(D) To specify the location of any timber harvesting on land subject to the easement. Harvesting and commercial sales of Christmas trees and nuts shall be prohibited on such land, except that no such easement or related agreement shall prohibit activities consistent with customary forestry practices, such as pruning, thinning, or tree stand improvement on lands converted to forestry uses.

[(E) To limit the production of any agricultural commodity on such lands only to production for the benefit of wildlife.

[(F) Not to conduct any harvesting or grazing, nor otherwise make commercial use of the forage, on land that is subject to the easement unless specifically provided for in the easement or related agreement.

[(G) Not to adopt any other practice that would tend to defeat the purposes of this chapter, as determined by the Secretary.

[(3) VIOLATION.—On the violation of the terms or conditions of the easement or related agreement entered into under this section, the 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 this chapter, together with interest thereon as determined appropriate by the Secretary.

[(b) COMPONENTS OF PLAN.—The natural resource conservation management plan referred to in subsection (a)(1) (hereafter referred to as the “plan”)—

[(1) shall set forth—

[(A) the conservation measures and practices to be carried out by the owner of the land subject to the easement; and

[(B) the commercial use, if any, to be permitted on such land during the term of the easement; and

[(2) shall provide for the permanent retirement of any existing cropland base and allotment history for such land under any program administered by the Secretary.

[SEC. 1239B. DUTIES OF THE SECRETARY.

[In return for the granting of an easement by an owner under this chapter, the Secretary shall—

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

[(2) pay for a period not to exceed 10 years annual easement payments in the aggregate not to exceed the lesser of—

[(A) \$250,000; or

[(B) the difference in the value of the land with and without an easement;

[(3) provide necessary technical assistance to assist owners in complying with the terms and conditions of the easement and the plan; and

[(4) permit the land to be used for wildlife activities, including hunting and fishing, if such use is permitted by the owner.

[SEC. 1239C. PAYMENTS.

[(a) TIME OF PAYMENT.—The Secretary shall provide payment for obligations incurred by the Secretary under this chapter—

[(1) with respect to any cost sharing obligation as soon as possible after the obligation is incurred; and

[(2) with respect to any annual easement payment obligation incurred by the Secretary as soon as possible after October 1 of each calendar year.

[(b) COST SHARING PAYMENTS.—In making cost sharing payments to owners under this chapter, the Secretary may pay up to 100 percent of the cost of establishing conservation measures and practices pursuant to this chapter.

[(c) EASEMENT PAYMENTS; ACCEPTABILITY OF OFFERS.—

[(1) DETERMINATION OF AMOUNT.—The Secretary shall determine the amount payable to owners in the form of easement payments under this chapter, and in making such determination may consider, among other things, the amount necessary to encourage owners to participate in the easement program.

[(2) ACCEPTABILITY OF OFFERS.—In determining the acceptability of easement offers, the Secretary may take into consideration—

[(A) the extent to which the purposes of the easement program would be achieved on the land;

[(B) the productivity of the land; and

[(C) the on-farm and off-farm environmental threats if the land is used for the production of agricultural commodities.

[(d) FORM OF PAYMENT.—Except as otherwise provided in this section, payments under this chapter—

[(1) shall be made in cash in such amount and at such time as is agreed on and specified in the easement or related agreement; and

[(2) may be made in advance of a determination of performance.

[(e) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment under this chapter dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person 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.

[(f) PAYMENT LIMITATION.—

[(1) IN GENERAL.—The total amount of easement payments made to a person under this chapter for any year may not exceed \$50,000.

[(2) REGULATIONS.—The Secretary shall issue regulations prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation contained in this subsection.

[(3) OTHER PAYMENTS.—Easement payments received by an owner shall be in addition to, and not affect, the total amount of payments that such owner is otherwise eligible to receive under this Act, the Food, Agriculture, Conservation, and Trade Act of 1990, or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

[(4) STATE ENVIRONMENTAL ENHANCEMENT.—The provisions of this subsection that limit payments to any person, and section 1305(d) of the Agricultural Reconciliation Act of 1987 (7 U.S.C. 1308 note), shall not be applicable to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under an environmental easement enhancement program carried out by that entity that has been approved by the Secretary. The Secretary may enter into such agreements for payments to States, political subdivisions, or agencies thereof that the Secretary determines will advance the purposes of this chapter.

[(g) EXEMPTION FROM AUTOMATIC SEQUESTER.—Notwithstanding any other provision of law, no order issued under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 902) shall affect any payment under this chapter.

[SEC. 1239D. CHANGES IN OWNERSHIP; MODIFICATION OF EASEMENT.

[(a) LIMITATIONS.—No easement shall be created under this chapter on land that has changed ownership in the preceding 12 months unless—

[(1) the new ownership was acquired by will or succession as a result of the death of the previous owner;

[(2) the new ownership was acquired before January 1, 1990;

or

[(3) 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 established by this chapter.

[(b) MODIFICATION; TERMINATION.—

[(1) MODIFICATION.—The Secretary may modify an easement acquired from, or a related agreement with, an owner under this chapter if—

[(A) the current owner of the land agrees to such modification; and

[(B) the Secretary determines that such modification is desirable—

[(i) to carry out this chapter;

[(ii) to facilitate the practical administration of this chapter; or

[(iii) to achieve such other goals as the Secretary determines are appropriate and consistent with this chapter.

[(2) TERMINATION.—

[(A) IN GENERAL.—The Secretary may terminate an easement created with an owner under this chapter if—

[(i) the current owner of the land agrees to such termination; and

[(ii) the Secretary determines that such termination would be in the public interest.

[(B) NOTICE.—At least 90 days before taking any action to terminate under subparagraph (A) all easements entered into under this chapter, 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.]

CHAPTER 4—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

SEC. 1240. PURPOSES.

The purposes of the environmental quality incentives program established by this chapter are [to—

[(1) combine into a single program the functions of—

[(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h) (as in effect before the amendments made by section 336(a)(1) of the Federal Agriculture Improvement and Reform Act of 1996);

[(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)) (as in effect before the amendment made by section 336(b)(1) of the Federal Agriculture Improvement and Reform Act of 1996);

[(C) the water quality incentives program established under chapter 2 (as in effect before the amendment made by section 336(h) of the Federal Agriculture Improvement and Reform Act of 1996); and

[(D) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)) (as in effect before the amendment made by section 336(c)(1) of the Federal Agriculture Improvement and Reform Act of 1996); and

[(2) carry out the single program in a manner that maximizes environmental benefits per dollar expended, and that provides—] *provide—*

[(A)] (1) flexible technical and financial assistance to [farmers and ranchers that face the most serious threats to] *producers to address environmental needs and provide benefits to air, soil, water, and related natural resources, including grazing lands, wetlands, and wildlife habitat;*

[(B)] (2) assistance to [farmers and ranchers] *producers* in complying with this title and Federal and State environmental laws, and encourages environmental enhancement;

[(C)] (3) assistance to [farmers and ranchers] *producers* in making beneficial, cost-effective changes to cropping systems, grazing management, manure, nutrient, pest, or irrigation management, land uses, or other measures needed to conserve and improve soil, water, and related natural resources; and

[(D)] (4) for the consolidation and simplification of the conservation planning process to reduce administrative burdens on producers.

SEC. 1240A. DEFINITIONS.

In this chapter:

(1) ELIGIBLE LAND.—The term “eligible land” means agricultural land (including cropland, rangeland, pasture, *non-industrial private forest land*, and other land on which crops or livestock are produced), including agricultural land that the Secretary determines [poses a serious threat to soil, water, or related resources by reason of the soil types, terrain, climatic, soil, topographic, flood, or saline characteristics, or other factors or natural hazards.] *provides increased environmental benefits to air, soil, water, or related resources.*

* * * * *

(4) PRODUCER.—The term “producer” means a person who is engaged in livestock or agricultural production (as defined by the Secretary), *including non-industrial private forestry.*

(5) STRUCTURAL PRACTICE.—The term “structural practice” means—

(A) the establishment on eligible land of a site-specific animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, tailwater pit, [permanent wildlife habitat,] or other structural practice that the Secretary determines is needed to protect, in the most cost-effective manner, water, soil, or related resources from degradation; and

* * * * *

SEC. 1240B. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—During the 1996 through [2002] *2011* fiscal years, the Secretary shall provide [technical assistance,] cost-share payments, incentive payments, and education to producers, who enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

* * * * *

(b) APPLICATION AND TERM.—A contract between a producer and the Secretary under this chapter may—

(1) * * *

(2) have a term of **[not less than 5, nor more than 10, years]** *not less than 1 year, nor more than 10 years*, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

(c) STRUCTURAL PRACTICES.—

(1) OFFER SELECTION PROCESS.—The Secretary shall, to the maximum extent practicable, establish a process for selecting applications for financial assistance if there are numerous applications for assistance for structural practices that would provide substantially the same level of environmental benefits. The process shall be based on—

(A) * * *

[(B) the priorities established under this subtitle and such other factors determined by the Secretary that maximize environmental benefits per dollar expended.]

(B) achieving the purposes established under this subtitle.

* * * * *

(e) COST-SHARE PAYMENTS**[, INCENTIVE PAYMENTS, AND TECHNICAL ASSISTANCE]**.—

(1) COST-SHARE PAYMENTS.—

(A) * * *

[(B) LIMITATION.—A producer who owns or operates a large confined livestock operation (as defined by the Secretary) shall not be eligible for cost-share payments to construct an animal waste management facility.]

[(C)] *(B) OTHER PAYMENTS.—A producer shall not be eligible for cost-share payments for structural practices on eligible land under this chapter if the producer receives cost-share payments or other benefits for the same land under chapter 1 [or 3].*

[(2) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform 1 or more land management practices.]

[(3) TECHNICAL ASSISTANCE.—

[(A) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided for a fiscal year. The allocated amount may vary according to the type of expertise required, quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided for a fiscal year.]

[(B) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the producer to receive technical assistance under other authorities of law available to the Secretary.]

[(C) PRIVATE SOURCES.—The Secretary shall ensure that the processes of writing and developing proposals and plans for contracts under this chapter, and of assisting in the implementation of structural practices and land management practices covered by the contracts, are open to in-

dividuals in agribusiness, including agricultural producers, representatives from agricultural cooperatives, agricultural input retail dealers, and certified crop advisers. The requirements of this subparagraph shall also apply to any other conservation program of the Department of Agriculture that provides incentive payments, technical assistance, or cost-share payments.】

(2) *TECHNICAL ASSISTANCE.*—A producer who is participating in the program under this subtitle shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the producer in writing and developing proposals and plans for contracts under this chapter, and in the implementation of structural practices and land management practices covered by such contracts.

(f) *FARMLAND CONSERVATION INCENTIVE PAYMENTS.*—

(1) *IN GENERAL.*—The Secretary may make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform multiple land management practices and to promote the enhancement of soil, water, air, and related resources.

(2) *SPECIAL RULE.*—In determining the amount and rate of incentive payments, the Secretary may accord great weight to those practices that include residue, nutrient, pest, invasive species, and air quality management.

【(f)】 (g) *MODIFICATION OR TERMINATION OF CONTRACTS.*—

(1) * * *

* * * * *

SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

In providing technical assistance, cost-share payments, and incentive payments to producers, the Secretary shall accord a higher priority to assistance and payments that—

【(1) are provided in conservation priority areas established under section 1230(c);

【(2) maximize environmental benefits per dollar expended;

or

【(3) are provided in watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes.】

(1) *aid producers in complying with this title and Federal and State environmental laws, and encourage environmental enhancement and conservation; and*

(2) *maximize the beneficial usage of animal manure and other similar soil amendments which improve soil health, tilth, and water-holding capacity.*

SEC. 1240D. DUTIES OF PRODUCERS.

To receive technical assistance, cost-share payments, or incentive payments under this chapter, a producer shall agree—

(1) * * *

【(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of this chapter;】

【(3)】 (2) on the violation of a term or condition of the contract at any time the producer has control of the land, to refund any cost-share or incentive payment received with inter-

est, and forfeit any future payments under this chapter, as determined by the Secretary;

[(4)] (3) on the transfer of the right and interest of the producer in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-share payments and incentive payments received under this chapter, as determined by the Secretary;

[(5)] (4) to supply information as required by the Secretary to determine compliance with the environmental quality incentives program plan and requirements of the program; and

[(6)] (5) to comply with such additional provisions as the Secretary determines are necessary to carry out the environmental quality incentives program plan.

SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

(a) **IN GENERAL.**—To be eligible to enter into a contract under the environmental quality incentives program, an owner or producer of a livestock or agricultural operation must submit to the Secretary for approval a plan of operations [that incorporates such conservation practices, and is based on such principles, as the Secretary considers necessary to carry out the program, including a description of structural practices and land management practices to be implemented and the objectives to be met by the plan's implementation.] *that provides or will continue to provide increased environmental benefits to air, soil, water, or related resources.*

* * * * *

SEC. 1240F. DUTIES OF THE SECRETARY.

To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of an environmental quality incentives program plan by—

(1) * * *

[(2)] providing technical assistance in developing and implementing the plan;

[(3)] providing technical assistance, cost-share payments, or incentive payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;

[(4)] (2) providing the producer with information, education, and training to aid in implementation of the plan; and

[(5)] (3) encouraging the producer to obtain technical assistance, cost-share payments, or grants from other Federal, State, local, or private sources.

SEC. 1240G. LIMITATION ON PAYMENTS.

(a) **IN GENERAL.**—The total amount of cost-share and incentive payments paid to a producer under this chapter may not exceed—

(1) [\$10,000] \$50,000 for any fiscal year; or

(2) [\$50,000] \$200,000 for any multiyear contract.

(b) **EXCEPTION TO ANNUAL LIMIT.**—The Secretary may exceed the limitation on the annual amount of a payment under subsection (a)(1) on a case-by-case basis if the Secretary determines that a larger payment is—

(1) essential to accomplish the land management practice or structural practice for which the payment is made; and

(2) consistent with [the maximization of environmental benefits per dollar expended and] the purposes of this chapter specified in section 1240.

[(c) TIMING OF EXPENDITURES.—Expenditures under a contract entered into under this chapter during a fiscal year may not be made by the Secretary until the subsequent fiscal year.]

[SEC. 1240H. TEMPORARY ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

[(a) INTERIM ADMINISTRATION.—

[(1) IN GENERAL.—During the period beginning on the date of enactment of this section and ending on the termination date provided under paragraph (2), to ensure that technical assistance, cost-share payments, and incentive payments continue to be administered in an orderly manner until such time as assistance can be provided through final regulations issued to implement the environmental quality incentives program established under this chapter, the Secretary shall continue to—

[(A) provide technical assistance, cost-share payments, and incentive payments under the terms and conditions of the agricultural conservation program, the Great Plains conservation program, the water quality incentives program, and the Colorado River Basin salinity control program, to the extent the terms and conditions of the program are consistent with the environmental quality incentives program; and

[(B) use for those purposes—

[(i) any funds remaining available for the agricultural conservation program, the Great Plains conservation program, the water quality incentives program, and the Colorado River Basin salinity control program; and

[(ii) as the Secretary determines to be necessary, any funds authorized to be used to carry out the environmental quality incentives program.

[(2) TERMINATION OF AUTHORITY.—The authority of the Secretary to carry out paragraph (1) shall terminate on the date that is 180 days after the date of enactment of this section.

[(b) PERMANENT ADMINISTRATION.—Effective beginning on the termination date provided under subsection (a)(2), the Secretary shall provide technical assistance, cost-share payments, and incentive payments for structural practices and land management practices related to crop and livestock production in accordance with final regulations issued to carry out the environmental quality incentives program.]

SEC. 1240H. GROUNDWATER CONSERVATION.

The Secretary shall use \$60,000,000 of the funds of the Commodity Credit Corporation in each of fiscal years 2002 through 2011 to provide cost-share payments and low-interest loans to encourage groundwater conservation, including irrigation system improvement, and to provide incentive payments for capping wells, reducing use of water for irrigation, and switching from irrigation to dryland farming.

[CHAPTER 5—CONSERVATION FARM OPTION

[SEC. 1240M. CONSERVATION FARM OPTION.

[(a) IN GENERAL.—The Secretary shall establish conservation farm option pilot programs for producers of wheat, feed grains, cotton, and rice.

[(b) ELIGIBLE OWNERS AND PRODUCERS.—An owner or producer with a farm that has contract acreage enrolled in the agricultural market transition program established under the Agricultural Market Transition Act shall be eligible to participate in the conservation farm option offered under a pilot program under subsection (a) if the owner or producer meets the conditions established under section (e).

[(c) PURPOSES.—The purposes of the conservation farm option pilot programs shall include—

- [(1) conservation of soil, water, and related resources;
- [(2) water quality protection or improvement;
- [(3) wetland restoration, protection, and creation;
- [(4) wildlife habitat development and protection; or
- [(5) other similar conservation purposes.

[(d) CONSERVATION FARM PLAN.—

[(1) IN GENERAL.—To be eligible to enter into a conservation farm option contract, an owner or producer must prepare and submit to the Secretary, for approval, a conservation farm plan that shall become a part of the conservation farm option contract.

[(2) REQUIREMENTS.—A conservation farm plan shall—

[(A) describe the resource-conserving crop rotations, and all other conservation practices, to be implemented and maintained on the acreage that is subject to contract during the contract period;

[(B) contain a schedule for the implementation and maintenance of the practices described in the conservation farm plan;

[(C) comply with highly erodible land and wetland conservation requirements of this title; and

[(D) contain such other terms as the Secretary may require.

[(e) CONTRACTS.—

[(1) IN GENERAL.—On approval of a conservation farm plan, the Secretary may enter into a contract with the owner or producer that specifies the acres being enrolled and the practices being adopted.

[(2) DURATION OF CONTRACT.—The contract shall be for a period of 10 years. The contract may be renewed for a period of not to exceed 5 years on mutual agreement of the Secretary and the owner or producer.

[(3) CONSIDERATION.—In exchange for payments under this subsection, the owner or producer shall not participate in and shall forgo payments under—

[(A) the conservation reserve program established under subchapter B of chapter 1;

[(B) the wetlands reserve program established under subchapter C of chapter 1; and

[(C) the environmental quality incentives program established under chapter 4.

[(4) OWNER OR PRODUCER RESPONSIBILITIES UNDER THE AGREEMENT.—Under the terms of the contract entered into under this section, an owner or producer shall agree to—

[(A) actively comply with the terms and conditions of the approved conservation farm plan;

[(B) keep such records as the Secretary may reasonably require for purposes of evaluation of the implementation of the conservation farm plan; and

[(C) not engage in any activity that would defeat the purposes of the conservation farm option pilot program.

[(5) PAYMENTS.—The Secretary shall offer an owner or producer annual payments under the contract that are equivalent to the payments the owner or producer would have received under the conservation reserve program, the wetlands reserve program, and the environmental quality incentives program.

[(6) BALANCE OF BENEFITS.—The Secretary shall not permit an owner or producer to terminate a conservation reserve program contract and enter a conservation farm option contract if the Secretary determines that such action will reduce net environmental benefits.

[(f) SECRETARIAL DETERMINATIONS.—

[(1) ACREAGE ESTIMATES.—Prior to each year during which the Secretary intends to offer conservation reserve program contracts, the Secretary shall estimate the number of acres that—

[(A) will be retired under the conservation farm option under the terms and conditions the Secretary intends to offer for that program; and

[(B) would be retired under the conservation reserve program if the conservation farm option were not available.

[(2) TOTAL LAND RETIREMENT.—The Secretary shall announce a number of acres to be enrolled in the conservation reserve program that will result in a total number of acres retired under the conservation reserve program and the conservation farm option that does not exceed the amount estimated under paragraph (1)(B) for the current or future years.

[(3) LIMITATION.—The Secretary shall not enroll additional conservation reserve program contracts to offset the land retired under the conservation farm option.

[(g) COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, authorities, and facilities of the Commodity Credit Corporation to carry out this subsection.

[(h) FUNDING.—Of the funds of the Commodity Credit Corporation, the Corporation shall make available to carry out this section—

[(1) \$7,500,000 for fiscal year 1997;

[(2) \$15,000,000 for fiscal year 1998;

[(3) \$25,000,000 for fiscal year 1999;

[(4) \$37,500,000 for fiscal year 2000;

[(5) \$50,000,000 for fiscal year 2001; and

[(6) \$62,500,000 for fiscal year 2002.]

Subtitle E—Funding and Administration

SEC. 1241. FUNDING.

(a) MANDATORY EXPENSES.—For each of fiscal years 1996 through **[2002]** 2011, the Secretary shall use the funds of the Commodity Credit Corporation to carry out the programs authorized by—

(1) * * *

* * * * *

(b) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—

(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available **[\$130,000,000 for fiscal year 1996, and \$200,000,000 for each of fiscal years 1997 through 2002]** *\$200,000,000 for fiscal year 2001, and \$1,200,000,000 for each of fiscal years 2002 through 2011*, for providing **[technical assistance,]** cost-share payments, incentive payments, and education under the environmental quality incentives program under chapter 4 of subtitle D.

(2) LIVESTOCK PRODUCTION.—For each of fiscal years 1996 through **[2002]** 2011, 50 percent of the funding available for **[technical assistance, cost-share payments, incentive payments, and education]** *cost-share payments and incentive payments* under the environmental quality incentives program shall be targeted at practices relating to livestock production.

SEC. 1242. USE OF OTHER AGENCIES.

[(a) COMMITTEES.—In carrying out subtitles B, C, and D, the Secretary shall use the services of local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)).]

(a) PRINCIPAL AGENCY.—The Secretary shall use the Farm Service Agency in carrying out subtitles B and C, and subchapter B of chapter 1, and chapters 2 and 4, of subtitle D.

* * * * *

SEC. 1243. ADMINISTRATION.

(a) * * *

* * * * *

(b) ACREAGE LIMITATION.—

(1) * * *

(2) EXCEPTION.—The Secretary may exceed the limitations in paragraph (1) if the Secretary determines **[that—**

[(A) the action would not adversely affect the local economy of a county; and

[(B) operators in the county are having difficulties complying with conservation plans implemented under section 1212.] *that the action would not adversely affect the local economy of the county.*

(3) SHELTERBELTS AND WINDBREAKS.—The limitations established under this subsection shall not apply to cropland that is subject to an easement under chapter 1 **[or 3]** of subtitle D

that is used for the establishment of shelterbelts and windbreaks.

* * * * *

[(d) PROVISION OF TECHNICAL ASSISTANCE BY OTHER SOURCES.—In the preparation and application of a conservation compliance plan under subtitle B or similar plan required as a condition for assistance from the Department of Agriculture, the Secretary shall permit persons to secure technical assistance from approved sources, as determined by the Secretary, other than the Natural Resources Conservation Service. If the Secretary rejects a technical determination made by such a source, the basis of the Secretary's determination must be supported by documented evidence.]

(d) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—*The Secretary shall provide technical assistance under this title to a producer eligible for such assistance, by providing the assistance directly or, at the option of the producer, through an approved third party if available.*

(2) AMOUNT.—*The Secretary shall determine the amount of technical assistance to be provided to a producer under this title, and on making the determination, shall make the necessary funds available to—*

(A) if the producer has selected an approved third party to provide the assistance, such approved third party; or

(B) otherwise, the Natural Resources Conservation Service.

(3) FUNDING SOURCE; LIMITATION.—

(A) USE OF CCC FUNDS.—Subject to subparagraph (B), the Secretary may use not more than \$100,000,000 of funds of the Commodity Credit Corporation for each of fiscal years 2002 through 2011 to carry out this subsection.

(B) LIMITATION.—The total amount expended under this subsection for fiscal years 2002 through 2011 may not exceed \$850,000,000.

(4) CERTIFICATION OF THIRD-PARTY PROVIDERS.—

(A) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Agriculture shall, by regulation, establish a system for approving persons to provide technical assistance pursuant to this title. In the system, the Secretary shall give priority to a person who has a memorandum of understanding regarding the provision of technical assistance in place with the Secretary before the date of the enactment of this subsection.

(B) EXPERTISE REQUIRED.—In prescribing such regulations, the Secretary shall ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, environmental engineering, including commercial entities, nonprofit entities, State or local governments or agencies, and other Federal agencies, are eligible to become approved providers of such technical assistance.

* * * * *

SEC. [1230A.] 1244. GOOD FAITH RELIANCE.

(a) IN GENERAL.—Except as provided in subsection (d) and notwithstanding any other provision of this [chapter] title, the Secretary shall provide equitable relief to an owner or operator that

has entered into a contract under this [chapter] *title*, and that is subsequently determined to be in violation of the contract, if the owner or operator in attempting to comply with the terms of the contract and enrollment requirements took actions in good faith reliance on the action or advice of an authorized representative of the Secretary.

(b) TYPES OF RELIEF.—The Secretary shall—

(1) to the extent the Secretary determines that an owner or operator has been injured by good faith reliance described in subsection (a), allow the owner or operator to do any one or more of the following—

(A) to retain payments received under the contract;

(B) to continue to receive payments under the contract;

(C) to keep all or part of the land covered by the contract enrolled in the applicable program under this [chapter] *title*;

(D) to reenroll all or part of the land covered by the contract in the applicable program under this [chapter] *title*;

or

* * * * *

Subtitle F—Other Conservation Provisions

* * * * *

[SEC. 1256. TREE PLANTING INITIATIVE.

[(a) MAINTENANCE, AFFORESTATION, AND REFORESTATION OF FOREST LANDS.—

[(1) POLICY.—It is the policy of the United States to—

[(A) promote the retention and management of lands currently in forest cover as forested lands;

[(B) provide for the reforestation of Federal, State, and private nonindustrial forest lands following timber harvest or loss of cover due to fire, insect damage, disease or damaging weather;

[(C) encourage the reforestation of previously forested lands and the afforestation of marginal agricultural lands; and

[(D) promote the planting of trees and the proper management of existing forest lands to reduce soil erosion, improve water quality, enhance fish and wildlife habitat, and provide for the sustained production of the commodity and noncommodity resources that these lands can provide to meet the Nation's needs.

[(2) IMPLEMENTATION OF POLICY.—The Secretary is encouraged to use the following programs to accomplish the policy identified in subsection (a)(1):

[(A) The conservation reserve established under subchapter B of chapter 1.

[(B) The agricultural conservation program authorized by sections 7 through 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g through 590o, 590p(a), 590p(f), and 590(g) and sections 1001 through 1008 and 1010 of the Agricultural Act of 1970 (16 U.S.C. 1501 through 1508 and 1510).

[(C) The Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103).

[(D) The provisions of title XII of the Food, Agriculture, Conservation, and Trade Act of 1990.

[(b) AGREEMENTS WITH STATE FORESTRY AGENCIES.—The Secretary shall encourage owners and operators of cropland who enter into agreements in accordance with this section to enlist the cooperative assistance of the State Forester or equivalent State official in obtaining technical and financial assistance for tree planting and maintenance activities in accordance with the provisions of title XII of the Food, Agriculture, Conservation, and Trade Act of 1990.]

* * * * *

TITLE XIV—AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING

SUBTITLE A—GENERAL PROVISIONS

* * * * *

MARKET EXPANSION RESEARCH

SEC. 1436. (a) * * *

(b)(1) * * *

* * * * *

(3)(A) * * *

* * * * *

(C) To the extent requests are made for matching funds under such program, the total amount of funds used by the Secretary to carry out the program under this subsection may not be less than \$10,000,000 for each of the fiscal years ending September 30, 1986, through September 30, [1990] 2011.

* * * * *

TITLE XVII—RELATED AND MISCELLANEOUS MATTERS

* * * * *

SUBTITLE G—MISCELLANEOUS

* * * * *

CONFIDENTIALITY OF INFORMATION

SEC. 1770. (a) * * *

* * * * *

(d) For purposes of this section, a provision of law referred to in this subsection means—

(1) * * *

* * * * *

(9) section 2 of the joint resolution entitled “Joint resolution relating to the publication of economic and social statistics for Americans of Spanish origin or descent”, approved June 16, 1976 (15 U.S.C. 1516a); [or]

(10) section 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(e));

(11) section 2 of the Census of Agriculture Act of 1997[.] ;
or

(12) title XII of this Act.

(e) **[[INFORMATION PROVIDED TO SECRETARY OF COMMERCE] EX-
CEPTIONS.**—This section shall not prohibit the release of informa-
tion under section 2(f)(2) of the Census of Agriculture Act of 1997,
or as necessary to carry out a program under title XII of this Act
as determined by the Secretary.

* * * * *

FLUID MILK PRODUCTION ACT OF 1990

* * * * *

TITLE XIX—AGRICULTURAL PROMOTION

* * * * *

Subtitle H—Processor-Funded Milk Promotion Program

* * * * *

SEC. 1999C. DEFINITIONS.

As used in this subtitle:

(1) * * *

* * * * *

[(3) FLUID MILK PRODUCT.—The term “fluid milk product”—

[(A) means any of the following products in fluid or fro-
zen form: milk, skim milk, lowfat milk, milk drinks, but-
termilk, filled milk, and milkshake and ice milk mixes con-
taining less than 20 percent total solids, including any
such products that are flavored, cultured, modified with
added nonfat milk solids, concentrated (if in a consumer-
type package), or reconstituted; and

[(B) does not include evaporated or condensed milk
(plain or sweetened), evaporated or condensed skim milk
(plain or sweetened), formulas specially prepared for infant
feeding or dietary use that are packaged in hermetically
sealed glass or all-metal containers, any product that con-
tains by weight less than 6.5 percent nonfat milk solids,
and whey.]

(3) *FLUID MILK PRODUCT.*—*The term “fluid milk product” has
the meaning given such term—*

*(A) in section 1000.15 of title 7, Code of Federal Regula-
tions, subject to such amendments as may be made from
time to time; or*

*(B) in any successor regulation providing a definition of
such term that is promulgated pursuant to the Agricultural
Adjustment Act (7 U.S.C. 601 et seq.), reenacted with*

amendments by the Agricultural Marketing Agreement Act of 1937.

(4) FLUID MILK PROCESSOR.—The term “fluid milk processor” means any person who processes and markets commercially more than ~~500,000~~ 3,000,000 pounds of fluid milk products in consumer-type packages per month.

* * * * *

SEC. 19990. SUSPENSION OR TERMINATION OF ORDERS.

[(a) TERMINATION OF ORDER.—Any order effective under this subtitle shall be terminated December 31, 2002. The Secretary shall—

[(1) terminate the collection of assessments under the order upon such date; and

[(2) terminate activities under the order in an orderly manner as soon as practicable after such date.]

[(b)] (a) SUSPENSION OR TERMINATION BY SECRETARY.—The Secretary shall, whenever the Secretary finds that the order or any provision of the order obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of the order or provision.

[(c)] (b) OTHER REFERENDA.—

(1) * * *

* * * * *

SECTION 273 OF THE AGRICULTURAL MARKETING ACT OF 1946

SEC. 273. MANDATORY REPORTING FOR DAIRY PRODUCTS.

(a) * * *

(b) REQUIREMENTS.—

(1) IN GENERAL.—In establishing the program, the Secretary shall only—

(A) * * *

(B) require each manufacturer and other person storing dairy products *and substantially identical products designated by the Secretary* to report to the Secretary, at a periodic interval determined by the Secretary, information on the quantity of dairy products *and such substantially identical products* stored.

* * * * *

DAIRY PRODUCTION STABILIZATION ACT OF 1983

TITLE I—DAIRY

SHORT TITLE

SEC. 101. This title may be cited as the “Dairy Production Stabilization Act of 1983”.

* * * * *

Subtitle B—Dairy Promotion Program

FINDINGS AND DECLARATION OF POLICY

SEC. 110. (a) * * *

(b) It, therefore, is declared to be the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided herein, of an orderly procedure for financing (through assessments on all milk produced in the United States for commercial use *and on imported dairy products*) and carrying out a coordinated program of promotion designed to strengthen the dairy industry's position in the marketplace and to maintain and expand domestic and foreign markets and uses for fluid milk and dairy **products produced in the United States.** *products.* Nothing in this subtitle may be construed to provide for the control of production or otherwise limit the right of individual milk producers to produce milk *or the right of any person to import dairy products.*

DEFINITIONS

SEC. 111. As used in this subtitle—

(a) * * *

* * * * *

(k) the term “nutrition education” means those activities intended to broaden the understanding of sound nutritional principles including the role of milk and dairy products in a balanced diet; **and**

(l) the term “United States” as used in sections 110 through 117 means the forty-eight contiguous States in the continental United States**;**

(m) *the term “imported dairy product” means any dairy product that is imported into the United States, including dairy products imported into the United States in the form of—*

- (1) *milk, cream, and fresh and dried dairy products;*
- (2) *butter and butterfat mixtures;*
- (3) *cheese; and*
- (4) *casein and mixtures;*

(n) *the term “importer” means a person that imports an imported dairy product into the United States; and*

(o) *the term “Customs” means the United States Customs Service.*

* * * * *

REQUIRED TERMS IN ORDERS

SEC. 113. Any order issued under this subtitle shall contain terms and conditions as follows:

(a) * * *

(b) NATIONAL DAIRY PROMOTION AND RESEARCH BOARD.—

(1) The order shall provide for the establishment and appointment by the Secretary of a National Dairy Promotion and Research Board that shall consist of not less than thirty-six members.

Members (2) *Except as provided in paragraph (6), the members of the Board shall be milk producers appointed by the*

Secretary from nominations submitted by eligible organizations certified under section 114 of this subtitle, or, if the Secretary determines that a substantial number of milk producers are not members of, or their interests are not represented by, any such eligible organization, then from nominations made by such milk producers in the manner authorized by the Secretary.

(3) In making such appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of milk production volume throughout the United States.

(4) In determining geographic representation, whole States shall be considered as a unit.

(5) A region may be represented by more than one director and a region may be made up of more than one State.

(6) *IMPORTERS.*—

(A) *REPRESENTATION.*—*The Secretary shall appoint not more than 2 members who represent importers of dairy products and are subject to assessments under the order, to reflect the proportion of domestic production and imports supplying the United States market, which shall be based on the Secretary's determination of the average volume of domestic production of dairy products proportionate to the average volume of imports of dairy products in the United States over the previous three years.*

(B) *ADDITIONAL MEMBERS; NOMINATIONS.*—*The members appointed under this paragraph—*

(i) shall be in addition to the total number of members appointed under paragraph (2); and

(ii) shall be appointed from nominations submitted by importers under such procedures as the Secretary determines to be appropriate.

(7) The term of appointment to the Board shall be for three years with no member serving more than two consecutive terms, except that initial appointments shall be proportionately for one-year, two-year, and three-year terms.

(8) The Board shall appoint from its members an executive committee whose membership shall equally reflect each of the different regions in the United States in which milk is produced.

(9) The executive committee shall have such duties and powers as are conferred upon it by the Board.

(10) Board members shall serve without compensation, but shall be reimbursed for their reasonable expenses incurred in performing their duties as members of the Board including a per diem allowance as recommended by the Board and approved by the Secretary.

* * * * *

(g) *ASSESSMENTS.*—

(1) The order shall provide that each person making payment to a producer for milk produced in the United States and purchased from the producer shall, in the manner as prescribed by the order, collect an assessment based upon the number of hundredweights of milk for commercial use handled

for the account of the producer and remit the assessment to the Board.

(2) The assessment shall be used for payment of the expenses in administering the order, with provision for a reasonable reserve, and shall include those administrative costs incurred by the Department after an order has been promulgated under this subtitle.

(3) The rate of assessment prescribed by the order shall be 15 cents per hundredweight of milk for commercial use or the equivalent thereof.

(4) A milk producer or the producer's cooperative who can establish that the producer is participating in active, ongoing qualified State or regional dairy product promotion or nutrition education programs intended to increase consumption of milk and dairy products generally shall receive credit in determining the assessment due from such producer for contributions to such programs of up to 10 cents per hundredweight of milk marketed or, for the period ending six months after the date of enactment of this Act, up to the aggregate rate in effect on the date of enactment of this Act of such contributions to such programs (but not to exceed 15 cents per hundredweight of milk marketed) if such aggregate rate exceeds 10 cents per hundredweight of milk marketed.

(5) Any person marketing milk of that person's own production directly to consumers shall remit the assessment directly to the Board in the manner prescribed by the order.

(6) *IMPORTERS.*—

(A) *IN GENERAL.*—*The order shall provide that each importer of imported dairy products shall pay an assessment to the Board in the manner prescribed by the order.*

(B) *TIME FOR PAYMENT.*—*The assessment on imported dairy products shall be paid by the importer to Customs at the time of the entry of the products into the United States and shall be remitted by Customs to the Board. For purposes of this subparagraph, entry of the products into the United States shall be deemed to have occurred when the products are released from custody of Customs and introduced into the stream of commerce within the United States. Importers include persons who hold title to foreign-produced dairy products immediately upon release by Customs, as well as persons who act on behalf of others, as agents, brokers, or consignees, to secure the release of dairy products from Customs and the introduction of the released dairy products into the stream of commerce.*

(C) *RATE.*—*The rate of assessment on imported dairy products shall be determined in the same manner as the rate of assessment per hundredweight or the equivalent of milk.*

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

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

* * * * *

(k) The order shall require that each **[person receiving]** *importer of imported dairy products, each person receiving* milk from farmers for commercial use, and any person marketing milk of that person's own production directly to consumers, maintain and make available for inspection such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order. Such information shall be made available to the Secretary as is appropriate to the administration or enforcement of this subtitle, or any order or regulation issued under this subtitle. All information so obtained shall be kept confidential by all officers and employees of the Department, and only such information so obtained as the Secretary deems relevant may be disclosed by them and then only in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party, and involving the order with reference to which the information to be disclosed was obtained. Nothing in this subsection may be deemed to prohibit (1) the issuance of general statements, based upon the reports, of the number of persons subject to an order or statistical data collected therefrom, which statements do not identify the information furnished by any person, or (2) the publication, by direction of the Secretary, of the name of any person violating any order, together with a statement of the particular provisions of the order violated by such person. No information obtained under the authority of this subtitle may be made available to any agency or officer of the Federal Government for any purpose other than the implementation of this subtitle and any investigatory or enforcement action necessary for the implementation of this subtitle. Any person violating the provisions of this subsection shall, upon conviction, be subject to a fine of not more than \$1,000, or to imprisonment for not more than one year, or both, and, if an officer or employee of the Board or the Department, shall be removed from office.

* * * * *

SUSPENSION AND TERMINATION OF ORDERS

SEC. 116. (a) * * *

(b) After September 30, 1985, the Secretary may conduct a referendum at any time, and shall hold a referendum on request of a representative group comprising 10 per centum or more of the number of producers *and importers* subject to the order, to determine whether the producers *and importers* favor the termination or suspension of the order. The Secretary shall suspend or terminate collection of assessments under the order within six months after the Secretary determines that suspension or termination of the order is favored by a majority of the producers voting in the referendum who, during a representative period (as determined by the Secretary), have been engaged in the production of milk for commercial use *and importers voting in the referendum (who have been engaged in the importation of dairy products during the same rep-*

representative period, as determined by the Secretary). and shall terminate the order in an orderly manner as soon as practicable after such determination.

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AGRICULTURAL ADJUSTMENT ACT OF 1938

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TITLE III—LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS, MARKETING QUOTAS, AND MARKETING CERTIFICATES

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SUBTITLE B—MARKETING QUOTAS

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【PART VI—MARKETING QUOTAS—PEANUTS

【LEGISLATIVE FINDINGS

【SEC. 357. The production, marketing, and processing of peanuts and peanut products employs a large number of persons and is of national interest. The movement of peanuts from producer to consumer is preponderantly in interstate and foreign commerce, and, owing to causes beyond their control, the farmers producing such commodity and the persons engaged in the marketing and processing thereof are unable to regulate effectively the orderly marketing of the commodity. As the quantity of peanuts marketed in the channels of interstate and foreign commerce increases above the quantity of peanuts needed for cleaning and shelling, the prices at which all peanuts are marketed are depressed to low levels. These low prices tend to cause the quantity of peanuts available for marketing in later years to be less than normal, which in turn tends to cause relatively high prices. This fluctuation of prices and marketings of peanuts creates an unstable and chaotic condition in the marketing of peanuts for cleaning and shelling and for crushing for oil in the channels of interstate and foreign commerce. Since these unstable and chaotic conditions have existed for a period of years and are likely, without proper regulation, to continue to exist, it is imperative that the marketing of peanuts for cleaning and shelling and for crushing for oil in interstate and foreign commerce be regulated in order to protect producers, handlers, processors, and consumers.

【MARKETING QUOTAS

【SEC. 358. (a) Between July 1 and December 1 of each calendar year the Secretary shall proclaim the amount of the national marketing quota for peanuts for the crop produced in the next succeeding calendar year in terms of the total quantity of peanuts which will make available for marketing a supply of peanuts from the crop with respect to which the quota is proclaimed equal to the average quantity of peanuts harvested for nuts during the five years immediately preceding the year in which such quota is pro-

claimed, adjusted for current trends and prospective demand conditions, and the quota so proclaimed shall be in effect with respect to such crop. The national marketing quota for peanuts for any year shall be converted to a national acreage allotment by dividing such quota by the normal yield per acre of peanuts for the United States determined by the Secretary on the basis of the average yield per acre of peanuts in the five years preceding the year in which the quota is proclaimed, with such adjustments as may be found necessary to correct for trends in yields and for abnormal conditions of production affecting yields in such five years: *Provided*, That the national marketing quota established for the crop produced in the calendar year 1941 shall be a quantity of peanuts sufficient to provide a national acreage allotment of not less than one million six hundred and ten thousand acres, and that the national marketing quota established for any subsequent year shall be a quantity of peanuts sufficient to provide a national acreage allotment of not less than that established for the crop produced in the calendar year 1941.

[(b) Not later than December 15 of each calendar year the Secretary shall conduct a referendum of farmers engaged in the production of peanuts in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to marketing quotas with respect to the crops of peanuts produced in the three calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the farmers voting in any referendum vote in favor of marketing quotas, no referendum shall be held with respect to quotas for the second and third years of the period. The Secretary shall proclaim the results of the referendum within thirty days after the date on which it is held, and, if more than one-third of the farmers voting in the referendum vote against marketing quotas, the Secretary also shall proclaim that marketing quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held. Notwithstanding any other provisions of this section, the Secretary shall proclaim a national marketing quota with respect to the crop of peanuts produced in the calendar year 1941 equal to the minimum quota provided for said year in subsection (a) of this section and shall provide for the holding of a referendum on such quota within thirty days after April 3, 1941, and the State and farm acreage allotments established under the 1941 crop of peanuts.

[(c)(1) The national acreage allotment for 1951, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the larger of the following for each State: (a) The acreage allotted to the State as its share of the 1950 national acreage allotment of two million one hundred thousand acres, or (b) the State's share of two million one hundred thousand acres apportioned, to States on the basis of the average acreage harvested for nuts in each State in the five years 1945-49: *Provided*, That any allotment so determined for any State which is less than the 1951 State allotment announced by the Secretary prior to the enactment of this Act shall be increased to such announced allotment and the acreage required for such increases shall be in addition to the 1951 national acreage allotment

and shall be considered in determining State acreage allotments in future years. For any year subsequent to 1951, the national acreage allotment for that year, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which such apportionment was made.

[(2) Notwithstanding any other provision of law, if the Secretary of Agriculture determines, on the basis of the average yield per acre of peanuts by types during the preceding five years, adjusted for trends in yields and abnormal conditions of production affecting yields in such five years, that the supply of any type or types of peanuts for any marketing year, beginning with the 1951-52 marketing year, will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it, the State allotments for those States producing such type or types of peanuts shall be increased to the extent determined by the Secretary to be required to meet such demand but the allotment for any State may not be increased under this provision above the 1947 harvested acreage of peanuts for such State. The total increase so determined shall be apportioned among such States for distribution among farms producing peanuts of such type or types on the basis of the average acreage of peanuts of such type or types in the three years immediately preceding the year for which the allotments are being determined. The additional acreage so required shall be in addition to the national acreage allotment, the production from such acreage shall be in addition to the national marketing quota, and the increase in acreage allotted under this provision shall not be considered in establishing future State, county, or farm acreage allotments.

[(d) The Secretary shall provide for the apportionment of the State acreage allotment for any State, less the acreage to be allotted to new farms under subsection (f) of this section, through local committees among farms on which peanuts were grown in any of the three years immediately preceding the year for which such allotment is determined. The State acreage allotment for 1952 and any subsequent year shall be apportioned among farms on which peanuts were produced in any one of the 3 calendar years immediately preceding the year for which such apportionment is made, on the basis of the following: Past acreage of peanuts, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts. Any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm in succeeding years. The amount of the marketing quota for each farm shall be the actual production of the farm-acreage allotment, and no peanuts shall be marketed under the quota for any farm other than peanuts actually produced on the farm.

[(e) Notwithstanding the foregoing provisions of this section, the Secretary may, if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the provisions of the Act, provide for the apportionment of the State acreage allotment for 1952 and any subse-

quent year among the counties in the State on the basis of the past acreage of peanuts harvested for nuts (excluding acreage in excess of farm allotments) in the county during the five years immediately preceding the year in which such apportionment is made, with such adjustments as are deemed necessary for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of subsection (c). The county acreage allotment shall be apportioned among farms on the basis of the factors set forth in subsection (d) of this section.

[(f) Not more than 1 per centum of the State acreage allotment shall be apportioned among farms in the State on which peanuts are to be produced during the calendar year for which the allotment is made but on which peanuts were not produced during any one of the past three years, on the basis of the following: Past peanut-producing experience by the producers; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

[(g) Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a three-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: *Provided*, That, notwithstanding any other provisions of this Act, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.

[(i) The production of peanuts on a farm in 1959 or any subsequent year for which no farm acreage allotment was established shall not make the farm eligible for an allotment as an old farm under subsection (d) of this section: *Provided, however*, That by reason of such production the farm need not be considered as ineligible for a new farm allotment under subsection (f) of this section, but such production shall not be deemed past experience in the production of peanuts for any producer on the farm.

[(j) Notwithstanding any other provision of this Act, if the Secretary determines for 1976 or a subsequent year that because of a natural disaster a portion of the farm peanut acreage allotments in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of the peanut acreage allotments for any farm in the county so affected to another farm in the county or in an adjoining county in the same or an adjoining State on which one or more of the producers on the

farm from which the transfer is to be made will be engaged in the production of peanuts and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm allotment transferred under this subsection shall be deemed to be released acreage for the purpose of acreage history credits under subsection (g) of this section and section 377 of this Act: *Provided*, That notwithstanding the provisions of subsection (g) of this section, the transfer of any farm allotment under this subsection shall operate to make the farm from which the allotment was transferred eligible for an allotment as having peanuts planted thereon during the three-year base period.

[SEC. 358-1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR PEANUTS.

[(a) NATIONAL POUNDAGE QUOTAS.—

[(1) ESTABLISHMENT.—The national poundage quota for peanuts for each marketing year shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible use (except seed) and related uses.

[(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than December 15 preceding the marketing year.

[(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State shall be equal to the percentage of the national poundage quota allocated to farms in the State for 1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years.

[(b) FARM POUNDAGE QUOTAS.—

[(1) IN GENERAL.—

[(A) ESTABLISHMENT.—A farm poundage quota for each marketing year shall be established—

[(i) for each farm that had a farm poundage quota for peanuts for the 1990 marketing year, in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years;

[(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

[(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

[(B) QUANTITY.—The farm poundage quota for each marketing year for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any in-

creases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7). The farm poundage quota, if any, for each marketing year for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

[(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part thereof, is permanently transferred in accordance with section 358a or 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion thereof) of the transferring farm for all subsequent marketing years.

[(D) CERTAIN FARMS INELIGIBLE FOR QUOTA.—Effective beginning with the 1998 crop, the Secretary shall not establish a farm poundage quota under subparagraph (A) for a farm owned or controlled by—

[(i) a municipality, airport authority, school, college, refuge, or other public entity (other than a university used for research purposes); or

[(ii) a person who is not a producer and resides in another State.

[(2) ADJUSTMENTS.—

[(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Except as provided in subparagraph (D), if the poundage quota apportioned to a State under subsection (a)(3) for any marketing year is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

[(i) all farms in the State for each of which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

[(ii) all other farms in the State on each of which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

[(B) TEMPORARY QUOTA ALLOCATION.—

[(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

[(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted and determined under regulations prescribed by the Secretary.

[(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total, to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

[(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b).

[(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any marketing year is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for each of which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

[(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in that percentage of the quota referred to in subparagraph (A) and otherwise allocated to the farm as the result of the tenant's production on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable, the tenant's share of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to that farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

[(E) TRANSFER OF QUOTA FROM INELIGIBLE FARMS.—Any farm poundage quota held at the end of the 1996 marketing year by a farm described in paragraph (1)(D) shall be allocated to other farms in the same State on such basis as the Secretary may by regulation prescribe.

[(3) QUOTA NOT PRODUCED.—

[(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any marketing year shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

[(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

[(4) QUOTA CONSIDERED PRODUCED.—For purposes of this subsection, the farm poundage quota shall be considered produced on a farm if—

[(A) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural dis-

aster, or any other condition beyond the control of the producer, as determined by the Secretary;

[(B) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

[(C) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to such farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

[(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

[(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

[(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is so released.

[(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

[(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

[(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—Not more than 25 percent of the total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the immediately preceding year's crop. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm.

[(C) ALLOCATION OF QUOTAS REDUCED OR RELEASED IN TEXAS.—

[(i) IN GENERAL.—In Texas, and subject to terms and conditions prescribed by the Secretary, beginning with the 1991 marketing year, the total quantity of the farm poundage quota, except the percentage allocated to new farms under subparagraph (B), shall be allocated to other farms having poundage quotas for the 1990 marketing year in all counties in which the production of additional peanuts exceeded the total quota allocated to the county for the 1989 marketing year.

[(ii) BASIS FOR ALLOCATION TO COUNTIES.—The allocation of the quota to eligible counties shall be based on the total production of additional peanuts in the respective county for the 1988 crop, except that the total quota allocated to any county under this subparagraph

and paragraph (2)(B) shall not be increased by more than 100 percent of the basic quota allocated to the county for the 1989 marketing year, if that county had more than 10,000 tons of quota for the 1989 marketing year.

[(iii) ALLOCATION TO OTHER COUNTIES.—If the total quota for any such county is so increased by 100 percent, all of the remaining quota set aside under this subparagraph shall be allocated to farms in other counties otherwise meeting the requirements of this subparagraph.

[(iv) ALLOCATION TO ELIGIBLE FARMS.—The percentage of farm poundage quota available for allocation under this subparagraph shall be allocated only to quota farms from which additional peanuts were delivered under contract with handlers for the marketing year immediately preceding the marketing year for which the allocation is being made. The percentage of the increased quota in each county shall be allocated among the eligible farms in the county on the following basis:

[(I) FACTOR.—A factor shall be established for each such eligible farm by dividing the amount of additional peanuts contracted and delivered to handlers from the farm by the total remaining peanuts produced on the farm for the marketing year immediately preceding the marketing year for which the allocation is being made.

[(II) ALLOCATION.—Each such eligible farm shall be allocated the percentage of the increased quota for the county as its factor bears to the total of the factors for all eligible farms in the county.

[(7) QUOTA TEMPORARILY RELEASED.—

[(A) IN GENERAL.—The farm poundage quota, or any portion thereof, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part thereof, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

[(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which it is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

[(8) DISASTER TRANSFERS.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be

transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

[(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

[(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

[(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

[(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.

[(c) FARM YIELDS.—

[(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

[(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm out of the 5 crop years 1973 through 1977.

[(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

[(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

[(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the second, third, fourth, and fifth years of the period.

[(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which it is held.

[(3) VOTE AGAINST QUOTAS.—If more than one-third of the producers voting in the referendum vote against quotas, the Secretary also shall proclaim that poundage quotas will not be

in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

[(e) DEFINITIONS.—For the purposes of this part and title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.):

[(1) ADDITIONAL PEANUTS.—The term “additional peanuts” means, for any marketing year—

[(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

[(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

[(2) CRUSHING.—The term “crushing” means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

[(3) DOMESTIC EDIBLE USE.—The term “domestic edible use” means use for milling to produce domestic food peanuts (other than those described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 358d(c), are unique strains, and are not commercially available.

[(4) QUOTA PEANUTS.—The term “quota peanuts” means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined in subsection (b), that—

[(A) are eligible for domestic edible use as determined by the Secretary;

[(B) are marketed or considered marketed from a farm; and

[(C) do not exceed the farm poundage quota of the farm for the year.

[(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 2002 crops of peanuts.

[(SALE, LEASE AND TRANSFER OF PEANUT ACREAGE ALLOTMENTS

[(SEC. 358a. (a) Notwithstanding any other provision of law for the 1968 and succeeding crop years, the Secretary, if he determines that it will not impair the effective operation of the peanut marketing quota or price support program, (1) may permit the owner and operator of any farm for which a peanut acreage allotment is established under this Act to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm in the same county for transfer to such farm; and (2) may permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him.

[(b) Transfers under this section shall be subject to the following conditions: (1) no allotment shall be transferred to a farm in another county; (2) no transfer of an allotment from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders; (3) no sale of a farm allotment from a farm shall be permitted if any sale of allotment to the same farm

has been made within the three immediately preceding crop years; (4) no transfer of allotment shall be effective until a record thereof is filed with the county committee of the county in which such transfer is made and such committee determines that the transfer complies with the provisions of this section; and (5) if the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease or sale and transfer shall be approved acre for acre, but if the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county committee shall make a downward adjustment in the amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established for the farm to which the allotment is transferred: *Provided*, That in the event an allotment is transferred to a farm which at the time of such transfer is not irrigated, but within five years subsequent to such transfer is placed under irrigation, the Secretary shall also make an annual downward adjustment in the allotment so transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the actual yield for the previous year, adjusted for abnormal weather conditions, on the farm to which the allotment is transferred: *Provided further*, That, notwithstanding any other provision of this Act, the adjustment made in any peanut allotment because of the transfer to a higher producing farm shall not reduce or increase the size of any future National or State allotment and an acreage equal to the total of all such adjustment shall not be allotted to any other farms.

[(c) The transfer of an allotment shall have the effect of transferring also the acreage history and marketing quota attributable to such allotment and if the transfer is made prior to the determination of the allotment for any year the transfer shall include the right of the owner or operator to have an allotment determined for the farm for such year: *Provided*, That in the case of a transfer by lease the amount of the allotment shall be considered, for the purpose of determining allotments after the expiration of the lease, to have been planted on the farm from which such allotment is transferred.

[(d) The land in the farm from which the entire peanut allotment has been transferred shall not be eligible for a new farm peanut allotment during the five years following the year in which such transfer is made.

[(e) Any lease may be made for such term of years not to exceed five as the parties thereto agree, and on such other terms and conditions except as otherwise provided in this section as the parties thereto agree.

[(f) The lease of any part of a peanut acreage allotment determined for a farm shall not affect the allotment for the farm from which such allotment is transferred or the farm to which it is transferred, except with respect to the crop year or years specified in the lease. The amount of the acreage allotment which is leased

from a farm shall be considered for purposes of determining future allotments to have been planted to peanuts on the farm from which such allotment is leased and the production pursuant to the lease shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is leased. The lessor shall be considered to have been engaged in the production of peanuts for purposes of eligibility to vote in the referendum.

[(g) The Secretary shall prescribe regulations for the administration of this section which may include reasonable limitation on the size of the resulting allotments on farms to which transfers are made and such other terms and conditions as he deems necessary, but the total peanut allotment transferred to any farm by sale or lease shall not exceed fifty acres.

[(h) If the sale or transfer occur during a period in which the farm is covered by a conservation reserve contract, cropland conversion agreement, or other similar land utilization agreement the rates of payment provided for in the contract or agreement of the farm from which the transfer is made shall be subject to an appropriate adjustment, but no adjustment shall be made in the contract or agreement of the farm to which the transfer is made.

[(SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR PEANUTS.]

[(a) IN GENERAL.—

[(1) SALE AND LEASE AUTHORITY.—

[(A) SALE OR LEASE WITHIN SAME STATE.—Subject to subparagraph (B) and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of a farm in a State for which a farm poundage quota has been established may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same State for transfer to the farm. However, any such lease of poundage quota may be entered into in the fall or after the normal planting season—

[(i) if not less than 90 percent of the basic quota (the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

[(ii) under such terms and conditions as the Secretary may by regulation prescribe.

In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization. A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

[(B) PERCENTAGE LIMITATIONS ON SPRING TRANSFERS.—Spring transfers under subparagraph (A) by sale or lease of a quota for farms in a county to any owner or operator of a farm outside the county within the same State shall not exceed the applicable percentage specified in this subparagraph of the quotas of all farms in the originating county (as of January 1, 1996) for the crop year in which

the transfer is made, plus the total amount of quotas eligible for transfer from the originating county in the preceding crop year that were not transferred in that year or that were transferred through an expired lease. However, not more than an aggregate of 40 percent of the total poundage quota within a county (as of January 1, 1996) may be transferred outside of the county. Cumulative unexpired transfers outside of a county may not exceed for a crop year the following:

[(i) For the 1996 crop, 15 percent.

[(ii) For the 1997 crop, 25 percent.

[(iii) For the 1998 crop, 30 percent.

[(iv) For the 1999 crop, 35 percent.

[(v) For the 2000 and subsequent crops, not more than an aggregate of 40 percent of the total poundage quota within the county as of January 1, 1996.

[(C) CLARIFICATION REGARDING FALL TRANSFERS.—The limitation in subparagraph (B) does not apply to 1-year fall transfers, which in all cases may be made to any farm in the same State.

[(D) EFFECT OF TRANSFER.—Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if the transferred quota is produced or considered produced on the receiving farm.

[(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota to any other farm owned or controlled by the owner or operator that is in the same county or in a county contiguous to the county in the same State and that had a farm poundage quota for the preceding year's crop. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if the transferred quota is produced or considered produced on the receiving farm.

[(3) TRANSFERS IN STATES WITH SMALL QUOTAS.—Notwithstanding paragraphs (1) and (2), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the preceding year's crop, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in one county to a farm in another county in the same State.

[(4) TRANSFERS IN COUNTIES WITH SMALL QUOTAS.—Notwithstanding paragraphs (1) and (2), in the case of any county in a State for which the poundage quota allocated to the county was less than 100,000 pounds for the preceding year's crop, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in the county to a farm in another county in the same State.

[(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

[(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

[(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

[(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record thereof is filed with the county committee of the county to which the transfer is made and the committee determines that the transfer complies with this section.

[(4) OTHER TERMS.—Such other terms and conditions that the Secretary may by regulation prescribe.

[(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 2002 crops of peanuts.

[SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

[(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the State's quota reserve to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

[(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed $\frac{1}{10}$ of 1 percent of the State's basic quota.

[(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

[(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 2002 crops of peanuts.

[MARKETING PENALTIES

[SEC. 358d. (a) The marketing of any peanuts in excess of the marketing quota for the farm on which such peanuts are produced, or the marketing of peanuts from any farm for which no acreage allotment was determined, shall be subject to a penalty at a rate equal to 75 per centum of the price support for peanuts for the marketing year (August 1–July 31). Such penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer, or if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent, and such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer. The Secretary may require collection of the penalty upon a portion of each lot of peanuts marketed from

the farm equal to the proportion which the acreage of peanuts in excess of the farm-acreage allotment is of the total acreage of peanuts on the farm. If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty. All funds collected pursuant to this section shall be deposited in a special deposit account with the Treasurer of the United States and such amounts as are determined, in accordance with regulations prescribed by the Secretary, to be penalties incurred shall be transferred to the general fund of the Treasury of the United States. Amounts collected in excess of determined penalties shall be paid to such producers as the Secretary determines, in accordance with regulations prescribed by him, bore the burden of the payment of the amount collected. Such special account shall be administered by the Secretary and the basis for, the amount of and the producer entitled to receive a payment from such account, when determined in accordance with regulations prescribed by the Secretary, shall be final and conclusive. Peanuts produced in a calendar year in which marketing quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins. If any producer falsely identifies or fails to account for the disposition of any peanuts, an amount of peanuts equal to the normal yield of the number of acres harvested in excess of the farm acreage allotment shall be deemed to have been marketed in excess of the marketing quota for the farm, and the penalty in respect thereof shall be paid and remitted by the producer. If any amount of peanuts produced on one farm is falsely identified by a representation that such peanuts were produced on another farm, the acreage allotments next established for both such farms shall be reduced by that percentage which such amount was of the respective farm marketing quotas, except that such reduction for any such farm shall not be made if the Secretary through the local committees finds that no person connected with such farm caused, aided, or acquiesced in such marketing; and if proof of the disposition of any amount of peanuts is not furnished as required by the Secretary, the acreage allotment next established for the farm on which such peanuts are produced shall be reduced by a percentage similarly computed. Notwithstanding any other provisions of this title, no refund of any penalty shall be made because of peanuts kept on the farm for seed or for home consumption.

[(b) The provisions of this part shall not apply, beginning with the 1959 crop, to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less provided the producers who share in the peanuts produced on such farm do not share in the peanuts produced on any other farm. If the producers who share in the peanuts produced on a farm on which the acreage harvested for nuts is one acre or less also share in the peanuts produced on other farm(s) the peanuts produced on such farm on acreage in excess of the allotment, if any, determined for the farm shall be considered as excess acreage and the marketing penalties provided by subsection (a) shall apply.

[(c) The word "peanuts" for the purposes of this Act shall mean all peanuts produced, excluding any peanuts which it is established

by the producer or otherwise, in accordance with regulations of the Secretary, were not picked or threshed either before or after marketing from the farm, or were marketed by the producer before drying or removal of moisture from such peanuts either by natural or artificial means for consumption exclusively as boiled peanuts.

[(d) The person liable for payment or collection of the penalty provided by this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

[(e) Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to marketing quotas in which the person liable for payment of the penalty has an interest shall be in effect in favor of the United States.

[SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS.

[(a) MARKETING PENALTIES.—

[(1) IN GENERAL.—

[(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

[(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

[(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty unless the peanuts, in accordance with regulations established by the Secretary, are—

[(i) placed under loan at the additional loan rate in effect for the peanuts under section 108B of the Agricultural Act of 1949 and not redeemed by the producers;

[(ii) marketed through an area marketing association designated pursuant to section 108B(c)(1) of the Agricultural Act of 1949; or

[(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

[(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

[(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm

or the proceeds thereof shall be jointly and severally liable with such persons who failed to collect the penalty for the amount of the penalty.

[(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

[(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the farm's average or actual yield, as determined by the Secretary, times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

[(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

[(7) DE MINIMIS VIOLATIONS.—Errors in weight that do not exceed one-tenth of 1 percent in the case of any one marketing document shall not be considered to be marketing violations except in cases of fraud or conspiracy.

[(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

[(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, such retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 358d(c), are unique strains, and are not commercially available.

[(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

[(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

[(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary de-

termines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

[(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

[(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108B(c)(1) of the Agricultural Act of 1949.

[(2) SUPERVISION BY NONHANDLERS.—

[(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

[(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

[(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in all of the following quantities:

[(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

[(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

[(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

[(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

[(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the handler's total peanut purchases for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

[(iv) SHRINKAGE ALLOWANCE.—

[(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in

this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

[(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

[(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with the facilities under the control and operation of the handler, to ensure the handler's compliance with the obligation to export peanuts.

[(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

[(5) PENALTY.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

[(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

[(6) REENTRY OF EXPORTED PEANUTS.—

[(A) PENALTY.—If any additional peanuts exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

[(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

[(e) SPECIAL EXPORT CREDITS.—

[(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which the export credits the handler may thereafter apply, up to the amount thereof, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic ed-

ible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

[(2) CERTIFICATION.—Under such regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days of the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

[(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

[(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

[(1) IN GENERAL.—Handlers may, under such regulations as the Secretary may issue, contract with producers for the purchase of additional peanuts for crushing or export, or both.

[(2) SUBMISSION TO SECRETARY.—

[(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

[(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 et seq.)). The Secretary shall announce the extension no later than September 5 of the year in which the crop is produced.

[(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, the poundage, and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

[(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

[(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

[(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of the Uruguay Round Agreements Act expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

[(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

[(1) IN GENERAL.—Subject to section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427), any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

[(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

[(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

[(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

[(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 108B(c)(1) of the Agricultural Act of 1949 shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts.

[(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

[(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under subsections (a)(2) and (b)(1) of section 108B of the Agricultural Act of 1949, include any additional marketing expenses required by law, excluding the amount of any assessment required under the Omnibus Budget Reconciliation Act of 1990.

[(h) ADMINISTRATION.—

[(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

[(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

[(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

[(4) PENALTIES.—

[(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulation may prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.

[(B) JUDICIAL REVIEW.—Nothing in this section shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with the applicable law and regulations.

[(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

[(5) REDUCTION OF PENALTIES.—

[(A) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subparagraph (B), the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

[(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

[(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 2002.]

[PART VII—MARKETING QUOTAS—SUGAR AND CRYSTALLINE FRUCTOSE]

PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR

* * * * *

[SEC. 359a. INFORMATION REPORTING.

[(a) DUTY OF PROCESSORS, REFINERS AND MANUFACTURERS TO REPORT.—

[(1) PROCESSORS AND REFINERS.—All sugarcane processors, cane sugar refiners, and sugar beet processors shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

[(2) MANUFACTURERS OF CRYSTALLINE FRUCTOSE.—All manufacturers of crystalline fructose from corn (hereafter in this part referred to as “crystalline fructose”) shall furnish the Secretary, on a monthly basis, such information as the Secretary may require with respect to the manufacturer’s distribution of crystalline fructose.

[(b) DUTY OF PRODUCERS TO REPORT.—The Secretary may require a producer of sugarcane or sugar beets to report, in the manner prescribed by the Secretary, the producer’s sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

[(c) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, shall be subject to a civil penalty of not more than \$10,000 for each such violation.

[(d) MONTHLY REPORTS.—Taking into consideration the information received under subsection (a), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar and composite data on distributions of crystalline fructose.]

SEC. 359b. *FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR [AND CRYSTALLINE FRUCTOSE].*

(a) SUGAR ESTIMATES.—

(1) IN GENERAL.—[Before] *Not later than August 1 before the beginning of each of the fiscal years [1992 through 1998] 2002 through 2011*, the Secretary shall estimate—

(A) the quantity of sugar that will be consumed in the United States during the fiscal year [(other than sugar imported for the production of polyhydric alcohol or to be re-

fined and reexported in refined form or in sugar containing products) and the quantity of sugar that would provide for reasonable carryover stocks];

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

[(B)] *(C) the quantity of sugar that will be available from carry-in stocks [or from domestically-produced sugarcane and sugar beets] for consumption in the United States during the year; [and]*

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

[(C)] *(E) the [quantity of sugar] quantity of sugars, syrups, and molasses that will be imported for human consumption or to be used for the extraction of sugar for human consumption in the United States during the [year (other than sugar imported for the production of polyhydric alcohol or to be refined and reexported in a refined form or in sugar containing products), based on the difference between—*

[(i) the sum of the quantity of estimated consumption and reasonable carryover stocks; and

[(ii) the quantity of sugar estimated to be available from domestically-produced sugarcane and sugar beets and from carry-in stocks] year, whether such articles are under a tariff-rate quota or are in excess or outside of a tariff rate quota.

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

[(2) QUARTERLY REESTIMATES] *(3) REESTIMATES.—The Secretary shall make quarterly reestimates of sugar consumption, stocks, production, and imports for a fiscal year as necessary, but no later than the beginning of each of the second through fourth quarters of the fiscal year.*

(b) SUGAR ALLOTMENTS.—

[(1) IN GENERAL.—For any fiscal year in which the Secretary estimates, under subsection (a)(1)(C), that imports of sugar for consumption in the United States (other than sugar imported for the production of polyhydric alcohol or to be refined and re-exported in refined form or in sugar containing products) will be less than 1,250,000 short tons, raw value, the Secretary shall establish for that year appropriate allotments under section 359c for the marketing by processors of sugar processed from domestically-produced sugarcane and sugar beets, at a level that the Secretary estimates will result in imports of sugar of not less than 1,250,000 short tons, raw value, for that year.]

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

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

[(c) CRYSTALLINE FRUCTOSE ALLOTMENTS.—For any fiscal year in which the Secretary establishes allotments for the marketing of sugar under section 359c, the Secretary shall establish for that year appropriate allotments for the marketing by manufacturers of crystalline fructose manufactured from corn, at a total level not to exceed the equivalent of 200,000 tons of sugar, raw value, during the fiscal year, in a manner that is fair, efficient, and equitable to manufacturers.]

[(d)] (c) PROHIBITIONS.—

(1) * * *

[(2) CRYSTALLINE FRUCTOSE.—At any time crystalline fructose allotments are in effect for manufacturers under subsection (c), no manufacturer may market crystalline fructose in excess of the manufacturer's allotment. No restrictions or allotments shall be established on the marketings of any liquid fructose produced from corn.]

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

[(4)] (3) DEFINITION OF MARKET.—For purposes of this part, the term “market” shall mean to sell or otherwise dispose of in commerce in the United States (including, with respect to any integrated processor and refiner, the movement of raw cane sugar into the refining process).

SEC. 359c. ESTABLISHMENT OF *FLEXIBLE* MARKETING ALLOTMENTS.

(a) IN GENERAL.—The Secretary shall establish *flexible* marketing allotments for sugar for any fiscal year in which the allotments are required under section 359b(b) in accordance with this section.

(b) OVERALL ALLOTMENT QUANTITY.—

(1) IN GENERAL.—The Secretary shall establish the overall quantity of sugar to be allotted for the fiscal year (hereafter in this part referred to as the “overall allotment quantity”) by deducting from the sum of the estimated sugar consumption and reasonable carryover stocks (at the end of the fiscal year) for the fiscal year, as determined under section 359b(a)—

(A) [1,250,000] 1,532,000 short tons, raw value; and

* * * * *

(2) ADJUSTMENT.—The Secretary shall adjust the overall allotment quantity [to the maximum extent practicable] to avoid the forfeiture of sugar to the Commodity Credit Corporation.

[(c) ALLOTMENT.—The overall allotment quantity for the fiscal year shall be allotted among—

[(1) sugar derived from sugar beets; and

[(2) sugar derived from sugarcane.

[(d) PERCENTAGE FACTORS.—

[(1) IN GENERAL.—The Secretary shall establish percentage factors for the overall beet sugar and cane sugar allotments applicable for a fiscal year. The Secretary shall establish the percentage factors in a fair and equitable manner on the basis of past marketings of sugar (considering for such purposes the marketings of sugar processed from sugarcane and sugar beets of any or all of the 1985 through 1989 crops), processing and refining capacity, and the ability of processors to market the sugar covered under the allotments.

[(2) PUBLICATION.—The Secretary shall publish these percentage factors in the Federal Register, along with a description of the Secretary's reasons for establishing the factors, as provided in section 359h(c).

[(e) MARKETING ALLOTMENT.—The marketing allotment for sugar derived from sugarcane and the marketing allotment for sugar derived from sugar beets for a fiscal year, in each case, shall be a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage factor established by the Secretary under subsection (d)(1) for the allotment.]

(c) *MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGAR BEETS AND MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGARCANE.—The overall allotment quantity for the fiscal year shall be allotted among—*

(1) sugar derived from sugarbeets by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 54.35; and

(2) sugar derived from sugarcane by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 45.65.

(d) *FILLING CANE SUGAR AND BEET SUGAR ALLOTMENTS.—Each marketing allotment for cane sugar established under this section may only be filled with sugar processed from domestically grown sugarcane, and each marketing allotment for beet sugar established under this section may only be filled with sugar domestically processed from sugar beets.*

[(f)] (e) STATE CANE SUGAR ALLOTMENTS.—

(1) *IN GENERAL.—The allotment for sugar derived from sugarcane shall be further allotted, among [the 5] the States in the United States in which sugarcane is produced, after a hearing, if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner [on the basis of past marketings of sugar (considering for such purposes the average of marketings of sugar processed from sugarcane in the 2 highest years of production from each State from the 1985 through 1989 crops), processing capacity, and the ability of processors to market the sugar covered under the allotments] as provided in this subsection and section 359(d)(a)(2)(A)(iv).*

(2) *OFFSHORE ALLOTMENT.—*

(A) *COLLECTIVELY.*—Prior to the allotment of sugar derived from sugarcane to any other State, 325,000 short tons, raw value shall be allotted to the offshore States.

(B) *INDIVIDUALLY.*—The collective offshore State allotment provided for under subparagraph (A) shall be further allotted among the offshore States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

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

(ii) the ability of processors to market the sugar covered under the allotments for the crop year; and

(iii) past processings of sugar from sugarcane based on the 3 year average of the crop years 1998 through 2000.

(3) *MAINLAND ALLOTMENT.*—The allotment for sugar derived from sugarcane, less the amount provided for under paragraph (2), shall be allotted among the mainland States in the United States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

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

(B) the ability of processors to market the sugar covered under the allotments for the crop year; and

(C) past processings of sugar from sugarcane, based on the 3 crop years with the greatest processings (in the mainland States collectively) during the 1991 through 2000 crop years.

(f) *FILLING CANE SUGAR ALLOTMENTS.*—Except as otherwise provided in section 359e, a State cane sugar allotment established under subsection (e) for a fiscal year may be filled only with sugar processed from sugarcane grown in the State covered by the allotment.

(g) *ADJUSTMENT OF MARKETING ALLOTMENTS.*—

(1) *IN GENERAL.*—The Secretary shall, based on reestimates under section 359b(a)(2)—

[(A) adjust upward or downward marketing allotments established under subsections (a) through (f) in a fair and equitable manner;

[(B) establish marketing allotments for the fiscal year or any portion of such fiscal year; or

[(C) suspend the allotments,] 359b(a)(3), *adjust upward or downward marketing allotments in a fair and equitable manner*

as the Secretary determines appropriate, to reflect changes in estimated sugar consumption, stocks, production, or imports.

(2) *ALLOCATION TO PROCESSORS.*—In the case of any increase or decrease in an allotment, each allocation to a processor of the allotment under section 359d, and each proportionate

share established with respect to the allotment under section **[359f(b)] 359f(c)**, shall be increased or decreased by the same percentage that the allotment is increased or decreased.

(3) **[REDUCTIONS] CARRY-OVER OF REDUCTIONS.**—Whenever a marketing allotment for a fiscal year is required to be reduced during the fiscal year under this subsection, if *at the time of the reduction* the quantity of sugar marketed, including sugar pledged as collateral for a **[price support] nonrecourse** loan under section **[206 of the Agricultural Act of 1949 (7 U.S.C. 1446g)**, for the fiscal year at the time of the reduction by any individual processor covered by the allotment **] 156 of the Agricultural Market Transition Act (7 U.S.C. 7272)**, exceeds the processor's reduced allocation, the allocation of an allotment**[, if any,]** next established for the processor shall be reduced by the quantity of the excess sugar marketed.

[(h) FILLING CANE SUGAR AND BEET SUGAR ALLOTMENTS.—Each marketing allotment for cane sugar established under this section may only be filled with sugar processed from domestically grown sugarcane, and each marketing allotment for beet sugar established under this section may only be filled with sugar processed from domestically grown sugar beets.]

(h) SUSPENSION OF ALLOTMENTS.—*Whenever the Secretary estimates, or reestimates, under section 359b(a), or has reason to believe that imports of sugars, syrups or molasses for human consumption or to be used for the extraction of sugar for human consumption, whether under a tariff-rate quota or in excess or outside of a tariff-rate quota, will exceed 1.532 million short tons, raw value equivalent, and that such imports would lead to a reduction of the overall allotment quantity, the Secretary shall suspend the marketing allotments until such time as such imports have been restricted, eliminated, or otherwise reduced to or below the level of 1.532 million tons.*

SEC. 359d. ALLOCATION OF MARKETING ALLOTMENTS.

(a) **IN GENERAL.**—

(1) * * *

(2) **HEARING AND NOTICE.**—

(A) **CANE SUGAR.**—

(i) IN GENERAL.—The Secretary shall make allocations for cane sugar after a hearing, if requested by **[interested parties] the affected sugar cane processors and growers**, and on such notice as the Secretary by regulation may prescribe, in such manner and in such quantities as to provide a fair, efficient, and equitable distribution of the allocations **[by taking into consideration processing capacity, past marketings of sugar, and the ability of each processor to market sugar covered by that portion of the allotment allocated.] with this subparagraph.** Each such allocation shall be subject to adjustment under section 359c(g). *Each such allocation shall be subject to adjustment under section 359c(g).*

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

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

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

(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and

(IV) however, only with respect to allotments under subclauses (I), (II), and (III) attributable to the former operations of the Talisman processing facility, shall be allocated among processors in the State coincident with the provisions of the agreements of March 25 and March 26, 1999, between the affected processors and the Department of the Interior.

(iii) *PROPORTIONATE SHARE STATES.*—In the case of States subject to section 359f(c), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single state based upon—

(I) past marketings of sugar, based on the average of the two highest years of production of raw cane sugar from among the 1997 through 2001 crop years;

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

(III) past processings of sugar from sugarcane, based on the average of the two highest crop years from the five crop years 1997 through 2001.

(iv) *NEW ENTRANTS.*—Notwithstanding clauses (ii) and (iii), the Secretary, on application of any processor that begins processing sugarcane on or after the date of enactment of this clause, and after a hearing if requested by the affected sugarcane processors and growers, and on such notice as the Secretary by regulation may prescribe, may provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations from the allotment for the State in which the processor is located and, in the case of proportionate share States, shall establish proportionate shares in an amount sufficient to produce the sugarcane required to satisfy such allocations. However, the allotment for a new processor under this clause shall not exceed 50,000 short tons, raw value.

(v) *TRANSFER OF OWNERSHIP.*—Except as otherwise provided in section 359f(c)(8), in the event that a sugarcane processor is sold or otherwise transferred to another owner, or closed as part of an affiliated corporate group processing consolidation, the Secretary shall transfer the allotment allocation for the processor to the purchaser, new owner, or successor in interest, as applicable, of the processor.

(B) BEET SUGAR.—The Secretary shall make allocations for beet sugar after a hearing, if requested by [interested parties] *the affected sugar beet processors and growers*, and on such notice as the Secretary by regulation may prescribe, in such manner and in such quantities as to provide a fair, efficient, and equitable distribution of the allocations by taking into consideration [processing capacity, past marketings of sugar (considering for the purposes the marketings of sugar processed from sugar beets of any or all of the 1985 through 1989 crops), and the ability of each processor to market sugar covered by that portion of the allotment allocated] *the marketings of sugar processed from sugar beets of any or all of the 1996 through 2000 crops, and such other factors as the Secretary may deem appropriate after consultation with the affected sugar beet processors and growers. However, in the case of any processor which has started processing sugar beets after January 1, 1996, the Secretary shall provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations..* Each such allocation shall be subject to adjustment under section 359c(g).

* * * * *

SEC. 359e. REASSIGNMENT OF DEFICITS.

(a) * * *

(b) REASSIGNMENT OF DEFICITS.—

(1) CANE SUGAR.—If the Secretary determines that any sugarcane processor who has been allocated a share of a State cane sugar allotment will be unable to market the processor's allocation of the State's allotment for the fiscal year—

(A) * * *

(B) if after the reassignments the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit proportionately to the allotments for other cane sugar States, depending on the capacity of each other State to fill the portion of the deficit to be assigned to it, with the reassigned quantity to each State to be allocated among processors in that State in proportion to the allocations of the processors; [and]

(C) *if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit to the sale of any inventories of sugar held by the Commodity Credit Corporation; and*

[(C)] (D) if after the reassignments and sales, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.

(2) BEET SUGAR.—If the Secretary determines that a sugar beet processor who has been allocated a share of the beet sugar allotment will be unable to market that allocation—

(A) the Secretary first shall reassign the estimated quantity of the deficit to the allotments for other sugar beet processors, depending on the capacity of each other processor to fill the portion of the deficit to be assigned to it and taking into account the interests of producers served by the processors; [and]

(B) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall **reassign the remainder to imports.** *use the estimated quantity of the deficit for the sale of any inventories of sugar held by the Commodity Credit Corporation; and*

(C) *if after such reassignments and sales, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.*

* * * * *

SEC. 359f. PROVISIONS APPLICABLE TO PRODUCERS.

(a) **PROCESSOR ASSURANCES.**—Whenever allotments for a fiscal year are allocated to processors under section 359d, the Secretary shall obtain from the processors such assurances as the Secretary considers adequate that the allocation will be shared among producers served by the processor in a fair and equitable manner that adequately reflects producers' production histories. Any dispute between a processor and a producer, or group of producers, with respect to the sharing of the **processor's allocation** *allocation to the processor* shall be resolved through arbitration by the Secretary on the request of either party, *and such arbitration should be completed within 45 days, but not more than 60 days, of the request.*

(b) **SUGAR BEET PROCESSING FACILITY CLOSURES.**—*In the event that a sugar beet processing facility is closed and the sugar beet growers who previously delivered beets to such facility desire to deliver their beets to another processing company:*

(1) *Such growers may petition the Secretary to modify existing allocations to accommodate such a transition; and*

(2) *The Secretary may increase the allocation to the processing company to which the growers desire to deliver their sugar beets, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries.*

(3) *Such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected.*

(4) *The Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.*

[(b)] (c) PROPORTIONATE SHARES OF CERTAIN ALLOTMENTS.—

(1) * * *

* * * * *

(3) **METHOD OF DETERMINING.**—For purposes of determining proportionate shares for any crop of sugarcane:

(A) The Secretary shall establish the State's per-acre yield goal for a crop of sugarcane at a level (not less than the average per-acre yield in the State for **the preceding 5 years** *the two highest years from among the years 1999, 2000, and 2001*, as determined by the Secretary) that will ensure an adequate net return per pound to producers in the State, taking into consideration any available production research data that the Secretary considers relevant.

* * * * *

(4) **ACREAGE BASE.**—For purposes of this subsection, the acreage base for each sugarcane-producing farm shall be determined by the Secretary, as follows:

(A) The acreage base for any farm shall be the number of acres that is equal to the average of the acreage planted and considered planted for harvest for sugar or seed on the farm in **[each of the 5 crop years preceding the fiscal year the proportionate share will be in effect]** *the two highest of the three (3) crop years 1999, 2000, and 2001.*

* * * * *

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

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

(B) the Secretary may increase the allocation to the processing company to which the growers desire to deliver the sugarcane, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries;

(C) such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected; and

(D) the Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.

SEC. 359g. SPECIAL RULES.

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

(b) **PRESERVATION OF ACREAGE BASE HISTORY.**—If for reasons beyond the control of a producer on a farm, the producer is unable to harvest an acreage of sugarcane for sugar or seed with respect to all or a portion of the proportionate share established for the farm under section 359f(c), the Secretary, on the application of the producer and with the written consent of all owners of the farm, may preserve for a period of not more than **[3]** 5 consecutive years the acreage base history of the farm to the extent of the proportionate share involved. The Secretary may permit the proportionate share to be redistributed to other farms, but no acreage base history for purposes of establishing acreage bases shall accrue to the other farms by virtue of the redistribution of the proportionate share.

(c) **REVISIONS OF ALLOCATIONS AND PROPORTIONATE SHARES.**—The Secretary, after such notice as the Secretary by regulation may prescribe, may revise or amend any allocation of a marketing allotment under section 359d, or any proportionate share established or *adjusted* for a farm under section 359f(c), on the same basis as the

initial allocation or proportionate share was required to be established.

* * * * *

SEC. 359j. ADMINISTRATION.

(a) * * *

* * * * *

(c) **DEFINITION OF UNITED STATES AND STATE.**—Notwithstanding **DEFINITIONS.**—

(1) **UNITED STATES AND STATE.**—*Notwithstanding* section 301, for purposes of this part, the terms “United States” and “State” means the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

(2) **OFFSHORE STATES.**—*For purposes of this part, the term “offshore States” means the sugarcane producing States located outside of the continental United States.*

* * * * *

AGRICULTURAL ACT OF 1949

TITLE I—BASIC AGRICULTURAL COMMODITIES

SEC. 101. The Secretary of Agriculture (hereinafter called the “Secretary”) is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:

(a) * * *

(b) For cotton [and peanuts], if the supply percentage as of the beginning of the marketing year is:

The level of support shall be not less than the following percentage of the parity price:

More than 108	90
More than 108 but not more than 110	89
More than 110 but not more than 112	88
More than 112 but not more than 114	87
More than 114 but not more than 116	86
More than 116 but not more than 118	85
More than 118 but not more than 120	84
More than 120 but not more than 122	83
More than 122 but not more than 124	82
More than 124 but not more than 125	81
More than 125 but not more than 126	80
More than 126 but not more than 127	79
More than 127 but not more than 128	78
More than 128 but not more than 129	77
More than 129 but not more than 130	76
More than 130	75

* * * * *

TITLE IV—MISCELLANEOUS

* * * * *

SEC. 408. For the purposes of this Act—

(a) * * *

* * * * *

(c) A “basic agricultural commodity” shall mean corn, cotton, [peanuts,] rice, tobacco, and wheat, respectively.

* * * * *

AGRICULTURE AND FOOD ACT OF 1981

* * * * *

TITLE XI—MISCELLANEOUS

Subtitle A—Miscellaneous Commodity Provisions

* * * * *

DISTRIBUTION OF SURPLUS COMMODITIES; SPECIAL NUTRITION PROJECTS

SEC. 1114. (a)(1) * * *

(2)(A) Effective through September 30, [2002] 2011, whenever a commodity is made available without charge or credit under any nutrition program administered by the Secretary of Agriculture, the Secretary shall encourage consumption of such commodity through agreements with private companies under which the commodity is reprocessed into end-food products for use by eligible recipient agencies. The expense of reprocessing shall be paid by such eligible recipient agencies.

* * * * *

TITLE XV—RESOURCE CONSERVATION

* * * * *

Subtitle H—Resource Conservation and Development Program

[PURPOSE]

[SEC. 1528. It is the purpose]

SEC. 1528. STATEMENT OF PURPOSE.

It is the purpose of this subtitle to encourage and improve the capability of State and local units of government and local nonprofit organizations *through designated RC&D councils* in rural areas to plan, develop, and carry out programs for resource conservation and development.

[DEFINITIONS]

[SEC. 1529. As used in this subtitle—]

SEC. 1529. DEFINITIONS.

In this title:

(1) The term “*RC&D council area plan*” means a resource conservation and utilization plan which is developed for a designated area of a State or States through a planning process and which includes one or more of the following elements:

(A) a land conservation element, the purpose of which shall be to control erosion and sedimentation;

(B) a water management element, the purpose of which shall be to provide for the conservation, utilization, and quality of water, including irrigation and rural water supplies, the mitigation of floods and high water tables, construction, repair, and improvement of dams and reservoirs, improvement of agricultural water management, and improvement of water quality [through control of nonpoint sources of pollution];

(C) a community development element, the purpose of which shall be the development of [natural resources based] *resource-based* industries, protection of rural industries from natural resource hazards, [development of aquaculture,] development of adequate rural water and waste disposal systems, improvement of recreation facilities, improvement in the quality of rural housing, provision of adequate health and education facilities, [and] satisfaction of essential transportation and communication needs *food security, economic development, and education*; or

(D) [other] *land management* elements, the purpose of which may include energy conservation or protection of agricultural land, as appropriate, from conversion to other uses, or protection of fish and wildlife habitats.

* * * * *

(3) The term “planning process” means the continuous effort by [any State, local unit of government, or local nonprofit organization] *the designated RC&D council* to develop and carry out effective resource conservation and utilization plans for a designated area, including development of an area plan, goals, objectives, policies, implementation activities, evaluations and reviews, and the opportunity for public participation in such efforts.

[(4) The term “financial assistance” means the cost-sharing arrangements that are available under this subtitle through Federal contracts, grants, or loans.

[(5) The term “local unit of government” means any county, city, town, township, parish, village, or other general-purpose subdivision of a State, any local or regional special district or other limited political subdivision of a State, including any soil conservation district, school district, park authority, and water or sanitary district, or any Indian tribe or tribal organization established under Federal, State, or Indian tribal law.

[(6) The term “nonprofit organization” means any community association, wildlife group, or resource conservation organization that is incorporated and approved by the Secretary for the purpose of providing to any rural area those public facilities or services included in the area plan for such rural area.]

(4)(A) *The term “financial assistance” means the Secretary may—*

(i) provide funds directly to RC&D councils or associations of RC&D councils through grants, cooperative agreements, and interagency agreements that directly implement RC&D area plans; and

(ii) *may join with other federal agencies through inter-agency agreements and other arrangements as needed to carry out the program's purpose.*

(B) *Funds may be used for such things as—*

(i) *technical assistance;*

(ii) *financial assistance in the form of grants for planning, analysis and feasibility studies, and business plans;*

(iii) *training and education; and*

(iv) *all costs associated with making such services available to RC&D councils or RC&D associations.*

(5) *The term "RC&D council" means the responsible leadership of the RC&D area. RC&D councils and associations are non-profit entities whose members are volunteers and include local civic and elected officials. Affiliations of RC&D councils are formed in states and regions.*

[(7)] (6) The term "Secretary" means the Secretary of Agriculture.

[(8)] (7) The term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and American Samoa *and federally recognized Indian tribes.*

[(9)] (8) The term "technical assistance" means any service provided by personnel of the Department of Agriculture or non-Federal personnel working through the Department of Agriculture, including, but not limited to, inventorying, evaluating, planning, designing, supervising, laying out and inspecting [works of improvement] *projects*, and the providing of maps, reports, and other documents associated with the services provided.

[(10)] The term "works of improvement" means the facilities installed or being installed in accord with an area plan.】

(9) *The term "project" means any action taken by a designated RC&D council that achieves any of the elements identified under paragraph (1).*

【RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM

【SEC. 1530. The Secretary】

SEC. 1530. ESTABLISHMENT AND SCOPE.

The Secretary shall establish a resource conservation and development program under which the Secretary shall make available to States, local units of government, and local nonprofit organizations [the technical and financial assistance necessary to permit such States, local units of government, and local nonprofit organizations] through designated RC&D councils the technical and financial assistance necessary to permit such RC&D Councils to operate and maintain a planning and implementation process needed to conserve and improve the use of land, develop natural resources, and improve and enhance the social, economic, and environmental conditions in rural areas of the United States.

【SELECTION OF NEW DESIGNATED AREAS

【SEC. 1531. The Secretary】

SEC. 1531. SELECTION OF DESIGNATED AREAS.

The Secretary shall select designated areas for assistance under this subtitle on the basis of the elements specified in section 1529(1).

【AUTHORITY OF THE SECRETARY

【SEC. 1532. In carrying】

SEC. 1532. AUTHORITY OF SECRETARY.

In carrying out the provisions of this subtitle, the Secretary may—

- (1) provide technical assistance to any **【State, local unit of government, or local nonprofit organization】** *RC&D council* within a designated area to assist in developing and implementing an *RC&D council* area plan for that area;
- (2) cooperate with other departments and agencies of the Federal Government, State, and local units of government, and with local nonprofit organizations in conducting surveys and inventories, disseminating information, and developing *RC&D council* area plans;
- (3) assist in carrying out an *RC&D council* area plan approved by the Secretary for any designated area by providing technical and financial assistance to any **【State, local unit of government, or local nonprofit organization】** *RC&D council* designated to receive such assistance by the Governor or legislature of the State concerned; and
- (4) enter into agreements with **【States, local units of government, and local nonprofit organizations】** *RC&D councils or affiliations of RC&D councils*, as provided in section 1533.

【AGREEMENTS; TERMS AND CONDITIONS

【SEC. 1533. (a) Technical】

SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.

*(a) Technical and financial assistance, including loans, may be provided by the Secretary to any **【State, local unit of government, or local nonprofit organization】** to assist in carrying out works of improvement specified in an **【RC&D councils or affiliations of RC&D councils to assist in carrying out a project specified in a RC&D council area plan approved by the Secretary only if—***

- (1) such **【State, local unit of government, or local nonprofit organization】** *RC&D council or affiliate* agrees in writing to carry out such **【works of improvement】** *project* and to finance or arrange for financing of any portion of the cost of carrying out such **【works of improvement】** *project* for which financial assistance is not provided by the Secretary under this subtitle;
- (2) the **【works of improvement】** *project* for which assistance is to be provided under this subtitle are included in an area plan and have been approved by the **【State, local unit of government, or local nonprofit organization】** *RC&D council* to be assisted;
- (3) the Secretary determines that assistance to finance the type of **【works of improvement concerned is not reasonably available to such State, local unit of government, or local nonprofit organization under any other Federal program;】** *project*

concerned is necessary to accomplish and RC&D council area plan objective

(4) **the works of improvement provided for in the** *the project provided for in the RC&D council area plan* are consistent with any current comprehensive plan for such area;

(5) the cost of the land or an interest in the land acquired or to be acquired under such plan by any State, local unit of government, *federally recognized Indian tribe* or local nonprofit organization is borne by such State, local unit of government, *federally recognized Indian tribe* or local nonprofit organization; and

(6) the State, local unit of government, or local nonprofit organization participating in an *RC&D council area plan* agrees to maintain and operate all works of improvement installed under such plan.

(b) Loans made under this subtitle shall be made on such terms and conditions as the Secretary may prescribe, except that such loans shall have a repayment period of not more than thirty years from the date of completion of the **work of improvement** *project* for which the loan is made and shall bear interest at the average rate of interest paid by the United States on its obligations of a comparable term, as determined by the Secretary of the Treasury.

(c) Assistance may not be made available to **any State, local unit of government, or local nonprofit organization to carry out any** *RC&D council to carry out any RC&D council area plan* unless such plan has been submitted to and approved by the Secretary.

* * * * *

RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD

[SEC. 1534. (a) The Secretary]

SEC. 1534. RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.

(a) *The Secretary* shall establish within the Department of Agriculture a Resource Conservation and Development Policy Board.

(b) Such board shall be composed of **seven** employees of the Department of Agriculture selected by the Secretary. One member shall be designated by the Secretary to serve as chairman.

* * * * *

EVALUATION OF PROGRAM

[SEC. 1535. The Secretary]

SEC. 1535. PROGRAM EVALUATION.

The Secretary shall evaluate the program *with assistance from RC&D councils* provided for in this subtitle to determine whether such program is effectively meeting the needs of, and the objectives identified by, the States, *federally recognized Indian tribes*, local units of government, and local nonprofit organizations participating in such program. The Secretary shall submit a report to Congress containing the results of the evaluation not later than December 31, **[1986]** *2007*, together with the Secretary's recommendations for continuing, terminating, redirecting, or modifying such program.

【LIMITATION ON PROVISION OF ASSISTANCE

【SEC. 1536. The program】

SEC. 1536. LIMITATION ON ASSISTANCE.

The program provided for in this subtitle shall be limited to providing technical and financial assistance to not more than 450 active designated areas.

【SUPPLEMENTAL AUTHORITY OF THE SECRETARY

【SEC. 1537. The authority】

SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.

The authority of the Secretary under this subtitle to assist 【States, local units of government, and local nonprofit organizations】 *RC&D councils* in the development and implementation of area plans shall be supplemental to, and not in lieu of, any authority of the Secretary under any other provision of law.

【AUTHORIZATION FOR APPROPRIATIONS

【SEC. 1538. There are】

SEC. 1537. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated 【for each of the fiscal years 1996 through 2002】 such sums as may be necessary to carry out the provisions of this subtitle, except that not more than \$15,000,000 may be appropriated for loans for any fiscal year. Funds appropriated pursuant to this subtitle shall remain available until expended.

* * * * *

**SECTION 14 OF THE WATERSHED PROTECTION AND
FLOOD PREVENTION ACT**

**SEC. 14. REHABILITATION OF STRUCTURAL MEASURES NEAR, AT, OR
PAST THEIR EVALUATED LIFE EXPECTANCY.**

(a) * * *

* * * * *

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to provide financial and technical assistance under this section—

(1) \$5,000,000 for fiscal year 2001; *and*

【(2) \$10,000,000 for fiscal year 2002;

【(3) \$15,000,000 for fiscal year 2003;

【(4) \$25,000,000 for fiscal year 2004; *and*

【(5) \$35,000,000 for fiscal year 2005.】

(2) *\$15,000,000 for fiscal year 2002 and each succeeding fiscal year.*

* * * * *

SECTION 6 OF THE SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

APPROPRIATION AUTHORIZED

SEC. 6. (a) There are hereby authorized to be appropriated for the purposes of this Act such sums as Congress may from time to time determine to be necessary.

(b) Appropriations for carrying out this Act allocated for the production or procurement of nursery stock by any Federal agency, or funds appropriated to any Federal agency for allocation to cooperating States for the production or procurement of nursery stock, shall remain available for expenditure for not more than 3 fiscal years.

(c) *Funds made available to carry out the purposes of this Act may be used, to the extent determined by the Secretary of Agriculture to be necessary, by the agency of the Department of Agriculture to which the funds are appropriated, to provide technical assistance to owners and operators of land to achieve the objectives of any conservation program administered by the Secretary of Agriculture.*

AGRICULTURAL TRADE ACT OF 1978

* * * * *

TITLE II—AGRICULTURAL EXPORT PROGRAMS

Subtitle A—Programs

* * * * *

SEC. 202. EXPORT CREDIT GUARANTEE PROGRAM.

(a) * * *

* * * * *

(k) PROCESSED AND HIGH-VALUE PRODUCTS.—

(1) IN GENERAL.—In issuing export credit guarantees under this section, the Commodity Credit Corporation shall, subject to paragraph (2), ensure that not less than 25 percent for each of fiscal years 1996 and 1997, 30 percent for each of fiscal years 1998 and 1999, and 35 percent for each of fiscal years 2000~~], 2001, and 2002]~~ *through 2011*, of the total amount of credit guarantees issued for a fiscal year is issued to promote the export of processed or high-value agricultural products and that the balance is issued to promote the export of bulk or raw agricultural commodities.

* * * * *

Subtitle B—Implementation

SEC. 211. FUNDING LEVELS.

(a) * * *

(b) EXPORT CREDIT GUARANTEE PROGRAMS.—

(1) EXPORT CREDIT GUARANTEES.—The Commodity Credit Corporation shall make available for each of fiscal years 1996 through ~~2002~~ 2011 not less than \$5,500,000,000 in credit guarantees under subsections (a) and (b) of section 202.

* * * * *

(c) MARKET ACCESS PROGRAMS.—The Commodity Credit Corporation or the Secretary shall make available for market access activities authorized to be carried out by the Commodity Credit Corporation under section 203—

(1) in addition to any funds that may be specifically appropriated to implement a market access program, not less than \$200,000,000 for each of the fiscal years 1991 through 1993, not less than \$110,000,000 for each of the fiscal years 1994 through 1995, ~~and not more~~ *not more* than \$90,000,000 for each of fiscal years 1996 through ~~2002~~ 2001 *and not more than \$200,000,000 for each of fiscal years 2002 through 2011,*, of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation; and

* * * * *

TITLE III—EXPORT ENHANCEMENT PROGRAM

* * * * *

SEC. 301. EXPORT ENHANCEMENT PROGRAM.

(a) * * *

* * * * *

(e) FUNDING LEVELS.—

(1) IN GENERAL.—The Commodity Credit Corporation shall make available to carry out the program established under this section not more than—

(A) * * *

* * * * *

(G) \$478,000,000 for fiscal year 2002 *and for each fiscal year thereafter through fiscal year 2011.*

* * * * *

TITLE VII—FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM

* * * * *

SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

(a) IN GENERAL.—The Secretary shall establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products, *with a significant emphasis on the importance of the export of*

value-added United States agricultural products into emerging markets.

* * * * *

(c) *REPORT TO CONGRESS.*—The Secretary shall report annually to Congress the amount of funding provided, types of programs funded, the value added products that have been targeted, and the foreign markets for those products that have been developed.

SEC. 703. AUTHORIZATION OF APPROPRIATIONS.

(a) *PRIOR YEARS.*—There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1996 through [2002] 2001.

(b) *FISCAL 2002 AND LATER.*—For each of fiscal years 2002 through 2011 there are authorized to be appropriated such sums as may be necessary to carry out this title, and, in addition to any sums so appropriated, the Secretary shall use \$35,000,000 of the funds of, or an equal value of the commodities of, the Commodity Credit Corporation to carry out this title.

* * * * *

SECTION 1302 OF THE AGRICULTURAL RECONCILIATION ACT OF 1993

SEC. 1302. MARKET ACCESS PROGRAM.

(a) * * *

(b) *SECRETARIAL ACTIONS TO ACHIEVE SAVINGS.*—In order to enable the Secretary of Agriculture to achieve the savings required in the market access program established by section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) as a result of the amendments made by this section:

(1) * * *

* * * * *

(3) *TOBACCO.*—No funds made available under the market access program may be used for activities to develop, maintain, or expand foreign markets for tobacco, *other than leaf tobacco.*

* * * * *

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

* * * * *

TITLE II—EMERGENCY AND PRIVATE ASSISTANCE PROGRAMS

* * * * *

SEC. 204. LEVELS OF ASSISTANCE.

(a) *MINIMUM LEVELS.*—

(1) *MINIMUM ASSISTANCE.*—Except as provided in paragraph (3), the Administrator shall make agricultural commodities available for food distribution under this title in an amount

that for each of fiscal years 1996 through **[2002]** *2011* is not less than 2,025,000 metric tons.

(2) MINIMUM NON-EMERGENCY ASSISTANCE.—Of the amounts specified in paragraph (1), and except as provided in paragraph (3), the Administrator shall make agricultural commodities available for non-emergency food distribution through eligible organizations under section 202 in an amount that for each of fiscal years 1996 through **[2002]** *2011* is not less than 1,550,000 metric tons.

* * * * *

SEC. 208. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.

(a) * * *

* * * * *

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator to carry out this section, in addition to amounts otherwise available to carry out this section, \$3,000,000 for each of fiscal years 2001 and **[2002]** *2011*, to remain available until expended.

* * * * *

TITLE IV—GENERAL AUTHORITIES AND REQUIREMENTS

* * * * *

SEC. 407. ADMINISTRATIVE PROVISIONS.

(a) * * *

* * * * *

(c) TITLE II AND III PROGRAM.—

(1) * * *

* * * * *

(4) PREPOSITIONING.—Funds made available for fiscal years **[2001 and 2002]** *2001 through 2011* to carry out titles II and III may be used by the Administrator to procure, transport, and store agricultural commodities for prepositioning within the United States and in foreign countries, except that for each such fiscal year not more than \$2,000,000 of such funds may be used to store agricultural commodities for prepositioning in foreign countries.

* * * * *

SEC. 408. EXPIRATION DATE.

No agreements to finance sales or to provide other assistance under this Act shall be entered into after December 31, **[2002]** *2011*.

* * * * *

TITLE V—FARMER-TO-FARMER PROGRAM

SEC. 501. FARMER-TO-FARMER PROGRAM.

(a) * * *

* * * * *

(c) **MINIMUM FUNDING.**—Notwithstanding any other provision of law, not less than 0.4 percent of the amounts made available for each of the fiscal years 1996 through **[2002]** *2011* to carry out this Act, in addition to any funds that may be specifically appropriated to carry out this section, shall be used to carry out programs under this section, with not less than 0.2 percent to be used for programs in developing countries.

* * * * *

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

* * * * *

TITLE XV—AGRICULTURAL TRADE

* * * * *

Subtitle D—General Provisions

* * * * *

SEC. 1542. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.

(a) **FUNDING.**—The Commodity Credit Corporation shall make available for fiscal years 1996 through **[2002]** *2011* not less than \$1,000,000,000 of direct credits or export credit guarantees for exports to emerging markets under section 201 or 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621 and 5622), in addition to the amounts acquired or authorized under section 211 of the Act (7 U.S.C. 5641) for the program.

* * * * *

(d) **E (Kika) DE LA GARZA AGRICULTURAL FELLOWSHIP PROGRAM.**—The Secretary of Agriculture (hereafter in this section referred to as the “Secretary”) shall establish a program, to be known as the “E (Kika) de la Garza Agricultural Fellowship Program”, to develop agricultural markets in emerging markets and to promote cooperation and exchange of information between agricultural institutions and agribusinesses in the United States and emerging markets, as follows:

(1) **DEVELOPMENT OF AGRICULTURAL SYSTEMS.**—

(A) **IN GENERAL.**—

(i) **ESTABLISHMENT OF PROGRAM.**—For each of the fiscal years 1991 through **[2002]** *2011*, the Secretary of Agriculture (hereafter in this section referred to as the “Secretary”), in order to develop, maintain, or ex-

pand markets for United States agricultural exports, is directed to make available to emerging markets the expertise of the United States to make assessments of the food and rural business systems needs of such democracies, make recommendations on measures necessary to enhance the effectiveness of the systems, including potential reductions in trade barriers, and identify and carry out specific opportunities and projects to enhance the effectiveness of those systems.

* * * * *

TITLE XVI—RESEARCH

* * * * *

Subtitle C—National Genetic Resources Program

* * * * *

[SEC. 1634. ADVISORY COUNCIL.

[(a) ESTABLISHMENT AND MEMBERSHIP.—The Secretary shall establish an advisory council for the program for the purpose of advising, assisting, consulting with, and making recommendations to, the Secretary and Director concerning matters related to the activities, policies and operations of the program. The advisory council shall consist of ex officio members and not more than nine members appointed by the Secretary.

[(b) EX OFFICIO MEMBERS.—The ex officio members of the advisory council shall consist of the following persons (or their designees):

- [(1) The Director.
- [(2) The Assistant Secretary of Agriculture for Science and Education.
- [(3) The Director of the National Agricultural Library.
- [(4) The Director of the National Institutes of Health.
- [(5) The Director of the National Science Foundation.
- [(6) The Secretary of Energy.
- [(7) The Director of the Office of Science and Technology Policy.
- [(8) Such additional officers and employees of the United States as the Secretary determines are necessary for the advisory council to effectively carry out its functions.

[(c) APPOINTMENT OF OTHER MEMBERS.—The members of the advisory council who are not ex officio members shall be appointed by the Secretary as follows:

- [(1) Two-thirds of the members shall be appointed from among the leading representatives of the scientific disciplines relevant to the activities of the program, including agricultural sciences, environmental sciences, natural resource sciences, health sciences, and nutritional sciences.
- [(2) One-third of the members shall be appointed from the general public and shall include leaders in fields of public policy, trade, international development, law, or management.

[(d) COMPENSATION.—Members of the advisory council shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services for the advisory council, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5, United States Code.

[(e) TERM OF OFFICE OF APPOINTEES; VACANCIES.—

[(1) TERM.—The term of office of a member appointed under subsection (c) is four years, except that any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of such member was appointed shall be appointed only for the remainder of such term.

[(2) INITIAL APPOINTMENT.—The Secretary shall make appointments to the advisory council so as to ensure that the terms of the members appointed under subsection (c) do not all expire in the same year. A member may serve after the expiration of the member's term until a successor takes office.

[(3) REAPPOINTMENT.—A member who is appointed for a term of four years may not be reappointed to the advisory council before two years after the date of expiration of such term of office.

[(4) VACANCIES.—If a vacancy occurs in the advisory council among the members appointed under subsection (c), the Secretary shall make an appointment to fill such vacancy within 90 days after the date such vacancy occurs.

[(f) CHAIR.—The Secretary shall select as the chair of the advisory council one of the members appointed under subsection (c). The term of office of the chair shall be two years.

[(g) MEETINGS.—The advisory council shall meet at the call of the chair or on the request of the Director, but at least two times each fiscal year. The location of the meetings of the advisory council shall be subject to the approval of the Director.

[(h) STAFF.—The Director shall make available to the advisory council such staff, information, and other assistance as it may require to carry out its functions.

[(i) ORIENTATION AND TRAINING.—The Director shall provide such orientation and training for new members of the advisory council as may be appropriate for their effective participation in the functions of the advisory council.

[(j) COMMENTS AND RECOMMENDATIONS.—The advisory council may prepare, for inclusion in a report submitted under section 1633—

[(1) comments respecting the activities of the advisory council during the period covered by the report;

[(2) comments on the progress of the program in meeting its objectives; and

[(3) recommendations respecting the future directions, program, and policy emphasis of the program.

[(k) REPORTS.—The advisory council may prepare such reports as the advisory council determines to be appropriate.

[(l) APPLICATION OF ADVISORY COMMITTEE ACT.—Section 14(a) of the Federal Advisory Committee Act (5 U.S.C. App.) relating to the

termination of an advisory committee shall not apply to the advisory council established under this section.】

SEC. 1635. DEFINITIONS AND AUTHORIZATION OF APPROPRIATIONS.

(a) * * *

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such funds as may be necessary to carry out this subtitle for each of the fiscal years 1991 through 【2002】 2011.

Subtitle D—National Agricultural Weather Information System

* * * * *

【SEC. 1639. NATIONAL ADVISORY BOARD ON AGRICULTURAL WEATHER.

【(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish the Advisory Board on Agricultural Weather (hereinafter referred to in this section as the “Board”) to advise the Director of the Agricultural Weather Office with respect to carrying out this subtitle.

【(b) COMPOSITION.—The Board shall be composed of nine members, appointed by the Secretary in consultation with the Director of the National Weather Service. Two of the members shall be from each of the four regions of the cooperative extension service. Of the two members from each region, one shall be an agricultural producer and one shall be an agricultural or atmospheric scientist. At least two members of the Board shall be appointed from among individuals who are engaged in providing private meteorology services or consulting with a private meteorology firm.

【(c) CHAIRPERSON.—The Board shall elect a chairperson from among its members.

【(d) TERM.—Each Board member shall be appointed for a three-year term, except that to ensure that members of the Board serve staggered terms, the Secretary shall appoint three of the original members of the Board to appointments for one year, and three of the original members to appointments for two years.

【(e) MEETINGS.—The Board shall meet not less than twice annually.

【(f) COMPENSATION.—Members of the Board shall serve without compensation, but while away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as individuals employed in Government service are allowed travel expenses under section 5703 of title 5, United States Code.

【(g) FEDERAL ADVISORY COMMITTEE ACT.—Section 14(a)(2) of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Board.】

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Subtitle G—Alternative Agricultural Research and Commercialization

* * * * *

SEC. 1664. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

(a) * * *

* * * * *

(g) AUTHORIZATION OF APPROPRIATIONS; CAPITALIZATION.—

(1) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated to the Fund \$75,000,000 for each of fiscal years 1996 through [2002] 2011.

(2) CAPITALIZATION.—The Executive Director may pay in as capital of the Corporation, out of dollar receipts made available through annual appropriations, \$75,000,000 for each of fiscal years 1996 through [2002] 2011. On the payment of an amount of capital by the Executive Director, the Corporation shall issue an equivalent amount of capital stock to the Secretary of the Treasury.

* * * * *

Subtitle H—Miscellaneous Research Provisions

[SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

[(a) PURPOSE.—It is the purpose of this section to—

[(1) authorize and support environmental assessment research to the extent necessary to help address general concerns about environmental effects of biotechnology; and

[(2) authorize research to help regulators develop policies, as soon as practicable, concerning the introduction into the environment of such technology.

[(b) GRANT PROGRAM.—The Secretary of Agriculture shall establish a grant program within the Cooperative State Research Service and the Agricultural Research Service to provide the necessary funding for environmental assessment research concerning the introduction of genetically engineered organisms into the environment.

[(c) TYPES OF RESEARCH.—Types of research for which grants may be made under this section shall include the following:

[(1) Research designed to develop methods to physically and biologically contain genetically engineered animals, plants, and microorganisms once they are introduced into the environment.

[(2) Research designed to develop methods to monitor the dispersal of genetically engineered animals, plants, and microorganisms.

[(3) Research designed to further existing knowledge with respect to the rates and methods of gene transfer that may occur between genetically engineered organisms and related wild and agricultural organisms.

[(4) Other areas of research designed to further the purposes of this section.

[(d) ELIGIBILITY REQUIREMENTS.—Grants under this section shall be—

[(1) made on the basis of the quality of the proposed research project; and

[(2) available to any public or private research or educational institution or organization.

[(e) CONSULTATION.—In considering specific areas of research for funding under this section, the Secretary of Agriculture shall consult with the Administrator of the Animal and Plant Health Inspection Service, the Office of Agricultural Biotechnology, and the Agricultural Biotechnology Research Advisory Committee.

[(f) PROGRAM COORDINATION.—The Secretary of Agriculture shall coordinate research funded under this section with the Office of Research and Development of the Environmental Protection Agency in order to avoid duplication of research activities.

[(g) AUTHORIZATION OF APPROPRIATIONS.—

[(1) IN GENERAL.—There are authorized to be appropriated such sums as necessary to carry out this section.

[(2) WITHHOLDINGS FROM BIOTECHNOLOGY OUTLAYS.—The Secretary of Agriculture shall withhold from outlays of the Department of Agriculture for research on biotechnology, as defined and determined by the Secretary, at least one percent of such amount for the purpose of making grants under this section for research on biotechnology risk assessment.】

SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

(a) *PURPOSE.*—*It is the purpose of this section—*

(1) to authorize and support environmental assessment research to help identify and analyze environmental effects of biotechnology; and

(2) to authorize research to help regulators develop long-term policies concerning the introduction of such technology.

(b) *GRANT PROGRAM.*—*The Secretary of Agriculture shall establish a grant program within the Cooperative State Research, Education, and Extension Service and the Agricultural Research Service to provide the necessary funding for environmental assessment research concerning the introduction of genetically engineered plants and animals into the environment.*

(c) *TYPES OF RESEARCH.*—*Types of research for which grants may be made under this section shall include the following:*

(1) Research designed to identify and develop appropriate management practices to minimize physical and biological risks associated with genetically engineered animals and plants once they are introduced into the environment.

(2) Research designed to develop methods to monitor the dispersal of genetically engineered animals and plants.

(3) Research designed to further existing knowledge with respect to the characteristics, rates and methods of gene transfer that may occur between genetically engineered plants and animals and related wild and agricultural organisms.

(4) Environmental assessment research designed to provide analysis, which compares the relative impacts of plants and animals modified through genetic engineering to other types of production systems.

(5) Other areas of research designed to further the purposes of this section.

(d) *ELIGIBILITY REQUIREMENTS.*—Grants under this section shall be—

(1) *made on the basis of the quality of the proposed research project; and*

(2) *available to any public or private research or educational institution or organization.*

(e) *CONSULTATION.*—In considering specific areas of research for funding under this section, the Secretary of Agriculture shall consult with the Administrator of the Animal and Plant Health Inspection Service and the National Agricultural Research, Extension, Education, and Economics Advisory Board.

(f) *PROGRAM COORDINATION.*—The Secretary of Agriculture shall coordinate research funded under this section with the Office of Research and Development of the Environmental Protection Agency in order to avoid duplication of research activities.

(g) *AUTHORIZATION OF APPROPRIATIONS.*—

(1) *IN GENERAL.*—There are authorized to be appropriated such sums as necessary to carry out this section.

(2) *WITHHOLDINGS FROM BIOTECHNOLOGY OUTLAYS.*—The Secretary of Agriculture shall withhold from outlays of the Department of Agriculture for research on biotechnology, as defined and determined by the Secretary, at least one percent of such amount for the purpose of making grants under this section for research on biotechnology risk assessment. Except that, funding from this authorization should be collected and applied to the maximum extent practicable to risk assessment research on all categories identified as biotechnology by the Secretary.

* * * * *

SEC. 1671. AGRICULTURAL GENOME INITIATIVE.

(a) * * *

* * * * *

(b) *DUTIES OF SECRETARY.*—The Secretary of Agriculture (referred to in this section as the “Secretary”) shall conduct a research initiative (to be known as the “Agricultural Genome Initiative”) for the purpose of—

(1) * * *

* * * * *

(3) identifying and developing a functional understanding of genes responsible for economically important traits in agriculturally important species, including emerging plant and animal *pathogens* and diseases causing economic hardship;

* * * * *

(6) ensuring preservation of biodiversity to maintain access to genes that may be of importance in the future; [and]

(7) *reducing the economic impact of plant pathogens on commercially important crop plants; and*

[(7)] (8) otherwise carrying out this section.

* * * * *

SEC. 1672. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

(a) * * *

* * * * *

(e) HIGH-PRIORITY RESEARCH AND EXTENSION AREAS.—

(1) * * *

* * * * *

(25) *RESEARCH TO PROTECT THE UNITED STATES FOOD SUPPLY AND AGRICULTURE FROM BIOTERRORISM.*—Research grants may be made under this section for the purpose of developing technologies, which support the capability to deal with the threat of agricultural bioterrorism.

(26) *WIND EROSION RESEARCH AND EXTENSION.*—Research and extension grants may be made under this section for the purpose of validating wind erosion models.

(27) *CROP LOSS RESEARCH AND EXTENSION.*—Research and extension grants may be made under this section for the purpose of validating crop loss models.

(28) *LAND USE MANAGEMENT RESEARCH AND EXTENSION.*—Research and extension grants may be made under this section for the purposes of evaluating the environmental benefits of land use management tools such as those provided in the Farmland Protection Program.

(29) *WATER AND AIR QUALITY RESEARCH AND EXTENSION.*—Research and extension grants may be made under this section for the purpose of better understanding agricultural impacts to air and water quality and means to address them.

(30) *REVENUE AND INSURANCE TOOLS RESEARCH AND EXTENSION.*—Research and extension grants may be made under this section for the purposes of better understanding the impact of revenue and insurance tools on farm income.

(31) *AGROTOURISM RESEARCH AND EXTENSION.*—Research and extension grants may be made under this section for the purpose of better understanding the economic, environmental, and food systems impacts on agrotourism.

(32) *HARVESTING PRODUCTIVITY FOR FRUITS AND VEGETABLES.*—Research and extension grants may be made under this section for the purpose of improving harvesting productivity for fruits and vegetables (including citrus), including the development of mechanical harvesting technologies and effective, economical, and safe abscission compounds.

(33) *NITROGEN-FIXATION BY PLANTS.*—Research and extension grants may be made under this section for the purpose of enhancing the nitrogen-fixing ability and efficiency of legumes, developing new varieties of legumes that fix nitrogen more efficiently, and developing new varieties of other commercially important crops that potentially are able to fix nitrogen.

(34) *AGRICULTURAL MARKETING.*—Extension grants may be made under this section for the purpose of providing education materials, information, and outreach programs regarding commodity and livestock marketing strategies for agricultural producers and for cooperatives and other marketers of any agricultural commodity, including livestock.

(35) *ENVIRONMENT AND PRIVATE LANDS RESEARCH AND EXTENSION.*—Research and extension grants may be made under this section for the purpose of researching the use of computer models to aid in assessment of best management practices on a watershed basis, working with government, industry, and private landowners to help craft industry-led solutions to identi-

fied environmental issues, researching and monitoring water, air, or soil environmental quality to aid in the development of new approaches to local environmental concerns, and working with local, State, and federal officials to help craft effective environmental solutions that respect private property rights and agricultural production realities.

(36) *LIVESTOCK DISEASE RESEARCH AND EXTENSION.*—Research and extension grants may be made under this section for the purpose of identifying possible livestock disease threats, educating the public regarding livestock disease threats, training persons to deal with such threats, and conducting related research.

(37) *PLANT GENE EXPRESSION.*—Research and development grants may be made under this section for the purpose of plant gene expression research to accelerate the application of basic plant genomic science to the development and testing of new varieties of enhanced food crops, crops that can be used as renewable energy sources, and other alternative uses of agricultural crops.

* * * * *

(h) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through **[2002]** 2011.

SEC. 1672A. NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

(a) * * *

* * * * *

(g) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through **[2002]** 2011.

* * * * *

SEC. 1673. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

(a) * * *

* * * * *

(h) **AUTHORIZATION OF APPROPRIATIONS.**—For the purposes of implementing the program established under this section, there are hereby authorized to be appropriated not more than \$12,000,000 for each of the fiscal years 1991 through **[2002]** 2011.

* * * * *

SEC. 1680. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

(a) * * *

* * * * *

(c) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—Subject to paragraph (2), there is authorized to be appropriated to carry out this section \$6,000,000 for each of fiscal years 1999 through **[2002]** 2011.

* * * * *

TITLE XXIII—RURAL DEVELOPMENT

* * * * *

Subtitle H—Miscellaneous Provisions

SEC. 2381. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

(a) * * *

* * * * *

(e) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated \$500,000 for each of the fiscal years 1991 through **[2002]** 2011.

* * * * *

TITLE XXV—OTHER RELATED PROVISIONS

SEC. 2501. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

[(a) OUTREACH AND ASSISTANCE.—

[(1) IN GENERAL.—The Secretary of Agriculture (hereafter referred to in this section as the “Secretary”) shall provide outreach and technical assistance to encourage and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate in agricultural programs. This assistance should include information on application and bidding procedures, farm management, and other essential information to participate in agricultural programs.

[(2) GRANTS AND CONTRACTS.—The Secretary may make grants and enter into contracts and other agreements in the furtherance of this section with the following entities—

[(A) any community based organization that—

[(i) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

[(ii) provides documentary evidence of its past experience of working with socially disadvantaged farmers and ranchers during the two years preceding its application for assistance under this section; and

[(iii) does not engage in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986; and

[(B) 1890 Land-Grant Colleges including Tuskegee Institute, Indian tribal community colleges and Alaska native cooperative colleges, Hispanic serving post-secondary educational institutions, and other post-secondary educational institutions with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.

[(3) FUNDING.—There are authorized to be appropriated \$10,000,000 for each fiscal year to carry out this subsection.]
 (a) OUTREACH AND ASSISTANCE.—

(1) *IN GENERAL.*—*The Secretary of Agriculture (in this section referred to as the “Secretary”) shall provide outreach and technical assistance programs specifically to encourage and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate equitably in the full range of agricultural programs. This assistance, which should enhance coordination and make more effective the outreach, technical assistance, and education efforts authorized in specific agriculture programs, shall include information and assistance on commodity, conservation, credit, rural, and business development programs, application and bidding procedures, farm and risk management, marketing, and other essential information to participate in agricultural and other programs of the Department.*

(2) *GRANTS AND CONTRACTS.*—*The Secretary may make grants and enter into contracts and other agreements in the furtherance of this section with the following entities:*

(A) *Any community-based organization, network, or coalition of community-based organizations that—*

(i) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

(ii) provides documentary evidence of its past experience of working with socially disadvantaged farmers and ranchers during the two years preceding its application for assistance under this section; and

(iii) does not engage in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986.

(B) *1890 Land-Grant Colleges, including Tuskegee Institute, Indian tribal community colleges and Alaska native cooperative colleges, Hispanic serving post-secondary educational institutions, and other post-secondary educational institutions with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.*

(C) *Federally recognized tribes and national tribal organizations with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.*

(3) *FUNDING.*—*There are authorized to be appropriated \$25,000,000 for each fiscal year to make grants and enter into contracts and other agreements with the entities described in paragraph (2) and to otherwise carry out the purposes of this subsection.*

* * * * *

SECTION 302 OF THE BILL EMERSON HUMANITARIAN TRUST ACT

SEC. 302. ESTABLISHMENT OF COMMODITY TRUST.

(a) * * *

(b) COMMODITIES OR FUNDS IN TRUST.—

(1) * * *

(2) REPLENISHMENT OF TRUST.—

(A) * * *

(B) FUNDS.—Any funds used to acquire eligible commodities through purchases from producers or in the market to replenish the trust shall be derived—

(i) with respect to fiscal years 2000 through 2002 from funds made available to carry out the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) that are used to repay or reimburse the Commodity Credit Corporation for the release of eligible commodities under subsections (c)(2) and (f)(2), except that, of such funds, not more than \$20,000,000 may be expended for this purpose in each of the fiscal years 2000 through **2002** 2011; and

* * * * *

(h) TERMINATION OF AUTHORITY.—

(1) IN GENERAL.—The authority to replenish stocks of eligible commodities to maintain the trust established under this section shall terminate on September 30, **2002** 2011.

(2) DISPOSAL OF ELIGIBLE COMMODITIES.—Eligible commodities remaining in the trust after September 30, **2002** 2011, shall be disposed of by release for use in providing for emergency humanitarian food needs in developing countries as provided in this section.

* * * * *

FOOD STAMP ACT OF 1977

* * * * *

DEFINITIONS

SEC. 3. As used in this Act, the term:

(a) * * *

* * * * *

(c) “Certification period” means the period for which households shall be eligible to receive authorization cards. The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. A State agency shall have at least 1 contact with each certified household every 12 months. *The limits in this section may be extended until the end of any transitional benefit period established under section 11(s).*

* * * * *

ELIGIBLE HOUSEHOLDS

SEC. 5. (a) * * *

* * * * *

(d) Household income for purposes of the food stamp program shall include all income from whatever source excluding only (1) any gain or benefit which is not in the form of money payable directly to a household (notwithstanding its conversion in whole or in part to direct payments to households pursuant to any demonstration project carried out or authorized under Federal law including demonstration projects created by the waiver of provisions of Federal law), except as provided in subsection (k), (2) any income in the certification period which is received too infrequently or irregularly to be reasonably anticipated, but not in excess of \$30 in a quarter, subject to modification by the Secretary in light of subsection (f), (3) all educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like (A) awarded to a household member enrolled at a recognized institution of post-secondary education, at a school for the handicapped, in a vocational education program, or in a program that provides for completion of a secondary school diploma or obtaining the equivalent thereof, (B) to the extent that they do not exceed the amount used for or made available as an allowance determined by such school, institution, program, or other grantor, for tuition and mandatory fees (including the rental or purchase of any equipment, materials, and supplies related to the pursuit of the course of study involved), books, supplies, transportation, and other miscellaneous personal expenses (other than living expenses), of the student incidental to attending such school, institution, or program, [and] (C) to the extent loans include any origination fees and insurance premiums, (D) *to the extent that any other educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like, are required to be excluded under title XIX of the Social Security Act, the state agency may exclude it under this subsection*, (4) all loans other than educational loans on which repayment is deferred, (5) reimbursements which do not exceed expenses actually incurred and which do not represent a gain or benefit to the household and any allowance a State agency provides no more frequently than annually to families with children on the occasion of those children's entering or returning to school or child care for the purpose of obtaining school clothes (except that no such allowance shall be excluded if the State agency reduces monthly assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in the month for which the allowance is provided): *Provided*, That no portion of benefits provided under title IV-A of the Social Security Act, to the extent it is attributable to an adjustment for work-related or child care expenses (except for payments or reimbursements for such expenses made under an employment, education, or training program initiated under such title after the date of enactment of the Hunger Prevention Act of 1988, and no portion of any educational loan on which payment is deferred, grant, scholarship, fellowship, veterans' benefits, and the like that are provided for living expenses, shall be considered such reimbursement, (6) moneys received and used for the care and

maintenance of a third-party beneficiary who is not a household member, (7) income earned by a child who is a member of the household, who is an elementary or secondary school student, and who is 17 years of age or younger, (8) moneys received in the form of nonrecurring lump-sum payments, including, but not limited to, income tax refunds, rebates, or credits, cash donations based on need that are received from one or more private nonprofit charitable organizations, but not in excess of \$300 in the aggregate in a quarter, retroactive lump-sum social security or railroad retirement pension payments and retroactive lump-sum insurance settlements: *Provided*, That such payments shall be counted as resources, unless specifically excluded by other laws, (9) the cost of producing self-employed income, but household income that otherwise is included under this subsection shall be reduced by the extent that the cost of producing self-employment income exceeds the income derived from self-employment as a farmer, (10) any income that any other Federal law specifically excludes from consideration as income for purposes of determining eligibility for the food stamp program except as otherwise provided in subsection (k) of this section, (11)(A) any payments or allowances made for the purpose of providing energy assistance under any Federal law (other than part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)), or (B) a 1-time payment or allowance made under a Federal or State law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device, (12) through September 30 of any fiscal year, any increase in income attributable to a cost-of-living adjustment made on or after July 1 of such fiscal year under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq.), section 3(a)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)(1)), or section 3112 of title 38, United States Code, if the household was certified as eligible to participate in the food stamp program or received an allotment in the month immediately preceding the first month in which the adjustment was effective, (13) any payment made to the household under section 3507 of the Internal Revenue Code of 1986 (relating to advance payment of earned income credit), (14) any payment made to the household under section 6(d)(4)(I) for work related expenses or for dependent care, [and] (15) any amounts necessary for the fulfillment of a plan for achieving self-support of a household member as provided under subparagraph (A)(iii) or (B)(iv) of section 1612(b)(4) of the Social Security Act (42 U.S.C. 1382a(b)(4)); (16) *any state complementary assistance program payments that are excluded pursuant to subsections (a) and (b) of section 1931 of title XIX of the Social Security Act; and (17) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u-1), except that this paragraph shall not authorize a State agency to exclude earned income, payments under title I, II, IV, X, XIV, or XVI of the Social Security Act, or such other types of income whose consideration the Secretary determines essential to equitable determinations of eligibility and benefit levels except to the extent that those types of income may be excluded under other paragraphs of this subsection.*

(e) DEDUCTIONS FROM INCOME.—

(1) STANDARD DEDUCTION.—The Secretary shall allow a standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States [of \$134, \$229, \$189, \$269, and \$118] *equal to 9.7 percent of the eligibility limit established under section 5(c)(1) for fiscal year 2002 but not more than 9.7 percent of the eligibility limit established under section 5(c)(1) for a household of six for fiscal year 2002 nor less than \$134, \$229, \$189, \$269, and \$118, respectively, except that the standard deduction for Guam shall be determined with reference to 2 times the eligibility limits under section 5(c)(1) for fiscal year 2002 for the 48 contiguous states and the District of Columbia.*

* * * * *

ELIGIBILITY DISQUALIFICATIONS

SEC. 6. (a) * * *

* * * * *

(c) [No household] *Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household shall be eligible to participate in the food stamp program if it refuses to cooperate in providing information to the State agency that is necessary for making a determination of its eligibility or for completing any subsequent review of its eligibility.*

* * * * *

ADMINISTRATION

SEC. 11. (a) * * *

* * * * *

(s) TRANSITIONAL BENEFITS OPTION.—

(1) IN GENERAL.—*A State may provide transitional food stamp benefits to a household that is no longer eligible to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).*

(2) TRANSITIONAL BENEFITS PERIOD.—*Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.*

(3) AMOUNT.—*During the transitional benefits period under paragraph (2), a household shall receive an amount equal to the allotment received in the month immediately preceding the date on which cash assistance is terminated. A household receiving benefits under this subsection may apply for recertification at any time during the transitional benefit period. If a household reapplies, its allotment shall be determined without regard to this subsection for all subsequent months.*

(4) DETERMINATION OF FUTURE ELIGIBILITY.—*In the final month of the transitional benefits period under paragraph (2), the State agency may—*

(A) require a household to cooperate in a redetermination of eligibility to receive an authorization card; and

(B) renew eligibility for a new certification period for the household without regard to whether the previous certification period has expired.

(5) *LIMITATION.*—A household sanctioned under section 6, or for a failure to perform an action required by Federal, State, or local law relating to such cash assistance program, shall not be eligible for transitional benefits under this subsection.

* * * * *

ADMINISTRATIVE COST-SHARING AND QUALITY CONTROL

SEC. 16. (a) * * *

* * * * *

(c)(1) The program authorized under this Act shall include a system that enhances payment accuracy by establishing fiscal incentives that require State agencies with high error rates to share in the cost of payment error and provide enhanced administrative funding to States with the lowest error rates. Under such system—

(A) * * *

* * * * *

(C) for any fiscal year in which *the Secretary determines that a 95 percent statistical probability exists that for the 3d consecutive year* a State agency's payment error rate exceeds the national performance measure for payment error rates announced under paragraph (6), other than for good cause shown, the State agency shall pay to the Secretary an amount equal to—

(i) the product of—

(I) * * *

(II) the lesser of—

(aa) the ratio of—

(aaa) * * *

(bbb) **the national performance measure for the fiscal year** 10 percent, or

* * * * *

(4) The Secretary may require a State agency to report any factors that the Secretary considers necessary to determine a State agency's payment error rate, enhanced administrative funding, **for** claim for payment error, or *performance under the measures established under paragraph (10)*, under this subsection. If a State agency fails to meet the reporting requirements established by the Secretary, the Secretary shall base the determination on all pertinent information available to the Secretary.

(5) To facilitate the implementation of this subsection each State agency shall submit to the Secretary expeditiously data regarding its operations in each fiscal year sufficient for the Secretary *to comply with paragraph (10) and* to establish the payment error rate for the State agency for such fiscal year and determine the amount of either incentive payments under paragraph (1)(A) or claims under paragraph (1)(C). The Secretary shall make a determination for a fiscal year, and notify the State agency of such determination, within nine months following the end of each fiscal year. The Sec-

retary shall initiate efforts to collect the amount owed by the State agency as a claim established under paragraph (1)(C) for a fiscal year, subject to the conclusion of any formal or informal appeal procedure and administrative or judicial review under section 14 (as provided for in paragraph (7)), before the end of the fiscal year following such fiscal year.

(6) At the time the Secretary makes the notification to State agencies of their error rates and incentive payments or claims pursuant to paragraphs (1)(A) and (1)(C), the Secretary shall also announce a national performance measure that shall be *one percentage point more than* the sum of the products of each State agency's error rate as developed for the notifications under paragraph (5) times that State agency's proportion of the total value of national allotments issued for the fiscal year using the most recent issuance data available at the time of the notifications issued pursuant to paragraph (5). Where a State fails to meet reporting requirements pursuant to paragraph (4), the Secretary may use another measure of a State's error developed pursuant to paragraph (5), to develop the national performance measure. The announced national performance measure shall be used in determining the State share of the cost of payment error under paragraph (1)(C) for the fiscal year whose error rates are being announced under paragraph (5).

* * * * *

(10)(A) *In addition to the measures established under paragraph (1), the Secretary shall measure the performance of State agencies in each of the following regards—*

(i) *compliance with the deadlines established under paragraphs (3) and (9) of section 11(e); and*

(ii) *the percentage of negative eligibility decisions that are made correctly.*

(B) *For each fiscal year, the Secretary shall make excellence bonus payments of \$1,000,000 each to the 5 States with the highest combined performance in the 2 measures in subparagraph (A) and to the 5 States whose combined performance under the 2 measures in subparagraph (A) most improved in such fiscal year.*

(C) *For any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that a State agency's performance with respect to any of the 2 performance measures established in subparagraph (A) is substantially worse than a level the Secretary deems reasonable, other than for good cause shown, the Secretary shall investigate that State agency's administration of the food stamp program. If this investigation determines that the State's administration has been deficient, the Secretary shall require the State agency to take prompt corrective action.*

* * * * *

(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

(1) IN GENERAL.—

(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies, to remain available until expended, from funds made available for each fiscal year under section 18(a)(1) the amount of—

(i) * * *

* * * * *

(vii) for **[fiscal year 2002]** *each of the fiscal years 2003 through 2011*—

(I) * * *

* * * * *

(B) ALLOCATION.—

(i) ALLOCATION FORMULA.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula, as determined and adjusted by the Secretary each fiscal year, to reflect—

(I) * * *

* * * * *

(III) for each of fiscal years 1999 through **[2002]** *2011*, the portion of food stamp recipients who reside in each State who are not eligible for an exception under section 6(o)(3) and who—

* * * * *

(k) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—

(1) * * *

* * * * *

(3) REDUCTION IN PAYMENT.—

(A) IN GENERAL.—Notwithstanding any other provision of this section, effective for each of fiscal years 1999 through **[2002]** *2011*, the Secretary shall reduce, for each fiscal year, the amount paid under subsection (a) to each State by an amount equal to the amount determined for the food stamp program under paragraph (2)(B). The Secretary shall, to the extent practicable, make the reductions required by this paragraph on a quarterly basis.

(B) APPLICATION.—If the Secretary of Health and Human Services does not make the determinations required by paragraph (2) by September 30, 1999—

(i) * * *

(ii) for each subsequent fiscal year through fiscal year **[2002]** *2011*, subparagraph (A) applies.

* * * * *

(l) The Secretary shall expend up to \$10 million in each fiscal year to pay 100 percent of the costs of State agencies to develop and implement simple application and eligibility determination systems.

RESEARCH, DEMONSTRATION, AND EVALUATIONS

SEC. 17. (a) * * *

(b)(1)(A) The Secretary may conduct on a trial basis, in one or more areas of the United States, pilot or experimental projects designed to test program changes that might increase the efficiency of the food stamp program and improve the delivery of food stamp benefits to eligible households, and may waive any requirement of this Act to the extent necessary for the project to be conducted.

(B) PROJECT REQUIREMENTS.—

(i) * * *

* * * * *

(vi) CASH PAYMENT PILOT PROJECTS.—Any pilot or experimental project implemented under this paragraph and operating as of October 1, 1981, involving the payment of the value of allotments in the form of cash to eligible households all of whose members are either age sixty-five or over or entitled to supplemental security income benefits under title XVI of the Social Security Act shall be continued through October 1, [2002] 2011, if the State so requests.

* * * * *

(i)(1)(A) Subject to the availability of funds specifically appropriated to carry out this subsection and subject to the other provisions of this subsection, during each of fiscal years [1992 through 2002] 2003 through 2011, the Secretary shall make grants competitively awarded to public or private nonprofit organizations to fund food stamp outreach demonstration projects (hereinafter in this subsection referred to as the “projects”) and related evaluations in areas of the United States to increase participation by eligible low-income households in the food stamp program. The total amount of grants provided during a fiscal year may not exceed \$5,000,000. Funds appropriated to carry out this subsection shall be used in the year during which the funds are appropriated. Not more than 20 percent of the funds appropriated to carry out this subsection shall be used for evaluations.

* * * * *

AUTHORIZATION FOR APPROPRIATIONS

SEC. 18. (a)(1) To carry out this Act, there are authorized to be appropriated such sums as are necessary for each of the fiscal years [1996 through 2002] 2003 through 2011. Not to exceed one-fourth of 1 per centum of the previous year’s appropriation is authorized in each such fiscal year to carry out the provisions of section 17 of this Act, subject to paragraph (3).

* * * * *

BLOCK GRANT

SEC. 19. (a)(1)(A) From the sums appropriated under this Act, the Secretary shall, subject to the provisions of this section, pay to the Commonwealth of Puerto Rico—

(i) for fiscal year 2000, \$1,268,000,000;

(ii) for fiscal year 2001, the amount required to be paid under clause (i) for fiscal year 2000, as adjusted by the change in the Food at Home series of the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor, for the most recent 12-month period ending in June; [and]

(iii) for fiscal year 2002, the amount required to be paid under clause (ii) for fiscal year 2001, as adjusted by the percentage by which the thrifty food plan is adjusted for fiscal year 2002 under section 3(o)(4); and

(iv) *for each of fiscal years 2003 through 2011, the amount equal to the amount required to be paid under this subparagraph for the preceding fiscal year, as adjusted by the percentage by which the thrifty food plan is adjusted under section 3(o)(4) for the current fiscal year for which the amount is determined under this clause;*

* * * * *

SEC. 24. TERRITORY OF AMERICAN SAMOA.

Effective October 1, 1995, from amounts made available to carry out this Act, the Secretary shall pay to the Territory of American Samoa not more than \$5,300,000 for each of fiscal years ~~1996 through 2002~~ *2003 through 2011* to finance 100 percent of the expenditures for the fiscal year for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).

SEC. 25. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.

(a) * * *

(b) AUTHORITY TO PROVIDE ASSISTANCE.—

(1) * * *

(2) LIMITATION ON GRANTS.—The total amount of funds provided as grants under this section may not exceed—

(A) \$1,000,000 for fiscal year 1996; ~~and~~

(B) \$2,500,000 for each of fiscal years 1997 through ~~2002~~ *2001. and*

(C) \$7,500,000 for each of the fiscal years *2002 through 2011.*

* * * * *

SEC. 27. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) PURCHASE OF COMMODITIES.—From amounts made available to carry out this Act, for each of fiscal years ~~1997 through 2002~~ *2002 through 2011*, the Secretary shall purchase ~~100,000,000~~ *\$140,000,000* of a variety of nutritious and useful commodities of the types that the Secretary has the authority to acquire through the Commodity Credit Corporation or under section 32 of the Act entitled “An Act to amend the Agricultural Adjustment Act, and for other purposes”, approved August 24, 1935 (7 U.S.C. 612c), and distribute the commodities to States for distribution in accordance with section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note).

* * * * *

(c) *USE OF FUNDS FOR RELATED COSTS.—For each of the fiscal years 2002 through 2011, the Secretary shall use \$10,000,000 of the funds made available under subsection (a) to pay for the direct and indirect costs of the States related to the processing, storing, transporting, and distributing to eligible recipient agencies of commodities purchased by the Secretary under such subsection and commodities secured from other sources, including commodities secured by gleanings (as defined in section 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note)).*

* * * * *

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

* * * * *

COMMODITY DISTRIBUTION PROGRAM

SEC. 4. (a) Notwithstanding any other provision of law, the Secretary may, during fiscal years **1991 through 2002** *2003 through 2011* purchase and distribute sufficient agricultural commodities with funds appropriated from the general fund of the Treasury to maintain the traditional level of assistance for food assistance programs as are authorized by law, including but not limited to distribution to institutions (including hospitals and facilities caring for needy infants and children), supplemental feeding programs serving women, infants, and children or elderly persons, or both, wherever located, disaster areas, summer camps for children, the United States Trust Territory of the Pacific Islands, and Indians, whenever a tribal organization requests distribution of federally donated foods pursuant to section 4(b) of the Food Stamp Act of 1977. In providing for commodity distribution to Indians, the Secretary shall improve the variety and quantity of commodities supplied to Indians in order to provide them an opportunity to obtain a more nutritious diet.

* * * * *

COMMODITY SUPPLEMENTAL FOOD PROGRAM

SEC. 5. (a) In carrying out the supplemental feeding program (hereinafter referred to as the “commodity supplemental food program”) under section 4 of this Act, the Secretary (1) may institute two pilot projects directed at low-income elderly persons, including, where feasible, distribution of commodities to such persons in their homes; (2) shall provide to the State agencies administering the commodity supplemental food program, for each of the fiscal year **1991 through 2002** *2003 through 2011* funds appropriated from the general fund of the Treasury in amounts equal to the administrative costs of State and local agencies in operating the program, except that the funds provided to State agencies each fiscal year may not exceed 20 percent of the amount appropriated for the commodity supplemental food program.

* * * * *

(d)(1) * * *

(2) Notwithstanding any other provision of law, the Commodity Credit Corporation shall, to the extent that the Commodity Credit Corporation inventory levels permit, provide not less than 9,000,000 pounds of cheese and not less than 4,000,000 pounds of nonfat dry milk in each of the fiscal years **1991 through 2002** *2003 through 2011* to the Secretary of Agriculture. The Secretary shall use such amounts of cheese and nonfat dry milk to carry out the commodity supplemental food program before the end of each fiscal year.

* * * * *

SECTION 204 OF THE EMERGENCY FOOD ASSISTANCE ACT OF 1983

AUTHORIZATION AND APPROPRIATIONS

SEC. 204. (a)(1) There are authorized to be appropriated \$50,000,000 for each of the fiscal years ~~1991 through 2002~~ *2003 through 2011*, for the Secretary to make available to the States to pay for the direct and indirect ~~administrative~~ costs of the States related to the processing, *storage*, transporting, and distributing to eligible recipient agencies of commodities provided by the Secretary under this Act and commodities secured from other sources. Funds appropriated under this paragraph for any fiscal year shall be allocated to the States on an advance basis, dividing such funds among the States in the same proportions as the commodities distributed under this Act for such fiscal year are divided among the States. If a State agency is unable to use all of the funds so allocated to it, the Secretary shall reallocate such unused funds among the other States.

* * * * *

CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

* * * * *

TITLE III—AGRICULTURAL CREDIT

* * * * *

SUBTITLE A—REAL ESTATE LOANS

SEC. 302. (a) The Secretary is authorized to make and insure loans under this subtitle to farmers and ranchers in the United States, and to farm cooperatives and private domestic corporations, partnerships, ~~and joint operations~~ *joint operations, and limited liability companies* that are controlled by farmers and ranchers and engaged primarily and directly in farming or ranching in the United States, subject to the conditions specified in this section. To be eligible for such loans, applicants who are individuals, or, in the case of cooperatives, corporations, partnerships, ~~and joint operations~~ *joint operations, and limited liability companies*, individuals holding a majority interest in such entity, must (1) be citizens of the United States, (2) for direct loans only, have either training or farming experience that the Secretary determines is sufficient to assure reasonable prospects of success in the proposed farming operations, (3) be or will become owner-operators of not larger than family farms (or in the case of cooperatives, corporations, partnerships, ~~and joint operations~~ *joint operations, and limited liability companies* in which a majority interest is held by individuals who are related by blood or marriage, as defined by the Secretary, such individuals must be or will become either owners or operators of not larger than a family farm and at least one such individual must be or will become an operator of not larger than a family farm or, in the case of holders of the entire interest who are related by blood or marriage and all of whom are or will become farm operators, the ownership interest of each such holder separately con-

stitutes not larger than a family farm, even if their interests collectively constitute larger than a family farm, as defined by the Secretary), and (4) be unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time. In addition to the foregoing requirements of this section, in the case of corporations, partnerships, [and joint operations] *joint operations, and limited liability companies*, the family farm requirement of clause (3) of the preceding sentence shall apply as well to the farm or farms in which the entity has an ownership and operator interest and the requirement of clause (4) of the preceding sentence shall apply as well to the entity in the case of cooperatives, corporations, partnerships, [and joint operations] *joint operations, and limited liability companies*.

* * * * *

SEC. 306. (a)(1) The Secretary is also authorized to make or insure loans to associations, including corporations not operated for profit, Indian tribes on Federal and State reservations and other federally recognized Indian tribes, and public and quasi-public agencies to provide for the application or establishment of soil conservation practices, shifts in land use, the conservation, development, use, and control of water, and the installation or improvement of drainage or waste disposal facilities, recreational developments, and essential community facilities including necessary related equipment, all primarily serving farmers, ranchers, farm tenants, farm laborers, rural businesses, and other rural residents, and to furnish financial assistance or other aid in planning projects for such purposes. *The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986, as rural enterprise communities pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, or as champion communities (as determined by the Secretary), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes.* The Secretary may also make loans to any borrower to whom a loan has been made under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), for the conservation, development, use, and control of water, and the installation of drainage or waste disposal facilities, primarily serving farmers, ranchers, farm tenants, farm laborers, rural businesses, and other rural residents. When any loan made for a purpose specified in this paragraph is sold out of the Agricultural Credit Insurance Fund as an insured loan, the interest or other income thereon paid to an insured holder shall be included in gross income for purposes of chapter 1 of the Internal Revenue Code of 1954. With respect to loans of less than \$500,000 made or insured under this paragraph that are evidenced by notes and mortgages, as distinguished from bond issues, borrowers shall not be required to appoint bond counsel to

review the legal validity of the loan whenever the Secretary has available legal counsel to perform such review.

* * * * *

(11) RURAL BUSINESS OPPORTUNITY GRANTS.—
(A) * * *

* * * * *

(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph \$7,500,000 for each of fiscal years 1996 through **[2002]** 2011.

* * * * *

SEC. 306A. [EMERGENCY] COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

(a) IN GENERAL.—The Secretary shall provide grants in accordance with this section to assist the residents of rural areas and small communities to secure adequate quantities of safe water—

(1) **[after]** *when* a significant decline in the quantity or quality of water available from the water supplies of such rural areas and small communities *is imminent*; or

* * * * *

(c) ELIGIBILITY.—To be eligible to obtain a grant under this section, an applicant **[shall—**

[(1) be a public or private nonprofit entity; and

[(2) in the case of a grant made under subsection (a)(1), demonstrate to the Secretary that the decline referred to in such subsection occurred within 2 years of the date the application was filed for such grant.] *shall be a public or private nonprofit entity.*

* * * * *

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$35,000,000 for each of fiscal years 1996 through **[2002]** 2011.

* * * * *

SEC. 306D. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

(a) * * *

* * * * *

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section \$30,000,000 for each of fiscal years 2001 **[and 2002]** *through 2011.*

* * * * *

SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—*In this section, the term “eligible individual” means an individual who is a member of a household, the combined income of whose members for the most recent 12-month period for which the information is available, is*

not more than 100 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

(b) GRANTS.—The Secretary may make grants to private nonprofit organizations for the purpose of assisting eligible individuals in obtaining financing for the construction, refurbishing, and servicing of individual household water well systems in rural areas that are owned (or to be owned) by the eligible individuals.

(c) USE OF FUNDS.—A grant made under this section may be—

(1) used, or invested to provide income to be used, to carry out subsection (b); and

(2) used to pay administrative expenses associated with providing the assistance described in subsection (b).

(d) PRIORITY IN AWARDING GRANTS.—In awarding grants under this section, the Secretary shall give priority to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water.

* * * * *

SEC. 310B. (a) The Secretary may also make and insure loans to public, private, or cooperative organizations organized for profit or nonprofit, to Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, or to individuals for the purposes of (1) improving, developing, or financing business, industry, and employment and improving the economic and environmental climate in rural communities, including pollution abatement and control, (2) the conservation, development, and use of water for aquaculture purposes in rural areas, (3) reducing the reliance on nonrenewable energy resources by encouraging the development and construction of solar energy systems *and other renewable energy systems including wind energy systems and anaerobic digestors for the purpose of energy generation*, including the modification of existing systems, in rural areas, and (4) to facilitate economic opportunity for industries undergoing adjustment from terminated Federal agricultural price and income support programs or increased competition from foreign trade. For the purposes of this subsection, the term “solar energy” means energy derived from sources (other than fossil fuels) and technologies included in the Federal Nonnuclear Energy Research and Development Act of 1974, as amended. Such loans, when originated, held, and serviced by other lenders, may be guaranteed by the Secretary under this section without regard to paragraphs (1) and (4) of section 333. As used in this subsection, the term “aquaculture” means the culture or husbandry of aquatic animals or plants by private industry for commercial purposes including the culture and growing of fish by private industry for the purpose of creating or augmenting publicly owned and regulated stocks of fish. No loan may be made, insured, or guaranteed under this subsection that exceeds **[\$25,000,000]** *\$100,000,000* in principal amount.

* * * * *

(e) RURAL COOPERATIVE DEVELOPMENT GRANTS.—

(1) * * *

* * * * *

(9) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$50,000,000 for each of fiscal years 1996 through **2002** 2011.

* * * * *

(g) LOAN GUARANTEES FOR THE PURCHASE OF COOPERATIVE STOCK.—

(1) * * *

(2) LOAN GUARANTEES.—The Secretary may guarantee loans under this section to individual farmers for the purpose of purchasing **start-up capital stock of a farmer cooperative established for the purpose of processing an agricultural commodity.** *capital stock of a farmer cooperative established for an agricultural purpose.*

* * * * *

(h) *INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary may consider the value of the intangible assets and subordinated unsecured debt of the cooperative organization.*

(i) *SPECIAL RULES APPLICABLE TO FARMER COOPERATIVES UNDER THE BUSINESS AND INDUSTRY LOAN PROGRAM.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary shall not apply any lending restriction based on population to the area in which the cooperative organization is located.*

* * * * *

SEC. 310E. DOWN PAYMENT LOAN PROGRAM.

(a) * * *

(b) LOAN TERMS.—

(1) * * *

* * * * *

(3) DURATION.—Each loan under this section shall be made for a period of **10** 15 years or less, at the option of the borrower.

* * * * *

(c) LIMITATIONS.—

(1) * * *

* * * * *

(3) PROHIBITED TYPES OF FINANCING.—The Secretary shall not make a loan under this section with respect to a farm or ranch if the farm or ranch is to be acquired with other financing that contains any of the following conditions:

(A) The financing is to be amortized over a period of less than 30 years.

(B) A balloon payment will be due on the financing during the ~~10-year~~ 15-year period beginning on the date the loan is to be made by the Secretary.

* * * * *

SUBTITLE B—OPERATING LOANS

SEC. 311. (a) The Secretary is authorized to make and insure loans under this subtitle to farmers and ranchers in the United States, and to farm cooperatives and private domestic corporations, partnerships, ~~and joint operations~~ *joint operations, and limited liability companies* that are controlled by farmers and ranchers and engaged primarily and directly in farming or ranching in the United States, subject to the conditions specified in this section. To be eligible for such loans, applicants who are individuals, or, in the case of cooperatives, corporations, partnerships, ~~and joint operations~~ *joint operations, and limited liability companies*, individuals holding a majority interest in such entity, must (1) be citizens of the United States, (2) for direct loans only, have either training or farming experience that the Secretary determines is sufficient to assure reasonable prospects of success in the proposed farming operations, (3) be or will become operators of not larger than family farms (or in the case of cooperatives, corporations, partnerships, ~~and joint operations~~ *joint operations, and limited liability companies* in which a majority interest is held by individuals who are related by blood or marriage, as defined by the Secretary, such individuals must be or will become either owners or operators of not larger than a family farm and at least one such individual must be or will become an operator of not larger than a family farm or, in the case of holders of the entire interest who are related by blood or marriage and all of whom are or will become farm operators, the ownership interest of each such holder separately constitutes not larger than a family farm, even if their interests collectively constitute larger than a family farm, as defined by the Secretary), and (4) be unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time. In addition to the foregoing requirements of this subsection, in the case of corporations, partnerships, ~~and joint operations~~ *joint operations, and limited liability companies*, the family farm requirement of clause (3) of the preceding sentence shall apply as well to the farm or farms in which the entity has an operator interest and the requirement of clause (4) of the preceding sentence shall apply as well to the entity in the case of cooperatives, corporations, partnerships, ~~and joint operations~~ *joint operations, and limited liability companies*.

* * * * *

SUBTITLE C—EMERGENCY LOANS

SEC. 321. (a) The Secretary shall make and insure loans under this subtitle only to the extent and in such amounts as provided in advance in appropriation Acts to (1) established farmers, ranch-

ers, or persons engaged in aquaculture, who are citizens of the United States and who are 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) of not larger than family farms, and (2) farm cooperatives, private domestic corporations, partnerships, **【or joint operations】** *joint operations, or limited liability companies* (A) that are engaged primarily in farming, ranching, or aquaculture, and (B) in which a majority interest is held by individuals who are citizens of the United States and who are 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) of not larger than family farms (or in the case of such cooperatives, corporations, partnerships, **【or joint operations】** *joint operations, or limited liability companies* in which a majority interest is held by individuals who are related by blood or marriage, as defined by the Secretary, such individuals must be either owners or operators of not larger than a family farm and at least one such individual must be an operator of not larger than a family farm), where the Secretary finds that the applicants' farming, ranching, or aquaculture operations have been substantially affected by **【a natural disaster in the United States or by】** *a quarantine imposed by the Secretary under the Plant Protection Act or the animal quarantine laws (as defined in section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990), an economic emergency resulting from sharply increasing energy costs as described in section 329(b), a natural disaster in the United States, or a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act: Provided, That they have experience and resources necessary to assure a reasonable prospect for successful operation with the assistance of such loan and are not able to obtain sufficient credit elsewhere. In addition to the foregoing requirements of this subsection, in the case of farm cooperatives, private domestic corporations, partnerships, **【and joint operations】** *joint operations, and limited liability companies*, the family farm requirement of the preceding sentence shall apply as well to all farms in which the entity has an ownership and operator interest (in the case of loans for a purpose under subtitle A) or an operator interest (in the case of loans for a purpose under subtitle B). The Secretary shall accept applications from, and make or insure loans pursuant to the requirements of this subtitle to, applicants, otherwise eligible under this subtitle, that conduct farming, ranching, or aquaculture operations in any county contiguous to a county where the Secretary has found that farming, ranching, or aquaculture operations have been substantially affected by **【a natural disaster in the United States or by】** *a quarantine imposed by the Secretary under the Plant Protection Act or the animal quarantine laws (as defined in section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990), an economic emergency resulting from sharply increasing energy costs as described in section 329(b), a natural disaster in the United States, or a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The Secretary shall accept applications for assistance under this subtitle from persons affected by **【a natural disaster】** such a quarantine, economic emergency, or natural disaster at any time during the eight-month period begin-**

ning (A) on the date on which the Secretary determines that farming, ranching, or aquaculture operations have been substantially affected **[by such natural disaster]** *by such quarantine, economic emergency, or natural disaster* or (B) on the date the President makes the major disaster or emergency designation with respect to such natural disaster, as the case may be.

* * * * *

SEC. 323. Loans may be made or insured under this subtitle for any purpose authorized for loans under subtitle A or B of this title and for crop or livestock changes that are necessitated by a *quarantine*, natural disaster, major disaster, or emergency *referred to in section 321(a), including, notwithstanding any other provision of this title, an economic emergency resulting from sharply increasing energy costs as described in section 329(b)* and that are deemed desirable by the applicant, subject to the limitations on the amounts of loans provided in section 324(a) of this title.

SEC. 324. TERMS OF LOANS.

(a) **MAXIMUM AMOUNT OF LOAN.**—The Secretary may not make a loan under this subtitle to a borrower who has suffered a loss in an amount that—

- (1) exceeds the actual loss caused by a disaster; **[or]**
- (2) would cause the total indebtedness of the borrower under this subtitle to exceed \$500,000**[.]**;
- (3) *in the case of a loan made in response to a quarantine referred to in section 321, exceeds \$500,000; or*
- (4) *in the case of a loan made in response to an economic emergency referred to in section 321, exceeds \$200,000.*

* * * * *

[SEC. 329. The]

SEC. 329. LOSS CONDITIONS.

(a) **IN GENERAL.**—*Except as provided in subsection (b), the Secretary shall make financial assistance under this subtitle available to any applicant seeking assistance based on production losses if the applicant shows that a single enterprise which constitutes a basic part of the applicant's farming, ranching, or aquaculture operation has sustained at least a 30 per centum loss of normal per acre or per animal production, or such lesser per centum of loss as the Secretary may determine, as a result of the disaster based upon the average monthly price in effect for the previous year and the applicant otherwise meets the conditions of eligibility prescribed under this subtitle. Such loans shall be made available based upon 80 per centum, or such greater per centum as the Secretary may determine, of the total calculated actual production loss sustained by the applicant.*

(b) **LOSS RESULTING FROM SHARPLY INCREASING ENERGY COSTS.**—*The Secretary shall make financial assistance under this subtitle available to any applicant seeking assistance based on an income loss resulting from sharply increasing energy costs referred to in section 323 if—*

- (1) *the price of electricity, gasoline, diesel fuel, natural gas, propane, or other equivalent fuel during any 3-month period is at least 50 percent greater than the average price of the same*

form of energy during the preceding 5 years, as determined by the Secretary; and

(2) the income loss of the applicant is directly related to expenses incurred to prevent livestock mortality, the degradation of a perishable agricultural commodity, or damage to a field crop.

SUBTITLE D—ADMINISTRATIVE PROVISIONS

SEC. 331. (a) * * *

(b) The Secretary may—

(1) * * *

(2) administer the loan guarantee program under section 339(c) through central offices established in States or in multi-State areas;

[(2)] (3) accept and utilize voluntary and uncompensated services, and, with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, territory, or political subdivision;

[(3)] (4) within the limits of appropriations made therefor, make necessary expenditures for purchase or hire of passenger vehicles, and such other facilities and services as he may from time to time find necessary for the proper administration of this title;

[(4)] (5) compromise, adjust, reduce, or charge-off debts or claims (including debts and claims arising from loan guarantees), and adjust, modify, subordinate, or release the terms of security instruments, leases, contracts, and agreements entered into or administered by the Consolidated Farm Service Agency, Rural Utilities Service, Rural Housing Service, Rural Business-Cooperative Service, or a successor agency, or the Rural Development Administration, except for activities under the Housing Act of 1949. In the case of a security instrument entered into under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), the Secretary shall notify the Attorney General of the intent of the Secretary to exercise the authority of the Secretary under this paragraph. The Secretary may not require liquidation of property securing any farmer program loan or acceleration of any payment required under any farmer program loan as a prerequisite to initiating an action authorized under this subsection. The Secretary may release borrowers or others obligated on a debt, except for debt incurred under the Housing Act of 1949, from personal liability with or without payment of any consideration at the time of the compromise, adjustment, reduction, or charge-off of any claim, except that no compromise, adjustment, reduction, or charge-off of any claim may be made or carried out—

(A) * * *

* * * * *

[(5)] (6) except for activities conducted under the Housing Act of 1949, collect all claims and obligations administered by the Farmers Home Administration, or under any mortgage, lease, contract, or agreement entered into or administered by the Farmers Home Administration and, if in his judgment nec-

essary and advisable, pursue the same to final collection in any court having jurisdiction;

[(6)] (7) release mortgage and other contract liens if it appears that they have no present or prospective value or that their enforcement likely would be ineffectual or uneconomical;

[(7)] (8) obtain fidelity bonds protecting the Government against fraud and dishonesty of officers and employees of the Farmers Home Administration in lieu of faithful performance of duties bonds under section 14, title 6, United States Code, and regulations issued pursuant thereto, but otherwise in accordance with the provisions thereof;

[(8)] (9) consent to (A) long-term leases of facilities financed under this title notwithstanding the failure of the lessee to meet any of the requirements of this title if such long-term leases are necessary to ensure the continuation of services for which financing was extended to the lessor, and (B) the transfer of property securing any loan or financed by any loan or grant made, insured, or held by the Secretary under this title, or the provisions of any other law administered by the Rural Development Administration or by the Farmers Home Administration, upon such terms as he deems necessary to carry out the purpose of the loan or grant or to protect the financial interest of the Government, and shall document the consent of the Secretary for the transfer of the property of a borrower in the file of the borrower; and

[(9)] (10) notwithstanding that an area ceases, or has ceased, to be "rural", in a "rural area", or an eligible area, make loans and grants, and approve transfers and assumptions, under this title on the same basis as though the area still was rural in connection with property securing any loan made, insured, or held by the Secretary under this title or in connection with any property held by the Secretary under this title.

(c) The Secretary may use for the prosecution or defense of any claim or obligation described in subsection [(b)(5)] (b)(6) the Attorney General, the General Counsel of the Department of Agriculture, or a private attorney who has entered into a contract with the Secretary.

(d) [TEMPORARY] AUTHORITY TO ENTER INTO CONTRACTS.—

(1) * * *

* * * * *

(5) SUNSET PROVISION.—This subsection shall be effective until September 30, [2002] 2011.

* * * * *

SEC. 333. In connection with loans made or insured under this title, the Secretary shall require—

(1) * * *

[(2) except with respect to a loan under section 306, 310B, or 314, the county or area committee established under section 8(b)(5)(B) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)(B)) to certify in writing—

[(A) that an annual review of the credit history and business operation of the borrower has been conducted; and

[(B) that a review of the continued eligibility of the borrower for the loan has been conducted;]

[(3)] (2) except for guaranteed loans, an agreement by the borrower that if at any time it shall appear to the Secretary that the borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source (or, in the case of a borrower under section 310D of this title, the borrower may be able to obtain a loan under section 302 of this title), at reasonable rates and terms for loans for similar purposes and periods of time, the borrower will, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary or the insured lender, or both, and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan;

[(4)] (3) such provision for supervision of the borrower's operations as the Secretary shall deem necessary to achieve the objectives of the loan and protect the interests of the United States; and

[(5)] (4) the application of a person who is a veteran of any war, as defined in section 101(12) of title 38, United States Code, for a loan under subtitle A or B to be given preference over a similar application from a person who is not a veteran of any war, if the applications are on file in a county or area office at the same time.

SEC. 333A. (a) * * *

* * * * *

(g)(1) The Secretary shall provide to lenders a short, simplified application form for guarantees under this title of loans the principal amount of which is [\\$50,000] *\$150,000* or less.

* * * * *

SEC. 339. RULES AND REGULATIONS.

(a) * * *

* * * * *

(c) CERTIFIED LENDERS PROGRAM.—

(1) * * *

* * * * *

(4) EFFECT OF CERTIFICATION.—Notwithstanding any other provision of law:

(A) The Secretary shall guarantee 80 percent of a loan made under this subsection by a certified lending institution as described in paragraph (1), subject to county committee certification that the borrower of the loan meets the eligibility requirements and such other criteria as may be applicable to loans guaranteed by the Secretary under other provisions of this title, *except that the Secretary may guarantee such lesser percentage as the Secretary determines appropriate of such a loan if the income of the borrower is less than the income necessary to meet the requirements of subsection (b).*

* * * * *

(d) PREFERRED CERTIFIED LENDERS PROGRAM.—

(1) * * *

* * * * *

(4) EFFECT OF PREFERRED LENDER CERTIFICATION.—Notwithstanding any other provision of law, the Secretary shall—

(A) guarantee 80 percent of an approved loan made by a certified lending institution as described in this subsection, subject to county committee certification that the borrower meets the eligibility requirements or such other criteria as may be applicable to loans guaranteed by the Secretary under other provisions of this title, *except that the Secretary may guarantee such lesser percentage as the Secretary determines appropriate of such a loan if the income of the borrower is less than the income necessary to meet the requirements of subsection (b);*

* * * * *

SEC. 343. (a) As used in this title:

(1) * * *

* * * * *

(12) DEBT FORGIVENESS.—

(A) * * *

(B) **【LOAN RESTRUCTURING.—**The term “debt forgiveness” does not include consolidation, rescheduling, reamortization, or deferral.**】**

(B) *EXCEPTIONS.—The term “debt forgiveness” does not include—*

(i) consolidation, rescheduling, reamortization, or deferral of a loan; or

(ii) any write-down provided as a part of a resolution of a discrimination complaint against the Secretary.

* * * * *

(c) *LIVESTOCK INCLUDES HORSES.—The term “livestock” includes horses.*

* * * * *

SEC. 345. SUNSET OF DIRECT LOAN PROGRAMS.

(a) *IN GENERAL.—Except as provided in subsection (b), beginning 5 years after the date of the enactment of this section, the Secretary may not make a direct loan under section 302 or 311.*

(b) *EXCEPTIONS.—Subsection (a) shall not apply to any authority to make direct loans to youths, qualified beginning farmers or ranchers, or members of socially disadvantaged groups.*

(c) *NO EFFECT ON EXISTING CONTRACTS.—Subsection (a) shall not be construed to permit the violation of any contract entered into before the 5-year period described in subsection (a).*

SEC. 346. (a) * * *

(b) AUTHORIZATION FOR LOANS.—

(1) *IN GENERAL.—*The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund provided for in section 309 in **【**not more than the following amounts:

【(A) *FISCAL YEAR 1996.—*For fiscal year 1996, \$3,085,000,000, of which—

[(i) \$585,000,000 shall be for direct loans, of which—

[(I) \$85,000,000 shall be for farm ownership loans under subtitle A; and

[(II) \$500,000,000 shall be for operating loans under subtitle B; and

[(ii) \$2,500,000,000 shall be for guaranteed loans, of which—

[(I) \$600,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

[(II) \$1,900,000,000 shall be for guarantees of operating loans under subtitle B.

[(B) FISCAL YEAR 1997.—For fiscal year 1997, \$3,165,000,000, of which—

[(i) \$585,000,000 shall be for direct loans, of which—

[(I) \$85,000,000 shall be for farm ownership loans under subtitle A; and

[(II) \$500,000,000 shall be for operating loans under subtitle B; and

[(ii) \$2,580,000,000 shall be for guaranteed loans, of which—

[(I) \$630,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

[(II) \$1,950,000,000 shall be for guarantees of operating loans under subtitle B.

[(C) FISCAL YEAR 1998.—For fiscal year 1998, \$3,245,000,000, of which—

[(i) \$585,000,000 shall be for direct loans, of which—

[(I) \$85,000,000 shall be for farm ownership loans under subtitle A; and

[(II) \$500,000,000 shall be for operating loans under subtitle B; and

[(ii) \$2,660,000,000 shall be for guaranteed loans, of which—

[(I) \$660,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

[(II) \$2,000,000,000 shall be for guarantees of operating loans under subtitle B.

[(D) FISCAL YEAR 1999.—For fiscal year 1999, \$3,325,000,000, of which—

[(i) \$585,000,000 shall be for direct loans, of which—

[(I) \$85,000,000 shall be for farm ownership loans under subtitle A; and

[(II) \$500,000,000 shall be for operating loans under subtitle B; and

[(ii) \$2,740,000,000 shall be for guaranteed loans, of which—

[(I) \$690,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

[(II) \$2,050,000,000 shall be for guarantees of operating loans under subtitle B.

[(E) FISCAL YEAR 2000.—For fiscal year 2000, \$3,435,000,000, of which—

[(i) \$585,000,000 shall be for direct loans, of which—

[(I) \$85,000,000 shall be for farm ownership loans under subtitle A; and

[(II) \$500,000,000 shall be for operating loans under subtitle B; and

[(ii) \$2,850,000,000 shall be for guaranteed loans, of which—

[(I) \$750,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

[(II) \$2,100,000,000 shall be for guarantees of operating loans under subtitle B.

[(F) FISCAL YEAR 2001.—For fiscal year 2001, \$3,435,000,000, of which—

[(i) \$585,000,000 shall be for direct loans, of which—

[(I) \$85,000,000 shall be for farm ownership loans under subtitle A; and

[(II) \$500,000,000 shall be for operating loans under subtitle B; and

[(ii) \$2,850,000,000 shall be for guaranteed loans, of which—

[(I) \$750,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

[(II) \$2,100,000,000 shall be for guarantees of operating loans under subtitle B.

[(G) FISCAL YEAR 2002.—For fiscal year 2002, \$3,435,000,000, of which—

[(i) \$585,000,000 shall be for direct loans, of which—

[(I) \$85,000,000 shall be for farm ownership loans under subtitle A; and

[(II) \$500,000,000 shall be for operating loans under subtitle B; and

[(ii) \$2,850,000,000 shall be for guaranteed loans, of which—

[(I) \$750,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

[(II) \$2,100,000,000 shall be for guarantees of operating loans under subtitle B.] *such sums as may be necessary.*

(2) BEGINNING FARMERS AND RANCHERS.—

(A) DIRECT LOANS.—

(i) * * *

(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for direct operating loans, the Secretary shall reserve for qualified beginning farmers and ranchers—

(I) * * *

* * * * *

(III) for each of fiscal years **[2000 through 2002]** *2002 through 2011*, 35 percent.

* * * * *

SEC. 351. INTEREST RATE REDUCTION PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—

(1) * * *

(2) TERMINATION OF AUTHORITY.—The authority provided by this subsection shall terminate on September 30, **[2002]** *2011*.

* * * * *

SEC. 355. TARGET PARTICIPATION RATES.

(a) * * *

* * * * *

(c) OPERATING LOANS.—

(1) * * *

(2) RESERVATION AND ALLOCATION.—The Secretary shall, to the greatest extent practicable, reserve and allocate the proportion of each State's loan funds made available under subtitle B that is equal to that State's target participation rate for use by the socially disadvantaged farmers or ranchers in that State. The Secretary shall, to the extent practicable, distribute the total so derived on a county by county basis according to the number of socially disadvantaged farmers or ranchers in the county. **[Any funds reserved and allocated for purposes of this paragraph, but not used shall be reallocated within such State.]** *Any funds reserved and allocated under this paragraph but not used within a State shall, to the extent necessary to satisfy pending applications under this title, be available for use by socially disadvantaged farmers and ranchers in other States, as determined by the Secretary, and any remaining funds shall be reallocated within the State.*

* * * * *

SEC. 360. LOAN ASSESSMENTS.

(a) IN GENERAL.—**[After an applicant is determined eligible for assistance under this title by the appropriate county committee established pursuant to section 332, the]** *The* Secretary shall evaluate, in accordance with regulations issued by the Secretary, the farming plan and financial situation of each qualified farmer or rancher applicant.

* * * * *

SEC. 373. LOAN AND LOAN SERVICING LIMITATIONS.

(a) * * *

(b) PROHIBITION OF LOANS FOR BORROWERS THAT HAVE RECEIVED DEBT FORGIVENESS.—

[(1) PROHIBITIONS.—Except as provided in paragraph (2)—

[(A) the Secretary may not make a loan under this title to a borrower that has received debt forgiveness on a loan made or guaranteed under this title; and

[(B) the Secretary may not guarantee a loan under this title to a borrower that has received—

[(i) debt forgiveness after April 4, 1996, on a loan made or guaranteed under this title; or

[(ii) received debt forgiveness on more than 3 occasions on or before April 4, 1996.]

(1) *PROHIBITIONS.—Except as provided in paragraph (2)—*

(A) the Secretary may not make a loan under this title to a borrower who, on more than 2 occasions, received debt forgiveness on a loan made or guaranteed under this title; and

(B) the Secretary may not guarantee a loan under this title to a borrower who, on more than 3 occasions, received debt forgiveness on a loan made or guaranteed under this title.

* * * * *

SEC. 376. MAKING AND SERVICING OF LOANS BY PERSONNEL OF STATE, COUNTY, OR AREA COMMITTEES.

The Secretary shall employ personnel of a State, county or area committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C 590h(b)(5)) to make and service loans under this title to the extent the personnel have been trained to do so.

SEC. 377. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY, OR AREA COMMITTEE FOR LOANS AND LOAN GUARANTEES.

The Secretary shall not prohibit an employee of a State, county or area committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)) or an employee of the Department of Agriculture from obtaining a loan or loan guarantee under subtitle A, B or C of this title if an office of the Department of Agriculture other than the office in which the employee is located determines that the employee is otherwise eligible for the loan or loan guarantee.

Subtitle E—Rural Community Advancement Program

* * * * *

SEC. 381E. RURAL DEVELOPMENT TRUST FUND.

(a) * * *

* * * * *

(e) NATIONAL RESERVE ACCOUNT.—

(1) * * *

* * * * *

(3) **APPLICABLE PERCENTAGE DEFINED.**—In paragraph (1), the term “applicable percentage” means, with respect to a fiscal year—

(A) * * *

* * * * *

(F) 5 percent for [fiscal year 2002] *each of the fiscal years 2002 through 2011.*

* * * * *

SEC. 381O. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.

(a) * * *

(b) RURAL BUSINESS INVESTMENT POOL.—

(1) * * *

* * * * *

(3) AMOUNT.—The Secretary shall issue guarantees covering not more than \$15,000,000 of contingent liabilities for each of fiscal years 1996 through [2002] 2011.

* * * * *

SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

(a) *RURAL AREA DEFINED.*—In this section, the term “rural area” means such areas as the Secretary may determine.

(b) *ESTABLISHMENT.*—There is established a National Rural Development Partnership (in this section referred to as the “Partnership”), which shall be composed of—

(1) the National Rural Development Coordinating Committee established in accordance with subsection (c); and

(2) State rural development councils established in accordance with subsection (d).

(c) *NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.*—

(1) *COMPOSITION.*—The National Rural Development Coordinating Committee (in this section referred to as the “Coordinating Committee”) may be composed of—

(A) representatives of all Federal departments and agencies with policies and programs that affect or benefit rural areas;

(B) representatives of national associations of State, regional, local, and tribal governments and intergovernmental and multi-jurisdictional agencies and organizations;

(C) national public interest groups; and

(D) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee.

(2) *FUNCTIONS.*—The Coordinating Committee may—

(A) provide support for the work of the State rural development councils established in accordance with subsection (d); and

(B) develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting rural areas.

(d) *STATE RURAL DEVELOPMENT COUNCILS.*—

(1) *COMPOSITION.*—A State rural development council may—

(A) be composed of representatives of Federal, State, local, and tribal governments, and nonprofit organizations, the private sector, and other entities committed to rural advancement; and

(B) have a nonpartisan and nondiscriminatory membership that is broad and representative of the economic, social, and political diversity of the State.

(2) *FUNCTIONS.*—A State rural development council may—

(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and non-profit sectors in the planning and implementation of programs and policies that affect the rural areas of the State, and to do so in such a way that provides the greatest degree of flexi-

bility and innovation in responding to the unique needs of the State and the rural areas; and

(B) in conjunction with the Coordinating Committee, develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting the rural areas of the State.

(e) ADMINISTRATION OF THE PARTNERSHIP.—The Secretary may provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

(f) TERMINATION.—The authority provided by this section shall terminate on the date that is 5 years after the date of the enactment of this section.

* * * * *

DEPARTMENT OF AGRICULTURE REORGANIZATION ACT OF 1994

* * * * *

TITLE II—DEPARTMENT OF AGRICULTURE REORGANIZATION

* * * * *

Subtitle D—Food, Nutrition, and Consumer Services

* * * * *

SEC. 246. NATURAL RESOURCES CONSERVATION SERVICE.

(a) * * *

(b) FUNCTIONS.—If the Secretary establishes the Natural Resources Conservation Service under subsection (a), the Secretary is authorized to assign to the Service jurisdiction over the following:

(1) * * *

[(2) The forestry incentive program under section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103).]

* * * * *

Subtitle H—National Appeals Division

* * * * *

SEC. 278. DIRECTOR REVIEW OF DETERMINATIONS OF HEARING OFFICERS.

(a) * * *

* * * * *

(f) FINALITY OF CERTAIN APPEAL DECISIONS.—If an appellant prevails at the regional level in an administrative appeal of a decision

by the Division, the agency may not pursue an administrative appeal of that decision to the national level.

* * * * *

SEC. 281. CONFORMING AMENDMENTS RELATING TO NATIONAL APPEALS DIVISION.

(a) DECISIONS OF STATE, COUNTY, AND AREA COMMITTEES.—

(1) APPLICATION OF SUBSECTION.—This subsection shall apply only with respect to functions of the Consolidated Farm Service Agency or the Commodity Credit Corporation that are under the jurisdiction of a State, county, or area committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)) or an employee of such a committee, *except functions performed pursuant to section 376 of the Consolidated Farm and Rural Development Act.*

* * * * *

AGRICULTURAL RISK PROTECTION ACT OF 2000

* * * * *

TITLE II—AGRICULTURAL ASSISTANCE

* * * * *

SUBTITLE C—RESEARCH

SEC. 221. CARBON CYCLE RESEARCH.

(a) IN GENERAL.—**[Of the amount made available under section 261(a)(2), the Secretary shall use \$15,000,000 to provide]** *To the extent funds are made available for this purpose, the Secretary shall provide a grant to the Consortium for Agricultural Soils Mitigation of Greenhouse Gases, acting through Kansas State University, to develop, analyze, and implement, through the land grant universities described in subsection (b), carbon cycle research at the national, regional, and local levels.*

* * * * *

(d) ADMINISTRATIVE COSTS.—Not more than 3 percent of the funds made available **[under subsection (a)]** *for this section* may be used by the Secretary to pay administrative costs incurred in carrying out this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—*There are authorized to be appropriated for fiscal years 2002 through 2011 such sums as may be necessary to carry out this section.*

* * * * *

SUBTITLE D—AGRICULTURAL MARKETING

SEC. 231. VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

(a) GRANT PROGRAM.—

[(1) ESTABLISHMENT AND PURPOSES.—Of the amount made available under section 261(a)(2), \$15,000,000 shall be used by the Secretary to award competitive grants to eligible independent producers (as determined by the Secretary) of value-

added agricultural commodities and products of agricultural commodities to assist an eligible producer—

[(A) to develop a business plan for viable marketing opportunities for a value-added agricultural commodity or product of an agricultural commodity; or

[(B) to develop strategies for the ventures that are intended to create marketing opportunities for the producers.]

(1) *ESTABLISHMENT AND PURPOSES.—In each of fiscal years 2002 through 2011, the Secretary shall use \$50,000,000 of the funds of the Commodity Credit Corporation to award competitive grants—*

(A) to eligible independent producers (as determined by the Secretary) of value-added agricultural commodities and products of agricultural commodities to assist an eligible producer—

(i) to develop a business plan for viable marketing opportunities for a value-added agricultural commodity or product of an agricultural commodity; or

(ii) to develop strategies for the ventures that are intended to create marketing opportunities for the producers; and

(B) to public bodies, institutions of higher learning, and trade associations to assist such entities—

(i) to develop a business plan for viable marketing opportunities in emerging markets for a value-added agricultural commodity or product of an agricultural commodity; or

(ii) to develop strategies for the ventures that are intended to create marketing opportunities in emerging markets for the producers.

(2) **AMOUNT OF GRANT.**—The total amount provided under this subsection to a grant recipient may not exceed \$500,000.

(3) **[PRODUCER] GRANTEE STRATEGIES.**—A [producer] grantee that receives a grant under paragraph (1) shall use the grant—

(A) to develop a business plan or perform a feasibility study to establish a viable marketing opportunity for a value-added agricultural commodity or product of an agricultural commodity; or

(B) to provide capital to establish alliances or business ventures that allow the [producer] grantee to better compete in domestic or international markets.

* * * * *

TITLE III—BIOMASS RESEARCH AND DEVELOPMENT ACT OF 2000

* * * * *

SEC. 302. FINDINGS.

Congress finds that—

(1) * * *

* * * * *

(3) biobased fuels, such as ethanol *or biodiesel*, have the clear potential to be sustainable, low cost, and high performance fuels that are compatible with both current and future transportation systems and provide near-zero net greenhouse gas emissions;

* * * * *

SEC. 303. DEFINITIONS.

In this title:

(1) * * *

* * * * *

(3) BIOMASS.—The term “biomass” means any organic matter that is available on a renewable or recurring basis, including agricultural crops and trees, wood and wood wastes and residues, plants (including aquatic plants), grasses, residues, fibers *animal byproducts*, and animal wastes, municipal wastes, and other waste materials.

* * * * *

SEC. 306. BIOMASS RESEARCH AND DEVELOPMENT TECHNICAL ADVISORY COMMITTEE.

(a) * * *

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Advisory Committee shall consist of—

(A) * * *

* * * * *

(E) *an individual affiliated with a livestock trade association;*

[(E)] (F) *an individual affiliated with an environmental or conservation organization;*

[(F)] (G) *an individual associated with State government who has expertise in biobased industrial products;*

[(G)] (H) *an individual with expertise in energy analysis;*

[(H)] (I) *an individual with expertise in the economics of biobased industrial products;*

[(I)] (J) *an individual with expertise in agricultural economics; and*

[(J)] (K) *at the option of the points of contact, other members.*

* * * * *

SEC. 307. BIOMASS RESEARCH AND DEVELOPMENT INITIATIVE.

(a) * * *

* * * * *

(f) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds appropriated for biomass research and development under the general authority of the Secretary of Energy to conduct research and development programs (which may also be used to carry out this title), there are authorized to be appropriated to the Department of Agriculture to carry out this title \$49,000,000 for each of fiscal years 2000 through [2005] 2011.

* * * * *

SEC. 310. TERMINATION OF AUTHORITY.

The authority provided under this title shall terminate on December 31, ~~2005~~ 2011.

* * * * *

**SECTION 1011 OF THE LAUNCHING OUR COMMUNITIES'
ACCESS TO LOCAL TELEVISION ACT OF 2000**

SEC. 1011. AUTHORIZATIONS OF APPROPRIATIONS.

(a) **COST OF LOAN GUARANTEES.**—For the cost of the loans guaranteed under this Act, including the cost of modifying the loans, as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661(a)), there are authorized to be appropriated for fiscal years 2001 through 2006, such amounts as may be necessary. *In addition, a total of \$200,000,000 of the funds of the Commodity Credit Corporation shall be available during fiscal years 2002 through 2006, without fiscal year limitation, for loan guarantees under this title.*

* * * * *

**SECTION 4 OF THE RURAL ELECTRIFICATION ACT OF
1936**

SEC. 4. (a) The Secretary is authorized and empowered, from the sums hereinbefore authorized, to make loans for rural electrification to persons, corporations, States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts and cooperative, nonprofit, or limited-dividend associations organized under the laws of any State or Territory of the United States, for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing and improving of electric service to persons in rural areas, including by assisting electric borrowers to implement demand side management, energy conservation programs, and on-grid and off-grid renewable energy systems, and loans, from funds available under section 3, to cooperative associations and municipalities for the purpose of enabling said cooperative associations, and municipalities to the extent that such indebtedness was incurred with respect to electric transmission and distribution lines or systems or portions thereof serving persons in rural areas, to discharge or refinance long-term debts owned by them to the Tennessee Valley Authority on account of loans made or credit extended under the terms of the Tennessee Valley Authority Act of 1933, as amended: *Provided*, That the Secretary, in making such loans, shall give preference to States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts, and cooperative, nonprofit, or limited-dividend associations, the projects of which comply with the requirements of this Act. Such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Secretary shall determine and may be made payable in whole or in part out of the income, except that no loan for the construction, operation, or enlargement of any generating plant shall be made unless the con-

sent of the State authority having jurisdiction in the premises is first obtained. Loans under this section shall not be made unless the Secretary finds and certifies that in his judgment the security therefor is reasonably adequate and such loan will be repaid within the time agreed.

(b) *LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.*—*The Secretary may provide a loan guarantee, on such terms and conditions as the Secretary deems appropriate, for the purpose of financing the purchase of a renewable energy system, including a wind energy system and anaerobic digestors for the purpose of energy generation, by any person or individual who is a farmer, a rancher, or an owner of a small business (as defined by the Secretary) that is located in a rural area (as defined by the Secretary). In providing guarantees under this subsection, the Secretary shall give priority to loans used primarily for power generation on a farm, ranch, or small business (as so defined).*

NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

* * * * *

TITLE XIV—NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

* * * * *

Subtitle A—Findings, Purposes, and Definitions

* * * * *

DEFINITIONS

SEC. 1404. When used in this title:

(1) * * *

* * * * *

(4) The terms “college” and “university” mean an educational institution in any State which (A) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (B) is legally authorized within such State to provide a program of education beyond secondary education, (C) provides an educational program for which a bachelor’s degree or any other higher degree is awarded, (D) is a public or other nonprofit institution, [and] (E) is accredited by a nationally recognized accrediting agency or association[.], or (F) is one of the 1994 Institutions (as defined in section 532 of the *Equity in Educational Land-Grant Status Act of 1994*).

* * * * *

Subtitle B—Coordination and Planning of Agricultural Research, Extension, and Teaching

* * * * *

SEC. 1408. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

(a) * * *

(b) MEMBERSHIP.—

(1) * * *

* * * * *

(3) MEMBERSHIP CATEGORIES.—The Advisory Board shall consist of members from each of the following categories:

(A) * * *

* * * * *

(R) 1 member representing a nonland grant college or university with a historic commitment to research in the food and agricultural sciences.

[(R)] *(S)* 1 member representing that portion of the scientific community not closely associated with agriculture.

[(S)] *(T)* 1 member engaged in the transportation of food and agricultural products to domestic and foreign markets.

[(T)] *(U)* 1 member representing food retailing and marketing interests.

[(U)] *(V)* 1 member representing food and fiber processors.

[(V)] *(W)* 1 member actively engaged in rural economic development.

[(W)] *(X)* 1 member representing a national consumer interest group.

[(X)] *(Y)* 1 member representing a national forestry group.

[(Y)] *(Z)* 1 member representing a national conservation or natural resource group.

[(Z)] *(AA)* 1 member representing private sector organizations involved in international development.

[(AA)] *(BB)* 1 member representing an agency within the Department of Agriculture that lacks research capabilities.

[(BB)] *(CC)* 1 member representing a research agency of the Federal Government (other than the Department of Agriculture).

[(CC)] *(DD)* 1 member representing a national social science association.

[(DD)] *(EE)* 1 member representing national organizations directly concerned with agricultural research, education, and extension.

* * * * *

(c) DUTIES.—The Advisory Board shall—

(1) review and provide consultation to the Secretary [and land-grant colleges and universities], *land-grant colleges and universities, and the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies of the Committee on Appropriations of the House of Representatives, and the Subcommittee on Agriculture, Rural Development and Related Agencies of the Committee on Appropriations of the Senate* on long-term and short-term national

policies and priorities, as set forth in section 1402, relating to agricultural research, extension, education, and economics;

* * * * *

(d) CONSULTATION.—

(1) DUTIES OF ADVISORY BOARD.—In carrying out this section, the Advisory Board shall *consult with any appropriate agencies of the Department of Agriculture and* solicit opinions and recommendations from persons who will benefit from and use federally funded agricultural research, extension, education, and economics.

* * * * *

(h) TERMINATION.—The Advisory Board shall remain in existence until September 30, **[2002]** 2011.

* * * * *

[SEC. 1412. SUPPORT FOR ADVISORY BOARD.

[(a) To assist the Advisory Board in the performance of its duties, the Secretary may appoint, after consultation with the chairperson of the Advisory Board—

[(1) a full-time executive director who shall perform such duties as the chairperson of the Advisory Board may direct and who shall receive compensation at a rate not to exceed the rate payable for GS–18 of the General Schedule established in section 5332 of title 5, United States Code; and

[(2) a professional staff of not more than five full-time employees qualified in the food and agricultural sciences, of which one shall serve as the executive secretary to the Advisory Board.

[(b) The Secretary shall provide such additional clerical assistance and staff personnel as may be required to assist the Advisory Board in carrying out its duties.

[(c) In formulating its recommendations to the Secretary, the Advisory Board may obtain the assistance of Department of Agriculture employees, and, to the maximum extent practicable, the assistance of employees of other Federal departments and agencies conducting related programs of agricultural research, extension, and teaching and of appropriate representatives of colleges and universities, including State agricultural experiment stations, cooperative extension services, and other non-Federal organizations conducting significant programs in the food and agricultural sciences.]

GENERAL PROVISIONS

SEC. 1413. (a) * * *

* * * * *

(c) There are authorized to be appropriated annually such sums as Congress may determine necessary to carry out the provisions of **[section 1412 of this title and]** subsection (b) of this section.

* * * * *

Subtitle C—Agricultural Research and Education Grants and Fellowships

* * * * *

SEC. 1417. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

(a) * * *

* * * * *

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for carrying out this section \$60,000,000 for each of the fiscal years 1990 through **[2002]** 2011.

* * * * *

SEC. 1419. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

(a) AUTHORITY OF SECRETARY.—The Secretary may award grants under this section to colleges, universities, and Federal laboratories for the purpose of conducting research related to—

(1) * * *

(2) industrial oilseed crops *and animal fats and oils* for diesel fuel and petrochemical substitutes;

* * * * *

(4) other industrial hydrocarbons *or triglycerides* made from agricultural commodities and forest products; and

* * * * *

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purposes of carrying out this section \$20,000,000 for each of the fiscal years 1991 through **[2002]** 2011.

SEC. 1419A. POLICY RESEARCH CENTERS.

(a) * * *

* * * * *

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1996 through **[2002]** 2011.

* * * * *

Subtitle D—National Food and Human Nutrition Research and Extension Program

* * * * *

SEC. 1424. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

(a) * * *

* * * * *

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1996 through **[2002]** 2011.

SEC. 1424A. PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.

(a) * * *

* * * * *

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$10,000,000 for each of fiscal years 1997 through **[2002]** 2011 to carry out the pilot program.

NUTRITION EDUCATION PROGRAM

SEC. 1425. (a) * * *

* * * * *

(c) Beginning with the fiscal year ending September 30, 1982—
(1) * * *

* * * * *

(3) There is authorized to be appropriated to carry out the expanded food and nutrition education program established under section 3(d) of the Act of May 8, 1914 (38 Stat. 373, chapter 79; 7 U.S.C. 343(d) and this section, \$83,000,000 for each of fiscal years 1996 through **[2002]** 2011.

* * * * *

Subtitle E—Animal Health and Disease Research

* * * * *

APPROPRIATIONS FOR CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS

SEC. 1433. (a) There are authorized to be appropriated such funds as Congress may determine necessary to support continuing animal health and disease research programs at eligible institutions, but not to exceed \$25,000,000 for each of the fiscal years 1991 through **[2002]** 2011, and not in excess of such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year. Funds appropriated under this section shall be used: (1) to meet 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 provisions of the Act of March 4, 1940 (54 Stat. 39–40, as amended; 7 U.S.C. 331); (2) for administrative planning and direction; and (3) to purchase equipment and supplies necessary for conducting such research.

* * * * *

APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS

SEC. 1434. (a) There are authorized to be appropriated such funds as Congress may determine necessary to support research on specific national or regional animal health or disease problems, or national or regional problems relating to pre-harvest, on-farm food safety, or animal well-being, but not to exceed \$35,000,000 for each of the fiscal years 1991 through **[2002]** 2011, and not in excess of

such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year.

* * * * *

Subtitle G—1890 Land-Grant College Funding

* * * * *

SEC. 1447. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

(a) * * *

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary of Agriculture for the purposes of carrying out the provisions of this section, \$15,000,000 for each of fiscal years 1996 through **[2002]** 2011, and such sums shall remain available until expended.

* * * * *

SEC. 1448. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS.

(a) **COMPETITIVE GRANTS AUTHORIZED.**—The Secretary of Agriculture may make a competitive grant to five national research and training centennial centers located at colleges (or a consortia of such colleges) eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, that—

(1) have been designated by the Secretary for the fiscal years 1991 through 1995, or fiscal years 1996 through **[2002]** 2011, as national research and training centennial centers; and

* * * * *

(f) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated \$2,000,000 for each of the fiscal years 1991 through **[2002]** 2011 for grants under this section.

* * * * *

SEC. 1449. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES AT ELIGIBLE INSTITUTIONS.

(a) * * *

* * * * *

[(c) MATCHING FORMULA.—Notwithstanding any other provision of this subtitle, the distribution of formula funds to an eligible institution shall be subject to the following matching requirements:

[(1) For fiscal year 2000, the State shall provide matching funds from non-Federal sources in an amount equal to not less than 30 percent of the formula funds to be distributed to the eligible institution.

[(2) For fiscal year 2001, the State shall provide matching funds from non-Federal sources in an amount equal to not less than 45 percent of the formula funds to be distributed to the eligible institution.

[(3) For fiscal year 2002 and each fiscal year thereafter, the State shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the formula funds to be distributed to the eligible institution.

[(d) LIMITED WAIVER AUTHORITY.—

[(1) FISCAL YEAR 2000.—Notwithstanding subsection (f), the Secretary may waive the matching funds requirement under subsection (c)(1) for fiscal year 2000 for an eligible institution of a State if the Secretary determines that, based on the report received under subsection (b), the State will be unlikely to satisfy the matching requirement.]

[(2) FUTURE FISCAL YEARS.—The Secretary may not waive the matching requirement under subsection (c) for any fiscal year other than fiscal year 2000.]

(c) *MATCHING FORMULA.*—For each of fiscal years 2003 through 2011, the State shall provide matching funds from non-Federal sources. Such matching funds shall be for an amount equal to not less than 60 percent of the formula funds to be distributed to the eligible institution, and shall increase by 10 percent each fiscal year thereafter until fiscal year 2007.

(d) *WAIVER AUTHORITY.*—Notwithstanding subsection (f), the Secretary may waive the matching funds requirement under subsection (c) above the 50 percent level for fiscal years 2003 through 2011 for an eligible institution of a State if the Secretary determines that the State will be unlikely to satisfy the matching requirement.

* * * * *

(g) *MATCHING FUNDS REQUIREMENT FOR THE LAND-GRANT COLLEGES IN THE UNITED STATES TERRITORIES.*—

(1) *Land-grant colleges of the United States territories, including the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, American Samoa, and Micronesia, shall be excluded from the definition of eligible institution (as defined in subsection (a)(1)).*

(2) *MATCHING FORMULA.*—Notwithstanding any other provision of this subtitle, for fiscal years 2003 through 2011, the State shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the formula funds to be distributed to the eligible institution.

(3) *WAIVER AUTHORITY.*—Notwithstanding subsection (f), the Secretary may waive the matching funds requirements under subsection (a)(2)(A) for any of fiscal years 2003 through 2011 for an eligible institution of a State if the Secretary determines that the territory will be unlikely to satisfy the matching requirement for that fiscal year.

Subtitle H—Programs for Hispanic-Serving Institutions

SEC. 1455. EDUCATION GRANTS PROGRAMS FOR HISPANIC-SERVING INSTITUTIONS.

(a) * * *

* * * * *

(c) *AUTHORIZATION OF APPROPRIATIONS.*—There are authorized to be appropriated to make grants under this section \$20,000,000 for each of fiscal years 1997 through [2002] 2011.

Subtitle I—International Research, Extension, and Teaching

SEC. 1458. INTERNATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING.

(a) **AUTHORITY OF THE SECRETARY.**—To carry out the policy of this subtitle, the Secretary (in consultation with the Agency for International Development and subject to such coordination with other Federal officials, Departments, and agencies as the President may direct) may—

(1) * * *

* * * * *

(8) continue, in cooperation with the Secretary of State, a program, coordinated through the International Arid Land Consortium, to enhance collaboration and cooperation between institutions possessing research, extension, and teaching capabilities applied to the development, management, and reclamation of arid lands; **[and]**

(9) make competitive grants for collaborative projects that—

(A) * * *

* * * * *

(D) encourage private sector involvement and the leveraging of private sector funds~~...~~; *and*

(10) *establish a program, to be coordinated by the Cooperative State Research, Education, and Extension Service and the Foreign Agricultural Service, to place interns from United States colleges and universities at Foreign Agricultural Service field offices overseas.*

* * * * *

SEC. 1459A. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

(a) * * *

* * * * *

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through ~~2002~~ 2011.

* * * * *

Subtitle K—Funding and Miscellaneous Provisions

* * * * *

AUTHORIZATION FOR APPROPRIATIONS FOR EXISTING AND CERTAIN NEW AGRICULTURAL RESEARCH PROGRAMS

SEC. 1463. (a) Notwithstanding any authorization for appropriations for agricultural research in any Act enacted prior to the date of enactment of this title, there are hereby authorized to be appropriated for the purposes of carrying out the provisions of this title, except sections 1417, 1419, 1420, and the competitive grants program provided for in section 1414, and except that the authorization for moneys provided under the Act of March 2, 1887 (24 Stat. 440–442, as amended; 7 U.S.C. 361a–361i), is excluded and is pro-

vided for in subsection (b) of this section, \$850,000,000 for each of the fiscal years 1991 through **[2002]** 2011.

(b) Notwithstanding any authorization for appropriations for agricultural research at State agricultural experiment stations in any Act enacted prior to the date of enactment of this title, there are hereby authorized to be appropriated for the purpose of conducting agricultural research at State agricultural experiment stations pursuant to the Act of March 2, 1887 (24 Stat. 440–442, as amended; 7 U.S.C. 361a–361i), \$310,000,000 for each of the fiscal years 1991 through **[2002]** 2011.

* * * * *

SEC. 1464. Notwithstanding any authorization for appropriations for the Cooperative Extension Service in any Act enacted prior to the date of enactment of this title, there are hereby authorized to be appropriated for the purposes of carrying out the extension programs of the Department of Agriculture \$420,000,000 for fiscal year 1991, \$430,000,000 for fiscal year 1992, \$440,000,000 for fiscal year 1993, \$450,000,000 for fiscal year 1994, and \$460,000,000 for each of fiscal years 1995 through **[2002]** 2011.

* * * * *

SUPPLEMENTAL AND ALTERNATIVE CROPS

SEC. 1473D. (a) Notwithstanding any other provision of law, during the period beginning October 1, 1986, and ending September 30, **[2002]** 2011, the Secretary shall develop and implement a research project for the development of supplemental and alternative crops, using such funds as are appropriated to the Secretary each fiscal year under this title.

* * * * *

Subtitle L—Aquaculture

* * * * *

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1477. There is authorized to be appropriated \$7,500,000 for each of the fiscal years 1991 through **[2002]** 2011. Funds appropriated under this section or section 1476 may not be used to acquire or construct a building.

* * * * *

Subtitle M—Rangeland Research

* * * * *

APPROPRIATIONS

SEC. 1483. (a) There are authorized to be appropriated, to implement the provisions of this subtitle, such sums not to exceed \$10,000,000 for each of the fiscal years 1991 through **[2002]** 2011.

* * * * *

**AGRICULTURAL RESEARCH, EXTENSION, AND
EDUCATION REFORM ACT OF 1998**

* * * * *

**TITLE IV—NEW AGRICULTURAL RESEARCH, EXTENSION, AND
EDUCATION INITIATIVES**

Sec. 401. Initiative for Future Agriculture and Food Systems.

* * * * *

Sec. 408. Support for research regarding diseases of wheat [and barley caused by *Fusarium graminearum*], *triticales*, and barley caused by *Fusarium graminearum* or by *Tilletia indica*.

* * * * *

**TITLE IV—NEW AGRICULTURAL RE-
SEARCH, EXTENSION, AND EDU-
CATION INITIATIVES**

**SEC. 401. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYS-
TEMS.**

(a) * * *

(b) FUNDING.—

[(1) IN GENERAL.—On October 1, 1998, and each October 1 thereafter through October 1, 2002, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer \$120,000,000 to the Account.]

(1) IN GENERAL.—

(A) TOTAL AMOUNT TO BE TRANSFERRED.—On October 1, 2003, and each October 1 thereafter through September 30, 2011, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer funds into the Account. The total amount transferred under this subparagraph shall equal \$1,160,000,000.

(B) EQUAL AMOUNTS.—To the maximum extent practicable, the amounts transferred into the Account pursuant to subparagraph (A) shall be transferred in equal amounts for each fiscal year.

(C) AVAILABILITY OF FUNDS.—Amounts transferred into the Account pursuant to subparagraph (A) shall remain available until expended.

* * * * *

(c) PURPOSES.—

(1) * * *

(2) PRIORITY MISSION AREAS.—In making grants under this section, the Secretary, in consultation with the Advisory Board, shall address priority mission areas related to—

(A) * * *

* * * * *

(E) natural resource management, including precision agriculture; [and]

(F) farm efficiency and profitability, including the viability and competitiveness of small- and medium-sized dairy, livestock, crop, and other commodity operations[.]; and

(G) *alternative fuels and renewable energy sources.*

* * * * *

(f) ADMINISTRATION.—

(1) * * *

* * * * *

[(6) AVAILABILITY OF FUNDS.—Funds for grants under this section shall be available to the Secretary for obligation for a 2-year period.]

(6) *AVAILABILITY OF FUNDS.—Funds made available under this section to the Secretary prior to October 1, 2003, for grants under this section shall be available to the Secretary for a 2-year period.*

* * * * *

SEC. 402. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.

(a) * * *

* * * * *

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through [2002] 2011.

SEC. 403. PRECISION AGRICULTURE.

(a) DEFINITIONS.—In this section:

(1) * * *

* * * * *

(5) SYSTEMS RESEARCH.—The term “systems research” means an integrated, coordinated, and iterative investigative process that involves—

(A) * * *

* * * * *

(F) farm production efficiencies (*including improved use of energy inputs*), productivity, and profitability.

* * * * *

(d) GRANT PRIORITIES.—In making grants to eligible entities under this section, the Secretary, in consultation with the Advisory Board, shall give priority to research, education, or information dissemination projects designed to accomplish the following:

(1) * * *

* * * * *

(4) *Improve on farm energy use efficiencies.*

[(4)] (5) Maximize the involvement and cooperation of precision agriculture producers, certified crop advisers, State cooperative extension services agents, agricultural input machinery, product and service providers, nonprofit organizations, agribusinesses, veterinarians, land-grant colleges and universities, and Federal agencies in precision agriculture systems research projects involving on-farm research, education, and dissemination of precision agriculture information.

[(5)] (6) Maximize collaboration with multiple agencies and other partners, including through leveraging of funds and resources.

* * * * *

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through [2002] 2011, of which, for each fiscal year—

(A) * * *

* * * * *

SEC. 404. BIOBASED PRODUCTS.

(a) * * *

* * * * *

(e) PILOT PROJECT.—The Secretary, acting through the Agricultural Research Service, may establish and carry out a pilot project under which grants are provided, on a competitive basis, to scientists of the Agricultural Research Service to—

(1) * * *

(2) during each of fiscal years 1999 through [2001] 2011, develop biobased products with promising commercial potential.

* * * * *

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through [2002] 2011.

SEC. 405. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.

(a) INITIATIVE REQUIRED.—The Secretary of Agriculture shall provide for a research initiative (to be known as the “Thomas Jefferson Initiative for Crop Diversification”) for the purpose of conducting research and development, in cooperation with other public and private entities, on the production [and marketing], *marketing, and efficient use* of new and nontraditional crops needed to strengthen and diversify the agricultural production base of the United States.

* * * * *

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through [2002] 2011.

SEC. 406. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

(a) * * *

* * * * *

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through [2002] 2011.

SEC. 407. COORDINATED PROGRAM OF RESEARCH, EXTENSION, AND EDUCATION TO IMPROVE VIABILITY OF SMALL AND MEDIUM SIZE DAIRY, LIVESTOCK, AND POULTRY OPERATIONS.

(a) * * *

(b) COMPONENTS.—To the extent the Secretary elects to carry out the program, the Secretary shall conduct—

(1) * * *

* * * * *

(3) research and extension on integrated crop and livestock or poultry systems that increase efficiencies (*including improved use of energy inputs*), reduce costs, and prevent environmental pollution to strengthen the competitive position of the operations;

* * * * *

SEC. 408. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT [AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM], TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.

[(a) RESEARCH GRANT AUTHORIZED.—The Secretary of Agriculture may make a grant to a consortium of land-grant colleges and universities to enhance the ability of the consortium to carry out a multi-State research project aimed at understanding and combating diseases of wheat and barley caused by *Fusarium graminearum* and related fungi (referred to in this section as “wheat scab”).]

(a) RESEARCH GRANT AUTHORIZED.—*The Secretary of Agriculture may make grants to consortia of land-grant colleges and universities to enhance the ability of the consortia to carry out multi-State research projects aimed at understanding and combating diseases of wheat, triticale, and barley caused by *Fusarium graminearum* and related fungi (referred to in this section as “wheat scab”) or by *Tilletia indica* and related fungi (referred to in this section as “Karnal bunt”).*

(b) RESEARCH COMPONENTS.—Funds provided under this section shall be available for the following collaborative, multi-State research activities:

(1) Identification and understanding of the epidemiology of wheat scab or of *Karnal bunt*, and the toxicological properties of vomitoxin, a toxic metabolite commonly occurring in wheat, *triticale*, and barley infected with wheat scab.

(2) Development of crop management strategies to reduce the risk of wheat scab or *Karnal bunt* occurrence.

(3) Development of—

(A) efficient and accurate methods to monitor wheat [and barley for the presence of], *triticale*, and barley for the presence of *Karnal bunt* or of wheat scab and resulting vomitoxin contamination;

(B) post-harvest management techniques for wheat [and barley infected with wheat scab], *triticale*, and barley infected with wheat scab or with *Karnal bunt*; and

(C) milling and food processing techniques to render wheat scab contaminated grain safe.

(4) Strengthening and expansion of plant-breeding activities to enhance the resistance of wheat [and barley to wheat scab], *triticale*, and barley to wheat scab and to *Karnal bunt*, including the establishment of a regional advanced breeding material evaluation nursery and a germplasm introduction and evaluation system.

(5) Development and deployment of alternative fungicide application systems and formulations to control wheat scab *and Karnal bunt* and consideration of other chemical control strategies to assist farmers until new more resistant wheat, *triticale*, and barley varieties are available.

(c) COMMUNICATIONS NETWORKS.—Funds provided under this section shall be available for efforts to concentrate, integrate, and disseminate research, extension, and outreach-orientated information regarding wheat scab *or Karnal bunt*.

* * * * *

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,200,000 for each of fiscal years 1999 through [2002] 2011.

SEC. 409. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.

(a) ESTABLISHMENT.—*The Secretary of Agriculture, in coordination with State veterinarians and other appropriate State animal health professionals, may establish a program to conduct research, testing, and evaluation of programs for the control and management of Johne's disease in livestock.*

(b) AUTHORIZATION OF APPROPRIATIONS.—*There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section for each of fiscal years 2003 through 2011.*

* * * * *

TITLE VI—MISCELLANEOUS PROVISIONS

* * * * *

Subtitle B—New Authorities

* * * * *

SEC. 614. OFFICE OF PEST MANAGEMENT POLICY.

(a) * * *

* * * * *

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through [2002] 2011.

SEC. 615. FOOD SAFETY RESEARCH INFORMATION OFFICE [AND NATIONAL CONFERENCE].

[(a) FOOD SAFETY RESEARCH INFORMATION OFFICE.—]

[(1)] (a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a Food Safety Research Information Office at the National Agricultural Library.

[(2)] (b) PURPOSE.—The Office shall provide to the research community and the general public information on publicly funded, and to the maximum extent practicable, privately funded food safety research initiatives for the purpose of—

[(A)] (1) preventing unintended duplication of food safety research; and

[(B)] (2) assisting the executive and legislative branches of the Federal Government and private research entities to assess food safety research needs and priorities.

[(3)] (c) COOPERATION.—The Office shall carry out this [subsection] *section* in cooperation with the National Institutes of Health, the Food and Drug Administration, the Centers for Disease Control and Prevention, public institutions, and, on a voluntary basis, private research entities.

[(b) NATIONAL CONFERENCE; ANNUAL WORKSHOPS.—Not later than 120 days after the date of enactment of this Act, the Secretary shall sponsor a conference to be known as the “National Conference on Food Safety Research”, for the purpose of beginning the task of prioritization of food safety research. The Secretary shall sponsor annual workshops in each of the subsequent 4 years after the conference so that priorities can be updated or adjusted to reflect changing food safety concerns.

[(c) FOOD SAFETY REPORT.—With regard to the study and report to be prepared by the National Academy of Sciences on the scientific and organizational needs for an effective food safety system, the study shall include recommendations to ensure that the food safety inspection system, within the resources traditionally available to existing food safety agencies, protects the public health.]

* * * * *

[SEC. 617. REIMBURSEMENT OF EXPENSES INCURRED UNDER SHEEP PROMOTION, RESEARCH, AND INFORMATION ACT OF 1994.

[[Using funds available to the Agricultural Marketing Service, the Service may reimburse the American Sheep Industry Association for expenses incurred by the American Sheep Industry Association between February 6, 1996, and May 17, 1996, in preparation for the implementation of a sheep and wool promotion, research, education, and information order under the Sheep Promotion, Research, and Information Act of 1994 (7 U.S.C. 7101 et seq.).]

* * * * *

EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994

* * * * *

TITLE V—MISCELLANEOUS PROVISIONS

* * * * *

PART C—1994 INSTITUTIONS

* * * * *

SEC. 532. DEFINITION.

As used in this part, the term “1994 Institutions” means any one of the following colleges:

- [(1) Bay Mills Community College.
- [(2) Blackfeet Community College.

- [(3) Cheyenne River Community College.
- [(4) D–Q University.
- [(5) Dullknife Memorial College.
- [(6) Fond Du Lac Community College.
- [(7) Fort Belknap Community College.
- [(8) Fort Berthold Community College.
- [(9) Fort Peck Community College.
- [(10) LacCourte Orielles Ojibwa Community College.
- [(11) Little Big Horn Community College.
- [(12) Little Hoop Community College.
- [(13) Nebraska Indian Community College.
- [(14) Northwest Indian College.
- [(15) Oglala Lakota College.
- [(16) Salish Kootenai College.
- [(17) Sinte Gleska University.
- [(18) Sisseton Wahpeton Community College.
- [(19) Standing Rock College.
- [(20) Stonechild Community College.
- [(21) Turtle Mountain Community College.
- [(22) Navajo Community College.
- [(23) United Tribes Technical College.
- [(24) Southwest Indian Polytechnic Institute.
- [(25) Institute of American Indian and Alaska Native Cul-
ture and Arts Development.
- [(26) Crownpoint Institute of Technology.
- [(27) Haskell Indian Junior College.
- [(28) Leech Lake Tribal College.
- [(29) College of the Menominee Nation.
- [(30) Little Priest Tribal College.]
- (1) *Bay Mills Community College.*
- (2) *Blackfeet Community College.*
- (3) *Cankdeska Cikana Community College.*
- (4) *College of Menominee Nation.*
- (5) *Crownpoint Institute of Technology.*
- (6) *D–Q University.*
- (7) *Diné College.*
- (8) *Dull Knife Memorial College.*
- (9) *Fond du Lac Tribal and Community College.*
- (10) *Fort Belknap College.*
- (11) *Fort Berthold Community College.*
- (12) *Fort Peck Community College.*
- (13) *Haskell Indian Nations University.*
- (14) *Institute of American Indian and Alaska Native Culture
and Arts Development.*
- (15) *Lac Courte Oreilles Ojibwa Community College.*
- (16) *Leech Lake Tribal College.*
- (17) *Little Big Horn College.*
- (18) *Little Priest Tribal College.*
- (19) *Nebraska Indian Community College.*
- (20) *Northwest Indian College.*
- (21) *Oglala Lakota College.*
- (22) *Salish Kootenai College.*
- (23) *Sinte Gleska University.*
- (24) *Sisseton Wahpeton Community College.*
- (25) *Si Tanka /Huron University.*

- (26) *Sitting Bull College.*
- (27) *Southwestern Indian Polytechnic Institute.*
- (28) *Stone Child College.*
- (29) *Turtle Mountain Community College.*
- (30) *United Tribes Technical College.*

SEC. 533. LAND-GRANT STATUS FOR 1994 INSTITUTIONS.

(a) IN GENERAL.—

(1) * * *

* * * * *

(3) ACCREDITATION.—To receive funding [under sections 534 and 535] *under sections 534, 535, and 536*, a 1994 Institution shall certify to the Secretary that the 1994 Institution—

(A) * * *

* * * * *

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated [\$4,600,000 for each of fiscal years 1996 through 2000.] *such sums as are necessary to carry out this section for each of fiscal years 1996 through 2011.* Amounts appropriated pursuant to this section shall be held and considered to have been granted to 1994 Institutions to establish an endowment pursuant to subsection (c).

(c) ENDOWMENT.—

(1) * * *

* * * * *

(4) WITHDRAWALS AND EXPENDITURES.—The Secretary may not make a withdrawal or expenditure from the endowment fund corpus. On the termination of each fiscal year, the Secretary shall withdraw the amount of the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows:

(A) 60 percent of the adjusted income shall be distributed among the 1994 Institutions on a pro rata basis. The proportionate share of the adjusted income received by a 1994 Institution under this subparagraph shall be based on the Indian student count (as defined in [section 390(3) of the Carl D. Perkins Vocational and Applied Technology Education Act, as such section was in effect on the day preceding the date of enactment of the Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998]) *section 2(a)(7) of the Tribally Controlled College or University Assistance Act of 1978*) for each 1994 Institution for the fiscal year.

* * * * *

SEC. 534. APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—For fiscal year 1996, and for each fiscal year thereafter, there are authorized to be appropriated to the Department of the Treasury an amount equal to—

(A) [\$50,000] *\$100,000*; multiplied by

* * * * *

SEC. 535. INSTITUTIONAL CAPACITY BUILDING GRANTS.

(a) * * *

(b) IN GENERAL.—

(1) INSTITUTIONAL CAPACITY BUILDING GRANTS.—For each of fiscal years 1996 through ~~2000~~ 2011, the Secretary shall make two or more institutional capacity building grants to assist 1994 Institutions with constructing, acquiring, and remodeling buildings, laboratories, and other capital facilities (including fixtures and equipment) necessary to conduct instructional activities more effectively in agriculture and sciences.

* * * * *

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Department of Agriculture to carry out this section, \$1,700,000 for each of fiscal years 1996 through ~~2000~~ 2011.

SEC. 536. RESEARCH GRANTS.

(a) * * *

* * * * *

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through ~~2002~~ 2011. Amounts appropriated shall remain available until expended.

* * * * *

RESEARCH FACILITIES ACT

* * * * *

SEC. 2. DEFINITIONS.

In this Act:

(1) * * *

* * * * *

~~[(3) FOOD AND AGRICULTURAL SCIENCES.—The term “food and agricultural sciences” means—~~

~~[(A) agriculture, including soil and water conservation and use, the use of organic materials to improve soil tilth and fertility, plant and animal production and protection, and plant and animal health;~~

~~[(B) the processing, distribution, marketing, and utilization of food and agricultural products;~~

~~[(C) forestry, including range management, production of forest and range products, multiple use of forests and rangelands, and urban forestry;~~

~~[(D) aquaculture (as defined in section 1404(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(3));~~

~~[(E) human nutrition;~~

~~[(F) production inputs, such as energy, to improve productivity; and~~

~~[(G) germ plasm collection and preservation.]~~

(3) *FOOD AND AGRICULTURAL SCIENCES.—The term “food and agricultural sciences” has the meaning given that term in sec-*

tion 1404(8) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).

* * * * * *

[(5) TASK FORCE.—The term “task force” means the Strategic Planning Task Force established under section 4.]

* * * * * *

[SEC. 4. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR AGRICULTURAL RESEARCH FACILITIES.

[(a) ESTABLISHMENT.—Not later than 6 months after the date of enactment of the Federal Agriculture Improvement and Reform Act of 1996, the Secretary shall establish a task force, to be known as the “Strategic Planning Task Force”. The task force shall be comprised of 15 members.

[(b) COMPOSITION.—The Secretary shall select the members of the task force from a list of individuals recommended by the Advisory Board established under section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123). In submitting the list to the Secretary, the Board may recommend for selection individuals (including members of the Advisory Board) who have expertise in facilities development, modernization, construction, consolidation, and closure.

[(c) DUTIES.—The task force shall review all currently operating agricultural research facilities constructed in whole or in part with Federal funds, and all planned agricultural research facilities proposed to be constructed with Federal funds, pursuant to criteria established by the Secretary, to ensure that a comprehensive research capacity is maintained.

[(d) 10-YEAR STRATEGIC PLAN.—Not later than 2 years after the task force is established, the task force shall prepare and submit to the Secretary and the congressional agriculture committees a 10-year strategic plan, reflecting both national and multistate perspectives, for development, modernization, construction, consolidation, and closure of Federal agricultural research facilities and agricultural research facilities proposed to be constructed with Federal funds.

[(e) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—

[(1) PUBLIC MEETINGS.—All meetings of the task force shall be publicly announced in advance and shall be open to the public. Detailed minutes of meetings and other appropriate records of the activities of the task force shall be kept and made available to the public on request.

[(2) EXEMPTION.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to the task force.

[(f) DEFINITION OF AGRICULTURAL RESEARCH FACILITY.—Notwithstanding section 2(1), in this section the term “agricultural research facility” means a facility for research in food and agricultural sciences.

[(g) COMPREHENSIVE RESEARCH CAPACITY.—After submission of the 10-year strategic plan required under subsection (d), the Secretary shall continue to review periodically each operating agricultural research facility constructed in whole or in part with Federal funds, and each planned agricultural research facility proposed to be constructed in whole or in part with Federal funds, pursuant to

criteria established by the Secretary, to ensure that a comprehensive research capacity is maintained.】

* * * * *

SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES AGAINST DISRUPTION.

(a) **DEFINITIONS.**—For the purposes of this section, the following definitions apply:

(1) **ANIMAL OR AGRICULTURAL ENTERPRISE.**—The term “animal or agricultural enterprise” means any of the following:

(A) A commercial, governmental, or academic enterprise that uses animals, plants, or other biological materials for food or fiber production, breeding, processing, research, or testing.

(B) A zoo, aquarium, circus, rodeo, or other entity that exhibits or uses animals, plants, or other biological materials for educational or entertainment purposes.

(C) A fair or similar event intended to advance agricultural arts and sciences.

(D) A facility managed or occupied by an association, federation, foundation, council, or other group or entity of food or fiber producers, processors, or agricultural or biomedical researchers intended to advance agricultural or biomedical arts and sciences.

(2) **ECONOMIC DAMAGE.**—The term “economic damage” means the replacement of the following:

(A) The cost of lost or damaged property (including all real and personal property) of an animal or agricultural enterprise.

(B) The cost of repeating an interrupted or invalidated experiment.

(C) The loss of revenue (including costs related to business recovery) directly related to the disruption of an animal or agricultural enterprise.

(D) The cost of the tuition and expenses of any student to complete an academic program that was disrupted, or to complete a replacement program, when the tuition and expenses are incurred as a result of the damage or loss of the property of an animal or agricultural enterprise.

(3) **PROPERTY OF AN ANIMAL OR AGRICULTURAL ENTERPRISE.**—The term “property of an animal or agricultural enterprise” means real and personal property of or used by any of the following:

(A) An animal or agricultural enterprise.

(B) An employee of an animal or agricultural enterprise.

(C) A student attending an academic animal or agricultural enterprise.

(4) **DISRUPTION.**—The term “disruption” does not include any lawful disruption that results from lawful public, governmental, or animal or agricultural enterprise employee reaction to the disclosure of information about an animal or agricultural enterprise.

(b) **VIOLATION.**—A person may not recklessly, knowingly, or intentionally cause, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the

loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

(c) **ASSESSMENT OF CIVIL PENALTY.**—

(1) **IN GENERAL.**—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraphs (2) and (3). The civil penalty may be assessed only on the record after an opportunity for a hearing.

(2) **RECOVERY OF DEPARTMENT COSTS.**—The civil penalty assessed by the Secretary against a person for a violation of subsection (b) shall be not less than the total cost incurred by the Secretary for investigation of the violation, conducting any hearing regarding the violation, and assessing the civil penalty.

(3) **RECOVERY OF ECONOMIC DAMAGE.**—In addition to the amount determined under paragraph (2), the amount of the civil penalty shall include an amount not less than the total cost (or, in the case of knowing or intentional disruption, not less than 150 percent of the total cost) of the economic damage incurred by the animal or agricultural enterprise, any employee of the animal or agricultural enterprise, or any student attending an academic animal or agricultural enterprise as a result of the damage or loss of the property of an animal or agricultural enterprise.

(d) **IDENTIFICATION.**—The Secretary shall identify for each civil penalty assessed under subsection (c), the portion of the amount of the civil penalty that represents the recovery of Department costs and the portion that represents the recovery of economic losses.

(e) **OTHER FACTORS IN DETERMINING PENALTY.**—In determining the amount of a civil penalty under subsection (c), the Secretary shall consider the following:

(1) The nature, circumstance, extent, and gravity of the violation or violations.

(2) The ability of the injured animal or agricultural enterprise to continue to operate, costs incurred by the animal or agricultural enterprise to recover lost business, and the effect of the violation on earnings of employees of the animal or agricultural enterprise.

(3) The interruptions experienced by students attending an academic animal or agricultural enterprise.

(4) Whether the violator has previously violated subsection (a).

(5) The violator's degree of culpability.

(f) **FUND TO ASSIST VICTIMS OF DISRUPTION.**—

(1) **FUND ESTABLISHED.**—There is established in the Treasury a fund which shall consist of that portion of each civil penalty collected under subsection (c) that represents the recovery of economic damages.

(2) **USE OF AMOUNTS IN FUND.**—The Secretary of Agriculture shall use amounts in the fund to compensate animal or agricultural enterprises, employees of an animal or agricultural enterprise, and student attending an academic animal or agricultural enterprise for economic losses incurred as a result of the disruption of the functioning of an animal or agricultural enterprise in violation of subsection (b).

SEC. [6] 7. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Subject to subsection (b), there are authorized to be appropriated such sums as are necessary for each of fiscal years 1996 through [2002] 2011 for the study, plan, design, structure, and related costs of agricultural research facilities under this Act.

* * * * *

**SECTION 2 OF THE COMPETITIVE, SPECIAL AND
FACILITIES RESEARCH GRANT ACT**

SEC. 2. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

(a) ESTABLISHMENT OF GRANT PROGRAM.—(1) * * *

* * * * *

(3) *DETERMINATION OF HIGH PRIORITY RESEARCH.*—*Research priorities shall be determined by the Secretary on an annual basis, taking into account input as gathered by the Secretary through the National Agricultural Research, Extension, Education, and Economics Advisory Board.*

* * * * *

(b) COMPETITIVE GRANTS.—(1) * * *

* * * * *

(10) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$150,000,000 for fiscal year 1991, \$275,000,000 for fiscal year 1992, \$350,000,000 for fiscal year 1993, \$400,000,000 for fiscal year 1994, and \$500,000,000 for each of fiscal years 1995 through [2002] 2011, of which each fiscal year—

* * * * *

**NATIONAL AGRICULTURAL RESEARCH, EXTENSION,
AND TEACHING POLICY ACT AMENDMENTS OF 1985**

* * * * *

**TITLE XIV—NATIONAL AGRICULTURAL RESEARCH,
EXTENSION, AND TEACHING**

Subtitle A—General Provisions

* * * * *

[AGRICULTURAL INFORMATION EXCHANGE WITH IRELAND]

[SEC. 1420. (a) The Secretary of Agriculture shall undertake discussions with representatives of the Government of Ireland that may lead to an agreement that will provide for the development of a program between the United States and Ireland whereby there will be—

[(1) a greater exchange of—

[(A) agricultural scientific and educational information, techniques, and data;

[(B) agricultural marketing information, techniques, and data; and

[(C) agricultural producer, student, teacher, agribusiness (private and cooperative) personnel; and

[(2) the fostering of joint investment ventures, cooperative research, and the expansion of United States trade with Ireland.

[(b) The Secretary shall periodically report to the Chairman of the Committee on Agriculture of the House of Representatives and the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate to keep such Committees apprised of the progress and accomplishments, and such other information as the Secretary considers appropriate, with regard to the development of such program.]

* * * * *

AUTHORIZATION FOR APPROPRIATIONS FOR FEDERAL AGRICULTURAL RESEARCH FACILITIES

SEC. 1431. There are authorized to be appropriated for each of the fiscal years 1991 through [2002] 2011, such sums as may be necessary for the planning, construction, acquisition, alternation, and repair of buildings and other public improvements, including the cost of acquiring or obtaining rights to use land, of or used by the Agricultural Research Service, except that—

* * * * *

[PESTICIDE RESISTANCE STUDY

[SEC. 1437. (a) The Secretary of Agriculture is encouraged to conduct a study on the detection and management of pesticide resistance and, within 1 year after the date of enactment of this Act, submit to the President and Congress a report on such study.

[(b) The study shall include—

[(1) a review of existing efforts to examine and identify the mechanisms, genetics, and ecological dynamics of target populations of insect and plant pests developing resistance to pesticides;

[(2) a review of existing efforts to monitor current and historical patterns of pesticide resistance; and

[(3) a strategy for the establishment of a national pesticide resistance monitoring program, involving Federal, State, and local agencies, as well as the private sector.

[EXPANSION OF EDUCATION STUDY

[SEC. 1438. (a) The Secretary of Agriculture and the Secretary of Education are authorized to take such joint action as may be necessary to expand the scope of the study, known as the Study of Agriculture Education on the Secretary Level, currently being conducted by the National Academy of Sciences and sponsored jointly by the Departments of Agriculture and Education to include—

[(1) a study of the potential use of modern technology in the teaching of agriculture programs at the secondary school level; and

[(2) recommendations of the National Academy of Sciences on how modern technology can be most effectively utilized in the teaching of agricultural programs at the secondary school level.

[(b) Any increase in the cost of conducting study as a result of expanding the scope of such study pursuant to subsection (a) shall be borne by the Secretary of Agriculture out of funds appropriated to the Department of Agriculture for research and education or from funds made available to the National Academy of Sciences from private sources to expand the scope of such study.]

* * * * *

SECTION 3 OF THE SMITH-LEVER ACT

SEC. 3. (a) * * *

(b)(1) * * *

* * * * *

(3) There are authorized to be appropriated for the fiscal year ending June 30, 1996, and for each fiscal year thereafter, for payment on behalf of the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994), [\$5,000,000] *such sums as are necessary* for the purposes set forth in section 2. Such sums shall be in addition to the sums appropriated for the several States and Puerto Rico, the Virgin Islands, and Guam under the provisions of this section. Such sums shall be distributed on the basis of a competitive application process to be developed and implemented by the Secretary and paid by the Secretary to 1994 Institutions (in accordance with regulations that the Secretary may promulgate) and may be administered by the 1994 Institutions through cooperative agreements with colleges and universities eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503, chapter 130; 7 U.S.C. 301 et seq.), or the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee University, located in any State.

* * * * *

PLANT PROTECTION ACT

* * * * *

TITLE IV—PLANT PROTECTION ACT

* * * * *

Subtitle A—Plant Protection

* * * * *

SEC. 415. DECLARATION OF EXTRAORDINARY EMERGENCY AND RESULTING AUTHORITIES.

(a) * * *

* * * * *

(e) **PAYMENT OF COMPENSATION.**—The Secretary may pay compensation to any person for economic losses incurred by the person as a result of action taken by the Secretary under this section. The determination by the Secretary of the amount of any compensation to be paid under this subsection shall be final and shall not be subject to judicial review or review by any officer of the Government other than the Secretary or the designee of the Secretary.

* * * * *

SEC. 419. METHYL BROMIDE.

(a) *IN GENERAL.*—The Secretary, upon request of State, local, or tribal authorities, shall determine whether methyl bromide treatments or applications required by State, local, or tribal authorities to prevent the introduction, establishment, or spread of plant pests (including diseases) or noxious weeds should be authorized as an official control or official requirement.

(b) **ADMINISTRATION.**—

(1) *TIMELINE FOR DETERMINATION.*—The Secretary shall make the determination required by subsection (a) not later than 90 days after receiving the request for such a determination.

(2) *REGULATIONS.*—The promulgation of regulations for and the administration of this section shall be made without regard to—

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

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

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

(c) **REGISTRY.**—Not later than 180 days after the date of the enactment of this section, the Secretary shall publish, and thereafter maintain, a registry of State, local, and tribal requirements authorized by the Secretary under this section.

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Subtitle D—Authorization of Appropriations

* * * * *

SEC. 442. TRANSFER AUTHORITY.

(a) * * *

* * * * *

(f) **SECRETARIAL DISCRETION.**—The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized

to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.

* * * * *

SECTION 11 OF THE ACT OF MAY 29, 1884

CHAP. 60.—AN ACT FOR THE ESTABLISHMENT OF A BUREAU OF ANIMAL INDUSTRY, TO PREVENT THE EXPORTATION OF DISEASED CATTLE, AND TO PROVIDE MEANS FOR THE SUPPRESSION AND EXTIRPATION OF PLEURO-PNEUMONIA AND OTHER CONTAGIOUS DISEASES AMONG DOMESTIC ANIMALS.

SEC. 11. The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate any communicable diseases of livestock or poultry, including, but not limited to, tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the payment of claims growing out of destruction of animals (including poultry), and of materials, affected by or exposed to any such disease, in accordance with such regulations as the Secretary may prescribe. The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of carrying out the provisions of this section which relate to veterinary diagnostics. As used in this section, the term "State" includes the District of Columbia, Puerto Rico, and the Territories and possessions of the United States. *The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.*

* * * * *

ACT OF SEPTEMBER 25, 1981

AN ACT To enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and contagious or infectious animal and poultry diseases.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture may, in connection with emergencies which threaten any segment of the agricultural production industry of this country, transfer from other appropriations or funds available to the agencies or corporations of the Department of Agriculture such sums as the Secretary may deem necessary, to be available only in such emergencies for the arrest and eradication of con-

tagious or infectious diseases of animals or poultry, and for expenses in accordance with the Act of February 28, 1947, as amended (21 U.S.C. 114b). *The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.*

* * * * *

COOPERATIVE FORESTRY ASSISTANCE ACT OF 1978

* * * * *

[FORESTRY INCENTIVES]

【SEC. 4. (a) The Secretary is authorized to develop and implement a forestry incentives program to encourage the development, management, and protection of nonindustrial private forest lands. The purposes of such program shall be to encourage landowners to apply practices that will provide for afforestation of suitable open lands, reforestation of cutover or other nonstocked or understocked forest lands, timber stand improvement practices, including thinning, prescribed burning, and other silvicultural treatments, and forest resources management and protection, so as to provide for the production of timber and other forest resources associated therewith.

【(b) For the purposes of this section, the term “private forest land” means land capable of producing crops of industrial wood and owned by any private individual, group, Indian tribe or other native group, association, corporation, or other legal entity.

【(c) Landowners shall be eligible for cost sharing under this program if they own one thousand acres or less of private forest land, except that the Secretary may approve cost sharing with landowners owning more than one thousand acres of such land if significant public benefits will accrue. In no case, however, may the Secretary approve cost sharing with landowners owning more than five thousand acres of private forest land.

【(d) The Secretary shall administer this section in accordance with regulations the Secretary shall develop in consultation with the committee described in section 13(c) of this Act. Regulations issued under title X of the Agricultural Act of 1970, as in effect before the amendment made by section 336(d)(1) of the Federal Agriculture Improvement and Reform Act of 1996, to the extent not inconsistent with the provisions of this section, shall remain in effect until revoked or amended by regulations issued under this subsection. The regulations issued under this subsection shall include guidelines for the administration of this section at the Federal and State levels, and shall identify the measures and activities eligible for cost sharing under this section.

【(e) Individual forest management plans developed by the landowner in cooperation with and approved by the State forester or equivalent State official shall be the basis for agreements between the landowners and the Secretary under this section. The Secretary shall encourage participating States to use private agencies, con-

sultants, organizations, and firms to the extent feasible for the preparation of individual forest management plans.

[(f) In return for the agreement by the landowner, the Secretary shall agree to share the cost of implementing those forestry practices and measures set forth in the agreement for which the Secretary determines that cost sharing is appropriate. The portion of such cost (including labor) to be shared shall be that portion that the Secretary determines is necessary and appropriate to implement the forestry practices and measures under the agreement, but not more than 75 percent of the actual costs incurred by the landowner. The maximum amount any individual may receive annually under the program authorized by this section shall be determined by the Secretary in consultation with the committee described in section 13(c) of this Act.

[(g) The Secretary shall, for the purposes of this section, distribute funds available for cost sharing among the States only after assessing the public benefit incident thereto, and after giving appropriate consideration to (1) the acreage of private commercial forest land in each State, (2) the potential productivity of such land, (3) the number of ownerships eligible for cost sharing in each State, (4) the need for reforestation, timber stand improvement, or other forestry investments on such ownerships, and (5) the enhancement of other forest resources.

[(h) The Secretary may, if the Secretary determines that doing so will contribute to the effective and equitable administration of the program authorized by this section, use an advertising and bid procedure in determining the lands in any area to be covered by agreements under this section.

[(i) In implementing this section, the Secretary may use the authorities provided in section 1001, 1002, 1003, 1004, and 1008 of the Agricultural Act of 1970, as in effect before the amendment made by section 336(d)(1) of the Federal Agriculture Improvement and Reform Act of 1996.

[(j) There are hereby authorized to be appropriated for each of fiscal years 1996 through 2002 such sums as may be needed to implement this section, including funds necessary for technical assistance and expenses associated therewith.]

SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.

(a) ESTABLISHMENT.—

(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Forest Land Enhancement Program (in this section referred to as the “Program”) for the purpose of providing financial, technical, educational, and related assistance to State foresters to encourage the long-term sustainability of nonindustrial private forest lands in the United States by assisting the owners of such lands in more actively managing their forest and related resources by utilizing existing State, Federal, and private sector resource management expertise, financial assistance, and educational programs.

(2) ADMINISTRATION.—The Secretary shall carry out the Program within, and administer the Program through, the Natural Resources Conservation Service.

(3) COORDINATION.—The Secretary shall implement the Program in coordination with State foresters.

(b) *PROGRAM OBJECTIVES.*—*In implementing the Program, the Secretary shall target resources to achieve the following objectives:*

(1) *Investment in practices to establish, restore, protect, manage, maintain, and enhance the health and productivity of the nonindustrial private forest lands in the United States for timber, habitat for flora and fauna, water quality, and wetlands.*

(2) *Ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to help meet future public demand for all forest resources and provide environmental benefits.*

(3) *Reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire, insects, invasive species, disease, and damaging weather.*

(4) *Increase and enhance carbon sequestration opportunities.*

(5) *Enhance implementation of agroforestry practices.*

(6) *Maintain and enhance the forest landbase and leverage State and local financial and technical assistance to owners that promote the same conservation and environmental values.*

(c) *ELIGIBILITY.*—

(1) *IN GENERAL.*—*An owner of nonindustrial private forest land is eligible for cost-sharing assistance under the Program if the owner—*

(A) agrees to develop and implement an individual stewardship, forest, or stand management plan addressing site specific activities and practices in cooperation with, and approved by, the State forester, state official, or private sector program in consultation with the State forester;

(B) agrees to implement approved activities in accordance with the plan for a period of not less than 10 years, unless the State forester approves a modification to such plan; and

(C) meets the acreage restrictions as determined by the State forester in conjunction with the State Forest Stewardship Coordinating Committee established under section 19.

(2) *STATE PRIORITIES.*—*The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee may develop State priorities for cost sharing under the Program that will promote forest management objectives in that State.*

(3) *DEVELOPMENT OF PLAN.*—*An owner shall be eligible for cost-share assistance for the development of the individual stewardship, forest, or stand management plan required by paragraph (1).*

(d) *APPROVED ACTIVITIES.*—

(1) *DEVELOPMENT.*—*The Secretary, in consultation with the State Forest Stewardship Coordinating Committee, shall develop a list of approved forest activities and practices that will be eligible for cost-share assistance under the Program within each State.*

(2) *TYPE OF ACTIVITIES.*—*In developing a list of approved activities and practices under paragraph (1), the Secretary shall attempt to achieve the establishment, restoration, management,*

maintenance, and enhancement of forests and trees for the following:

(A) The sustainable growth and management of forests for timber production.

(B) The restoration, use, and enhancement of forest wetlands and riparian areas.

(C) The protection of water quality and watersheds through the application of State-developed forestry best management practices.

(D) Energy conservation and carbon sequestration purposes.

(E) Habitat for flora and fauna.

(F) The control, detection, and monitoring of invasive species on forestlands as well as preventing the spread and providing for the restoration of lands affected by invasive species.

(G) Hazardous fuels reduction and other management activities that reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire.

(H) The development of forest or stand management plans.

(I) Other activities approved by the Secretary, in coordination with the State Forest Stewardship Coordinating Committee.

(e) COOPERATION.—In implementing the Program, the Secretary shall cooperate with other Federal, State, and local natural resource management agencies, institutions of higher education, and the private sector.

(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

(1) IN GENERAL.—The Secretary shall share the cost of implementing the approved activities that the Secretary determines are appropriate, in the case of an owner that has entered into an agreement to place nonindustrial private forest lands of the owner in the Program.

(2) RATE.—The Secretary shall determine the appropriate reimbursement rate for cost-share payments under paragraph (1) and the schedule for making such payments.

(3) MAXIMUM.—The Secretary shall not make cost-share payments under this subsection to an owner in an amount in excess of 75 percent of the total cost, or a lower percentage as determined by the State forester, to such owner for implementing the practices under an approved plan. The maximum payments to any one owner shall be determined by the Secretary.

(4) CONSULTATION.—The Secretary shall make determinations under this subsection in consultation with the State forester.

(g) RECAPTURE.—

(1) IN GENERAL.—The Secretary shall establish and implement a mechanism to recapture payments made to an owner in the event that the owner fails to implement any approved activity specified in the individual stewardship, forest, or stand management plan for which such owner received cost-share payments.

- (2) *ADDITIONAL REMEDY.*—*The remedy provided in paragraph (1) is in addition to any other remedy available to the Secretary.*
- (h) *DISTRIBUTION.*—*The Secretary shall distribute funds available for cost sharing under the Program among the States only after giving appropriate consideration to—*
- (1) *the total acreage of nonindustrial private forest land in each State;*
 - (2) *the potential productivity of such land;*
 - (3) *the number of owners eligible for cost sharing in each State;*
 - (4) *the opportunities to enhance non-timber resources on such forest lands;*
 - (5) *the anticipated demand for timber and nontimber resources in each State;*
 - (6) *the need to improve forest health to minimize the damaging effects of catastrophic fire, insects, disease, or weather; and*
 - (7) *the need and demand for agroforestry practices in each State.*
- (i) *DEFINITIONS.*—*In this section:*
- (1) *NONINDUSTRIAL PRIVATE FOREST LANDS.*—*The term “non-industrial private forest lands” means rural lands, as determined by the Secretary, that—*
 - (A) *have existing tree cover or are suitable for growing trees; and*
 - (B) *are owned or controlled by any nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) so long as the individual, group, association, corporation, tribe, or entity has definitive decision-making authority over the lands, including through long-term leases and other land tenure systems, for a period of time long enough to ensure compliance with the Program.*
 - (2) *OWNER.*—*The term “owner” includes a private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) that has definitive decision-making authority over nonindustrial private forest lands through a long-term lease or other land tenure systems.*
 - (3) *SECRETARY.*—*The term “Secretary” means the Secretary of Agriculture.*
 - (4) *STATE FORESTER.*—*The term “State forester” means the director or other head of a State Forestry Agency or equivalent State official.*
 - (j) *AVAILABILITY OF FUNDS.*—*The Secretary shall use \$150,000,000 of funds of the Commodity Credit Corporation to carry out the Program during the period beginning on October 1, 2001, and ending on September 30, 2011.*

* * * * *

[SEC. 6. STEWARDSHIP INCENTIVE PROGRAM.

[(a) ESTABLISHMENT.—The Secretary, in consultation with State foresters or equivalent State officials, shall establish a program within the Forest Service, to be known as the “Stewardship Incen-

tive Program” (hereafter referred to in this section as the “Program”), to meet the objectives and goals of section 5.

[(b) ELIGIBILITY.—

[(1) IN GENERAL.—Owners of nonindustrial private forest lands shall be eligible for cost-sharing assistance under the Program if such owners—

[(A) have developed an approved forest stewardship plan pursuant to section 5(f);

[(B) agree to implement approved activities pursuant to paragraph (4) in accordance with the plan for a period of not less than 10 years unless the State forester or equivalent State official approves a modification to such plan; and

[(C) own not more than 1,000 acres of nonindustrial private forest land, except that the Secretary may approve the provision of cost-sharing assistance to landowners that own more than 1,000 acres of such land if the Secretary determines that significant public benefits will accrue from such approval.

[(2) LIMITATION.—

[(A) SECRETARY.—The Secretary shall not approve of the provision of cost-sharing assistance to any landowner owning in excess of 5,000 acres of nonindustrial private forest land.

[(B) LANDOWNER.—A landowner shall not receive cost-share assistance for management on acreage under this section if such landowner receives cost-share assistance on the same acreage under section 4.

[(3) STATE PRIORITIES.—The Secretary in consultation with the State forester, or equivalent State official, other State natural resource management agencies, and the State Coordinating Committee established pursuant to section 19(b), may develop State priorities for cost sharing under this section that will promote unique forest management objectives in that State.

[(4) APPROVED ACTIVITIES.—

[(A) DEVELOPMENT.—The Secretary, in consultation with the State Coordinating Committees established pursuant to section 19(b), shall develop a list of approved forest activities and practices that will be eligible for cost-share assistance under the Program within each State.

[(B) TYPE OF ACTIVITIES.—The Secretary, in developing a list of approved activities and practices under subparagraph (A), shall attempt to achieve landowner and public purposes including—

[(i) the establishment, management, maintenance, and restoration of forests for shelterbelts, windbreaks, aesthetic quality, and other conservation purposes;

[(ii) the sustainable growth and management of forests for timber production;

[(iii) the protection, restoration, and use of forest wetlands;

[(iv) the enhanced management and maintenance of native vegetation on other lands vital to water quality;

[(v) the growth and management of trees for energy conservation purposes;

[(vi) the management and maintenance of fish and wildlife habitat;

[(vii) the management of outdoor recreational opportunities; and

[(viii) other activities approved by the Secretary.

[(c) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

[(1) IN GENERAL.—The Secretary shall share the cost of developing and carrying out the forest stewardship plan under section 5(f), and in implementing the approved activities that the Secretary determines are appropriate and in the public interest, with a landowner who has entered in an agreement to place the forest land of such owner into the Program.

[(2) RATE.—The Secretary, in consultation with the State forester, or equivalent State official, shall determine the appropriate reimbursement rate for cost-share payments under paragraph (1) and the schedule for making such payments.

[(3) MAXIMUM.—The Secretary shall not make cost-share payments under this subsection to a landowner in an amount in excess of 75 percent of the total cost to such landowner of developing the forest stewardship plan and implementing eligible activities under the plan. The maximum payments to any one landowner shall be determined by the Secretary.

[(d) RECAPTURE.—

[(1) IN GENERAL.—The Secretary shall establish and implement a mechanism to recapture payments made to a landowner in the event that the landowner fails to implement any approved activity specified in the forest stewardship plan for which such owner received cost-share payments.

[(2) ADDITIONAL PROVISION.—The provisions of paragraph (1) are in addition to any other provision available.

[(e) DISTRIBUTION.—The Secretary shall distribute funds available for cost sharing under this section among the States only after assessing the public benefit incident to such distribution and after giving appropriate consideration to—

[(1) the total acreage of nonindustrial private forest land in each State;

[(2) the potential productivity of such land;

[(3) the number of owners eligible for cost sharing in each State;

[(4) the need for reforestation in each State;

[(5) the opportunities to enhance nontimber resources on such forest lands; and

[(6) the anticipated demand for timber and nontimber resources in each State.

[(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$100,000,000 for each of the fiscal years 1991 through 1995, and such sums as may be necessary thereafter, to carry out this section.]

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SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.

(a) COOPERATIVE MANAGEMENT RELATED TO WILDFIRE THREATS.—The Secretary may cooperate with State foresters and

equivalent State officials in the management of lands in the United States for the following purposes:

- (1) Aid in wildfire prevention and control;
- (2) Protect communities from wildfire threats;
- (3) Enhance the growth and maintenance of trees and forests that promote overall forest health.
- (4) Ensure the continued production of all forest resources, including timber, outdoor recreation opportunities, wildlife habitat, and clean water, through conservation of forest cover on watersheds, shelterbelts, and windbreaks.

(b) **COMMUNITY AND PRIVATE LAND FIRE ASSISTANCE PROGRAM.**—

(1) **ESTABLISHMENT; PURPOSE.**—The Secretary shall establish a Community and Private Land Fire Assistance program—

- (A) to focus the Federal role in promoting optimal fire-fighting efficiency at the Federal, State, and local levels;
- (B) to augment Federal projects that establish landscape level protection from wildfires;
- (C) to expand outreach and education programs to homeowners and communities about fire prevention; and
- (D) to establish defensible space around private landowners homes and property against wildfires.

(2) **COMPONENTS.**—In coordination with existing authorities under this Act, the Secretary may undertake on both Federal and non-Federal lands—

- (A) fuel hazard mitigation and prevention;
- (B) invasive species management;
- (C) multi-resource wildfire planning;
- (D) community protection planning;
- (E) community and landowner education enterprises, including the program known as FIREWISE;
- (F) market development and expansion;
- (G) improved wood utilization;
- (H) special restoration projects.

(3) **CONSIDERATIONS.**—The Secretary shall use local contract personnel wherever possible to carry out projects under the Program.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There are hereby authorized to be appropriated to the Secretary \$35,000,000 for each of fiscal years 2002 through 2011, and such sums as may be necessary thereafter, to carry out this section.

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RENEWABLE RESOURCES EXTENSION ACT OF 1978

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SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.

The Secretary shall establish a program to be known as the “Sustainable Forestry Outreach Initiative” for the purpose of educating landowners regarding the following:

- (1) The value and benefits of practicing sustainable forestry.
- (2) The importance of professional forestry advice in achieving their sustainable forestry objectives.

(3) The variety of public and private sector resources available to assist them in planning for and practicing sustainable forestry.

APPROPRIATIONS AUTHORIZATION

SEC. 6. There are hereby authorized to be appropriated to implement this Act ~~【\$15,000,000】~~ \$30,000,000 for each of fiscal years 1987 through ~~【2002】~~ 2011. Generally, States shall be eligible for funds appropriated under this Act according to the respective capabilities of their private forests and rangelands for yielding renewable resources and relative needs for such resources identified in the periodic Renewable Resource Assessment provided for in section 3 of the Forest and Rangeland Renewable Resources Planning Act of 1974 and the periodic appraisal of land and water resources provided for in section 5 of the Soil and Water Resources Conservation Act of 1977.

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SECTION 2405 OF THE GLOBAL CLIMATE CHANGE PREVENTION ACT OF 1990

SEC. 2405. OFFICE OF INTERNATIONAL FORESTRY.

(a) * * *

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(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of fiscal years 1996 through ~~【2002】~~ 2011 such sums as are necessary to carry out this section.

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SECTION 32 OF THE ACT OF AUGUST 24, 1935

SEC. 32. There is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936, an amount equal to 30 per centum of the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to (1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with such exportation or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations or by other means, among persons in low-income groups as determined by the Secretary of Agriculture; and (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. Determinations by the

Secretary as to what constitutes diversion and what constitutes normal channels of trade and commerce and what constitutes normal production for domestic consumption shall be final.

The sums appropriated under this section shall be expended for such one or more of the above-specified purposes, and at such times, in such manner, and in such amounts as the Secretary of Agriculture finds will effectuate substantial accomplishment of any one or more of the purposes of this section. Notwithstanding any other provision of this section, the amount that may be devoted, during any fiscal year after June 30, 1939, to any one agricultural commodity or the products thereof in such fiscal year, shall not exceed 25 per centum of the funds available under this section for such fiscal year. The sums appropriated under this section shall be devoted principally to perishable non-basic agricultural commodities (other than those receiving price support under title II of the Agricultural Act of 1949) and their products. The sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this section until expended; but any excess of the amount remaining unexpended at the end of any fiscal year over **【\$300,000,000】** *\$500,000,000* shall, in the same manner as though it had been appropriated for the service of such fiscal year, be subject to the provisions of section 3690 of the Revised Statutes (U.S.C., title 31, sec. 712), and section 5 of the Act entitled "An Act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June thirtieth, eighteen hundred and seventy-five and for other purposes" (U.S.C., title 31, sec. 713). A public or private nonprofit organization that receives agricultural commodities or the products thereof under clause (2) of the second sentence may transfer such commodities or products to another public or private nonprofit organization that agrees to use such commodities or products to provide, without cost or waste, nutrition assistance to individuals in low-income groups.