

1           **Subtitle \_\_\_\_\_—Federal Crop**  
2           **Insurance Act and Related Laws**

- Sec. -1. Renegotiation of standard reinsurance agreement.
- Sec. -2. Research and development contracts for organic production coverage improvements.
- Sec. -3. Targeting risk management education for beginning farmers and ranchers and certain other farmers and ranchers.
- Sec. -4. Sesame insurance pilot program.
- Sec. -5. Designation of separate cotton-producing States under Cotton Research and Promotion Act.
- Sec. -6. Cotton classification services.

3           **SEC. -1. RENEGOTIATION OF STANDARD REINSURANCE**  
4                           **AGREEMENT.**

5           Section 508(k) of the Federal Crop Insurance Act (7  
6 U.S.C. 1508) is amended by adding at the end the fol-  
7 lowing:

8                           “(8) RENEGOTIATION OF STANDARD REINSUR-  
9           ANCE AGREEMENT.—

10                          “(A) PERIODIC RENEGOTIATION.—Fol-  
11                          lowing the reinsurance year ending June 30,  
12                          2009, the Corporation may renegotiate the fi-  
13                          nancial terms of the standard reinsurance  
14                          agreement during the next reinsurance year and  
15                          once during each period of five reinsurance  
16                          years thereafter.

17                          “(B) EFFECT OF FEDERAL LAW  
18                          CHANGES.—If changes in Federal law are en-  
19                          acted that require revisions in the financial

1 terms of the standard reinsurance agreement,  
2 and such changes in the agreement are made  
3 on a mandatory basis by the Corporation, such  
4 changes will not be deemed to be a renegoti-  
5 ation of the agreement for purposes of subpara-  
6 graph (A).

7 “(C) CONSULTATION.—Approved insur-  
8 ance providers and their representatives may  
9 confer with each other, and collectively with the  
10 Corporation, during the renegotiation process  
11 under subparagraph (A).”.

12 **SEC. -2. RESEARCH AND DEVELOPMENT CONTRACTS FOR**  
13 **ORGANIC PRODUCTION COVERAGE IMPROVE-**  
14 **MENTS.**

15 Section 522(c) of the Federal Crop Insurance Act (7  
16 U.S.C. 1522(c)) is amended—

17 (1) by redesignating paragraph (10) as para-  
18 graph (11); and

19 (2) by inserting after paragraph (9) the fol-  
20 lowing new paragraph:

21 “(10) CONTRACTS FOR ORGANIC PRODUCTION  
22 COVERAGE IMPROVEMENTS.—

23 “(A) CONTRACT REQUIRED.—Not later  
24 than 180 days after the date of the enactment  
25 of the **【2007 Farm Bill】**, the Corporation shall

1 enter into one or more contracts for the devel-  
2 opment of improvements in Federal crop insur-  
3 ance policies covering crops produced in compli-  
4 ance with standards issued by the Department  
5 of Agriculture under the National Organic Pro-  
6 gram.

7 “(B) REVIEW OF UNDERWRITING, RISK,  
8 AND LOSS EXPERIENCE.—

9 “(i) REVIEW REQUIRED.—A contract  
10 under subparagraph (A) shall include a re-  
11 view of the underwriting, risk, and loss ex-  
12 perience of organic crops covered by the  
13 Corporation, as compared with the same  
14 crops produced in the same counties and  
15 during the same time periods using non-or-  
16 ganic methods. The review should be de-  
17 signed to allow the Corporation to deter-  
18 mine whether significant, consistent, or  
19 systemic variations in loss history exist be-  
20 tween organic and non-organic production,  
21 and shall include the widest available range  
22 of data, including loss history under exist-  
23 ing crop insurance policies, collected by the  
24 National Agricultural Statistics Service,  
25 and other sources of information.

1                   “(ii) EFFECT ON PREMIUM SUR-  
2 CHARGE.—Unless the review under this  
3 subparagraph documents the existence of  
4 such significant, consistent, and systemic  
5 variations in loss history between organic  
6 and non-organic crops, either collectively or  
7 on an individual basis, the Corporation  
8 shall eliminate or reduce the premium sur-  
9 charge that the Corporation charges for  
10 coverage for organic crops

11                   “(C) ADDITIONAL PRICE ELECTION.—A  
12 contract under subparagraph (A) shall include  
13 the development of a procedure, including any  
14 associated changes in policy terms or materials  
15 required for implementation of the procedure,  
16 to offer producers of organic crops an addi-  
17 tional price election that would reflect the ac-  
18 tual retail or wholesale prices, as appropriate,  
19 received by organic producers for their crops, as  
20 established using data collected and maintained  
21 by the Agricultural Marketing Service or other  
22 sources. The development of the procedure shall  
23 be completed in a timely manner to allow the  
24 Corporation to begin offering the additional  
25 price election for organic crops with sufficient

1 data for the 2009 crop year, and expand it  
2 thereafter as the Agricultural Marketing Service  
3 expands its data collection and availability for  
4 prices of organic crops.

5 “(D) REPORTING REQUIREMENTS.—The  
6 Corporation shall submit to the Committee on  
7 Agriculture of the House of Representatives  
8 and the Committee on Agriculture, Nutrition,  
9 and Forestry of the Senate an annual report on  
10 the progress made in developing and improving  
11 Federal crop insurance for organic crops, in-  
12 cluding the numbers and varieties of organic  
13 crops insured, the development of new insur-  
14 ance approaches, and the progress of the initia-  
15 tives mandated under this paragraph. The re-  
16 port shall also include such recommendations as  
17 the Corporation considers appropriate regarding  
18 additional opportunities to improve Federal  
19 crop insurance coverage for such crops.”.

20 **SEC. -3. TARGETING RISK MANAGEMENT EDUCATION FOR**  
21 **BEGINNING FARMERS AND RANCHERS AND**  
22 **CERTAIN OTHER FARMERS AND RANCHERS.**

23 Section 524(a) of the Federal Crop Insurance Act (7  
24 U.S.C. 1524(a)(3)) is amended—

1           (1) by redesignating paragraph (4) as para-  
2           graph (5)

3           (2) by inserting after paragraph (3) the fol-  
4           lowing new paragraph:

5           “(4) TARGETING RISK MANAGEMENT EDU-  
6           CATION FOR CERTAIN FARMERS AND RANCHERS.—

7                   “(A) IN GENERAL.—In carrying out the  
8                   education and information program established  
9                   under paragraph (2) and the partnerships for  
10                  risk management education program under  
11                  paragraph (3), the Secretary shall include a  
12                  special emphasis on risk management strategies  
13                  and education and outreach specifically targeted  
14                  at farmers and ranchers described in subpara-  
15                  graph (B).

16                  “(B) COVERED FARMERS AND RANCH-  
17                  ERS.—Subparagraph (A) applies with respect to  
18                  the following:

19                          “(i) Beginning farmers and ranchers.

20                          “(ii) Immigrant farmers and ranchers  
21                          who are attempting to become established  
22                          producers in the United States.

23                          “(iii) Socially disadvantaged farmers  
24                          and ranchers.

1                   “(iv) Farmers and ranchers who are  
2                   preparing to retire and are using transition  
3                   strategies to help new farmers and ranch-  
4                   ers get started.

5                   “(v) Farmers and ranchers who are  
6                   converting their current production and  
7                   marketing systems to pursue new mar-  
8                   kets.”.

9   **SEC. -4. SESAME INSURANCE PILOT PROGRAM.**

10       (a) PILOT PROGRAM REQUIRED.—The Secretary of  
11   Agriculture shall establish and carry out a pilot program  
12   under which a producer of non-dehiscent sesame under  
13   contract may elect to obtain multi-peril crop insurance, as  
14   determined by the Secretary.

15       (b) TERMS AND CONDITIONS.—The multi-peril crop  
16   insurance offered under the sesame insurance pilot pro-  
17   gram shall—

18           (1) be offered through reinsurance arrange-  
19           ments with private insurance companies;

20           (2) be actuarially sound; and

21           (3) require the payment of premiums and ad-  
22           ministrative fees by a producer obtaining the insur-  
23           ance.

24       (c) RELATION TO PROHIBITION ON RESEARCH AND  
25   DEVELOPMENT BY CORPORATION.—Section 522(e)(4) of

1 the Federal Crop Insurance Act (7 U.S.C. 1522(e)(4))  
2 shall apply with respect to the sesame insurance pilot pro-  
3 gram.

4 (d) DURATION.—The Secretary shall commence the  
5 sesame insurance pilot program as soon as practicable  
6 after the date of the enactment of this Act and continue  
7 the program through the 2012 crop year.

8 **SEC. -5. DESIGNATION OF SEPARATE COTTON-PRODUCING**  
9 **STATES UNDER COTTON RESEARCH AND**  
10 **PROMOTION ACT.**

11 Section 17(f) of the Cotton Research and Promotion  
12 Act (7 U.S.C. 2116(f)) is amended by adding at the end  
13 the following new sentence: “Notwithstanding the pre-  
14 ceding sentence, effective beginning with the 2008 crop  
15 of cotton, the States of Kansas, Virginia, and Florida shall  
16 each be deemed to be a separate cotton-producing State  
17 for the purposes of this Act.”.

18 **SEC. -6. COTTON CLASSIFICATION SERVICES.**

19 The first sentence of section 3a of the Act of March  
20 3, 1927 (commonly known as the Cotton Statistics and  
21 Estimates Act; 7 U.S.C. 473a), is amended by striking  
22 “2007” and inserting “2012”.