

**AMENDMENT TO H.R. 2419****OFFERED BY MR. PETERSON OF MINNESOTA**

**(Page and line numbers refer to the various titles of the  
chairman's mark, as indicated)**

**[COMMODITY TITLE AMENDMENTS]**

Title I, page 3, line 7, insert “or 1104” after  
“1103”.

Title I, page 6, line 19, insert “under section 1103”  
before the period.

Title I, page 17, after line 8, insert the following  
new section (and redesignate subsequent sections):

1 **SEC. 1104. AVAILABILITY OF REVENUE-BASED COUNTER-**  
2 **CYCLICAL PAYMENTS.**

3 (a) AVAILABILITY AND ELECTION OF ALTERNATIVE  
4 APPROACH.—

5 (1) AVAILABILITY OF REVENUE-BASED  
6 COUNTER-CYCLICAL PAYMENTS.—As an alternative  
7 to receiving counter-cyclical payments under section  
8 1103 with respect to each covered commodity on a  
9 farm, the Secretary shall give the producers on the  
10 farm an opportunity to elect to instead receive rev-

1        enue-based counter-cyclical payments under this sec-  
2        tion for the 2008 through 2012 crop years.

3            (2) SINGLE ELECTION; TIME FOR ELECTION.—

4        As soon as practicable after the date of enactment  
5        of this Act, the Secretary shall provide notice to pro-  
6        ducers regarding their opportunity to make the elec-  
7        tion described in paragraph (1). The notice shall in-  
8        clude the following:

9            (A) Notice that the opportunity of the pro-  
10        ducers on a farm to make the election is being  
11        provided only once.

12           (B) Information regarding the manner in  
13        which the election must be made and the time  
14        periods and manner in which notice of the elec-  
15        tion must be submitted to the Secretary.

16           (3) ELECTION DEADLINE.—Within the time pe-  
17        riod and in the manner prescribed pursuant to para-  
18        graph (2), the producers on a farm shall submit to  
19        the Secretary notice of the election made under  
20        paragraph (1).

21           (4) EFFECT OF FAILURE TO MAKE ELEC-  
22        TION.—If the producers on a farm fail to make the  
23        election under paragraph (1) or fail to timely notify  
24        the Secretary of the election made, as required by  
25        paragraph (3), the producers shall be deemed to

1 have made the election to receive counter-cyclical  
2 payments under section 1103 for all covered com-  
3 modities on the farm.

4 (b) PAYMENT REQUIRED.—In the case of producers  
5 on a farm who make the election under subsection (a) to  
6 receive revenue-based counter-cyclical payments, the Sec-  
7 retary shall make revenue-based counter-cyclical payments  
8 to such producers with respect to a covered commodity  
9 on the farm, if the Secretary determines that the national  
10 actual revenue per acre for the covered commodity is less  
11 than the national target revenue per acre for the covered  
12 commodity, as determined pursuant to this section.

13 (c) NATIONAL ACTUAL REVENUE PER ACRE.—For  
14 each covered commodity for each of the 2008 through  
15 2012 crop years, the Secretary shall establish a national  
16 actual revenue per acre by multiplying the national aver-  
17 age yield for the given year by the higher of—

18 (1) the national average market price received  
19 by producers of the covered commodity during the  
20 12-month marketing year established by the Sec-  
21 retary; or

22 (2) the loan rate for the covered commodity  
23 under section 1202, except that, for the purpose of  
24 calculating national actual revenue per acre for rice

1 and barley, the Secretary shall establish national av-  
2 erage all rice and all barley loan rates.

3 (d) NATIONAL TARGET REVENUE PER ACRE.—The  
4 national target revenue per acre shall be, on a per acre  
5 basis, as follows:

6 (1) Wheat, \$149.92.

7 (2) Corn, \$344.12.

8 (3) Grain Sorghum, \$131.28.

9 (4) Barley, \$153.30.

10 (5) Oats, \$92.10

11 (6) Upland cotton, \$496.93.

12 (7) Rice, \$548.06.

13 (8) Soybeans, \$231.87.

14 (9) Other oilseeds, \$129.18.

15 (10) Peanuts, \$683.83.

16 (e) NATIONAL PAYMENT YIELD.—The national pay-  
17 ment yield shall be as follows:

18 (1) Wheat, 36.1 bushels per acre.

19 (2) Corn, 114.4 bushels per acre.

20 (3) Grain Sorghum, 58.2 bushels per acre.

21 (4) Barley, 48.6 bushels per acre.

22 (5) Oats, 49.8 bushels per acre.

23 (6) Upland cotton, 634 pounds per acre.

24 (7) Rice, 51.28 hundredweight per acre.

25 (8) Soybeans, 34.1 bushels per acre.

1 (9) Other oilseeds, 1167.6 pounds per acre.

2 (10) Peanuts, 1.496 tons per acre.

3 (f) NATIONAL PAYMENT RATE.—The national pay-  
4 ment rate used to make revenue-based counter-cyclical  
5 payments for a crop year shall be the result of—

6 (1) the difference between the national target  
7 revenue per acre for the covered commodity and the  
8 national actual revenue per acre for the covered  
9 commodity; divided by

10 (2) the national payment yield for the covered  
11 commodity.

12 (g) PAYMENT AMOUNT.—If revenue-based counter-  
13 cyclical payments are required to be paid for any of the  
14 2008 through 2012 crop years of a covered commodity,  
15 the amount of the counter-cyclical payment to be paid to  
16 the producers on a farm for that crop year for the covered  
17 commodity shall be equal to the product of—

18 (1) the national payment rate for the covered  
19 commodity;

20 (2) the payment acres of the covered commodity  
21 on the farm; and

22 (3) the payment yield for counter-cyclical pay-  
23 ments for the covered commodity.

24 (h) TIME FOR PAYMENTS.—

1           (1) GENERAL RULE.—If the Secretary deter-  
2 mines that revenue-based counter-cyclical payments  
3 are required to be made under this section for the  
4 crop of a covered commodity, the Secretary shall  
5 make the counter-cyclical payments for the crop as  
6 soon as practicable after the end of the 12-month  
7 marketing year for the covered commodity.

8           (2) AVAILABILITY OF PARTIAL PAYMENTS.—If,  
9 before the end of the 12-month marketing year for  
10 a covered commodity, the Secretary estimates that  
11 revenue-based counter-cyclical payments will be re-  
12 quired for the crop of the covered commodity, the  
13 Secretary shall give producers on a farm the option  
14 to receive partial payments of the revenue-based  
15 counter-cyclical payments projected to be made for  
16 that crop of the covered commodity.

17           (3) TIME FOR PARTIAL PAYMENTS FOR 2008  
18 THROUGH 2010 CROP YEARS.—If the Secretary is re-  
19 quired to make partial payments available under  
20 paragraph (2) for a covered commodity for any of  
21 the 2008 through 2010 crop years—

22                   (A) the first partial payment shall be made  
23                   after completion of the first 6 months of the  
24                   marketing year for the covered commodity; and

1 (B) the final partial payment shall be  
2 made as soon as practicable after the end of the  
3 12-month marketing year for the covered com-  
4 modity.

5 (4) AMOUNT OF PARTIAL PAYMENTS.—

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

13 (B) FINAL PAYMENT.—The final payment  
14 for each of the 2008 through 2010 crop years  
15 shall be equal to the difference between—

16 (i) the actual revenue-based counter-  
17 cyclical payments to be made to the pro-  
18 ducers for the covered commodity for that  
19 crop year; and

20 (ii) the amount of the partial payment  
21 made to the producers on a farm under  
22 subparagraph (A) for that crop year.

23 (5) REPAYMENT.—Producers on a farm that  
24 receive a partial payment under this subsection for  
25 a crop year shall repay to the Secretary the amount,

1 if any, by which the total of the partial payments ex-  
2 ceed the actual revenue-based counter-cyclical pay-  
3 ments to be made for the covered commodity for  
4 that crop year.

5 (i) PROHIBITION ON DE MINIMIS PAYMENTS.—If the  
6 total revenue-based counter-cyclical payment to be paid to  
7 a producer on a farm for all covered commodities is less  
8 than \$10.00, the Secretary shall not tender the revenue-  
9 based counter-cyclical payment to the producer.

Title I, page 18, line 2, strike “section 1105” and  
insert “section 1106”.

Title I, page 27, line 11, relating to the loan rate  
for feed barley, strike “\$1.95” and insert “\$1.90”.

Title I, page 27, line 12, relating to the loan rate  
for oats, strike “\$1.39” and insert “\$1.46”.

Strike section 1402 of title I (page 88, line 14  
through page 91, line 9) and insert the following new sec-  
tion:

10 **SEC. 1402. DAIRY FORWARD PRICING PROGRAM.**

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



1 (b) MINIMUM MILK PRICE REQUIREMENTS.—Pay-  
2 ments made by milk handlers to milk producers and coop-  
3 erative associations of producers, and prices received by  
4 milk producers and cooperative associations, in accordance  
5 with the terms of a forward price contract authorized by  
6 subsection (a), shall be deemed to satisfy —

7 (1) all uniform and minimum milk price re-  
8 quirements of paragraphs (B) and (F) of subsection  
9 (5) of section 8c of the Agricultural Adjustment Act  
10 (7 U.S.C. 627), reenacted with amendments by the  
11 Agricultural Marketing Agreement Act of 1937; and

12 (2) the total payment requirement of paragraph  
13 (C) of such subsection.

14 (c) MILK COVERED BY PROGRAM.—

15 (1) COVERED MILK.—The program shall apply  
16 only with respect to the marketing of federally regu-  
17 lated milk that—

18 (A) is not classified as Class I milk or oth-  
19 erwise intended for fluid use; and

20 (B) is in the current of interstate or for-  
21 eign commerce or directly burdens, obstructs, or  
22 affects interstate or foreign commerce in feder-  
23 ally regulated milk.

24 (2) RELATION TO CLASS I MILK.—To assist  
25 milk handlers in complying with the limitation in

1 paragraph (1)(A) without having to segregate or  
2 otherwise individually track the source and disposi-  
3 tion of milk, a milk handler may allocate milk re-  
4 ceipts from producers, cooperatives, and other  
5 sources that are not subject to a forward contract to  
6 satisfy the handler's obligations with regard to Class  
7 I milk usage.

8 (d) VOLUNTARY PROGRAM.—A milk handler may not  
9 require participation in a forward pricing contract as a  
10 condition of the handler receiving milk from a producer  
11 or cooperative association of producers, and such producer  
12 or cooperative association may continue to have their milk  
13 priced under the order's minimum payment provisions.  
14 The Secretary shall investigate complaints made by pro-  
15 ducers or cooperative associations of coercion by handlers  
16 to enter into forward contracts, and if the Secretary finds  
17 evidence of such coercion, the Secretary shall take appro-  
18 priate action.

19 (e) DURATION.—No forward price contract may be  
20 entered into under this program after September 30,  
21 2012, and no forward contract entered into under the pro-  
22 gram may extend beyond September 30, 2015.

At the end of subtitle D of title I, insert the fol-  
lowing new section:

1 **SEC. 1409. FEDERAL MILK MARKETING ORDER REVIEW**  
2 **COMMISSION.**

3 (a) ESTABLISHMENT.—Subject to the availability of  
4 appropriations to carry out this section, the Secretary of  
5 Agriculture shall establish a commission to be known as  
6 the “Federal Milk Marketing Order Review Commission”,  
7 in this section referred to as the “commission”, which  
8 shall conduct a comprehensive review and evaluation of—

9 (1) the current Federal milk marketing order  
10 system; and

11 (2) non-Federal milk marketing order systems.

12 (b) ELEMENTS OF REVIEW AND EVALUATION.—As  
13 part of the review and evaluation under subsection (a),  
14 the commission shall consider legislative and regulatory  
15 options for—

16 (1) ensuring that the competitiveness of dairy  
17 products with other competing products in the mar-  
18 ketplace is preserved and enhanced;

19 (2) enhancing the competitiveness of American  
20 dairy producers in world markets;

21 (3) increasing the responsiveness of the Federal  
22 milk marketing order system to market forces;

23 (4) streamlining and expediting the process by  
24 which amendments to Federal milk market orders  
25 are adopted;

1           (5) simplifying the Federal milk marketing  
2 order system;

3           (6) evaluating whether the Federal milk mar-  
4 keting order system, established during the Great  
5 Depression, continues to serve the interests of the  
6 public, dairy processors, and dairy farmers; and

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

10 (c) MEMBERSHIP.—

11           (1) COMPOSITION.—The commission shall con-  
12 sist of 16 members.

13           (2) MEMBERS.—As soon as practicable after  
14 the date on which funds are first made available to  
15 carry out this section, commission members shall be  
16 appointed as follows:

17           (A) Two members appointed by the Chair-  
18 man of the Committee on Agriculture of the  
19 House of Representatives, in consultation with  
20 the ranking member of the Committee on Agri-  
21 culture of the House of Representatives.

22           (B) Two members appointed by the Chair-  
23 man of the Committee on Agriculture, Nutri-  
24 tion, and Forestry of the Senate, in consulta-  
25 tion with the ranking member of the Committee

1 on Agriculture, Nutrition and Forestry of the  
2 Senate.

3 (C) Fourteen members appointed by the  
4 Secretary of Agriculture.

5 (3) SPECIAL APPOINTMENT REQUIREMENTS.—

6 In the case of the members to be appointed under  
7 paragraph (2)(E), the Secretary shall comply with  
8 the following requirements:

9 (A) At least one member shall represent a  
10 national consumer organization.

11 (B) At least four members shall represent  
12 land-grant universities or ASCARR institution  
13 with accredited dairy economic programs, with  
14 two of these members being experts in the field  
15 of economics.

16 (C) At least one member shall represent  
17 the food and beverage retail sector.

18 (D) Four dairy producer and four dairy  
19 processors, appointed so as to balance geo-  
20 graphical distribution of milk production and  
21 dairy processing, reflect all segments of dairy  
22 processing, and represent all regions of the  
23 United States equitably, including States that  
24 operate outside of a Federal milk marketing  
25 order.

1           (4) CHAIR.—The commission shall elect one of  
2           its appointed members to serve as chairperson for  
3           the duration of the commission's proceedings.

4           (5) VACANCY.—Any vacancy occurring before  
5           the termination of the commission shall be filled in  
6           the same manner as the original appointment.

7           (6) COMPENSATION.—Members of the commis-  
8           sion shall serve without compensation, but shall be  
9           reimbursed by the Secretary of Agriculture from ex-  
10          isting budget authority for necessary and reasonable  
11          expenses incurred in the performance of the duties  
12          of the commission.

13          (d) REPORT.—Not later than two years after the date  
14          of the first meeting of the commission, the commission  
15          shall submit to the Secretary of Agriculture and Congress  
16          a report setting forth the results of the review and evalua-  
17          tion conducted under this section, including such rec-  
18          ommendations regarding the legislative and regulatory op-  
19          tions considered under subsection (b) as the commission  
20          considers to be appropriate. The report findings shall re-  
21          flect, to the extent practicable, a consensus opinion of the  
22          commission members, but the report may include majority  
23          and minority findings regarding those matters for which  
24          consensus was not reached.

1 (e) ADVISORY NATURE.—The commission is wholly  
2 advisory in nature, and the recommendations of the com-  
3 mission are non-binding.

4 (f) NO EFFECT ON EXISTING PROGRAMS.—The Sec-  
5 retary shall not allow the existence of the commission to  
6 impede, delay, or otherwise affect any decision making  
7 process of the Department of Agriculture, including any  
8 rulemaking procedures planned, proposed, or near comple-  
9 tion.

10 (g) ADMINISTRATIVE ASSISTANCE.—The Secretary  
11 shall provide administrative support to the commission,  
12 and expend such funds as necessary from existing budget  
13 authority to carry out this responsibility.

14 (h) AUTHORIZATION OF APPROPRIATIONS.—There  
15 are authorized to be appropriated such sums as are nec-  
16 essary to carry out this section.

17 (i) TERMINATION.—The commission shall terminate  
18 immediately after submission of the report under sub-  
19 section (d).

Strike section 1503 of title I (page 101, line 10  
through page 102, line 11) and insert the following new  
section:

20 **SEC. 1503. PAYMENT LIMITATIONS.**

21 (a) EXTENSION AND REVISION OF LIMITATIONS.—

1           (1) EXTENSION.—Sections 1001 and 1001C(a)  
2 of the Food Security Act of 1985 (7 U.S.C. 1308,  
3 1308–3(a)) are amended by striking “Farm Security  
4 and Rural Investment Act of 2002” each place it ap-  
5 pears (other than in subsection (d)(1) of section  
6 1001 of such Act) and inserting “**【2007 Farm**  
7 **Bill】**”.

8           (2) COMBINATION OF LIMITS.—Section 1001 of  
9 the Food Security Act of 1985 (7 U.S.C. 1308) is  
10 amended by striking subsections (b) and (c) and in-  
11 serting the following new subsections:

12           “(b) LIMITATION ON DIRECT AND COUNTER-CYCLI-  
13 CAL PAYMENTS FOR COVERED COMMODITIES (OTHER  
14 THAN PEANUTS).—

15           “(1) DIRECT PAYMENTS.—The total amount of  
16 direct payments received, directly or indirectly, by a  
17 person or any legal entity (except a joint venture or  
18 a general partnership) in any crop year under sub-  
19 title A of title I of the **【2007 Farm Bill】** for 1 or  
20 more covered commodities (except for peanuts) may  
21 not exceed \$60,000.

22           “(2) COUNTER-CYCLICAL PAYMENTS.—The  
23 total amount of counter-cyclical payments received,  
24 directly or indirectly, by a person or any legal entity  
25 (except a joint venture or a general partnership in



1 any crop year under subtitle A of title I of the  
2 **【2007 Farm Bill】** for one or more covered commod-  
3 ities (except for peanuts) may not exceed \$65,000.

4 “(c) LIMITATION ON DIRECT AND COUNTER-CYCLI-  
5 CAL PAYMENTS FOR PEANUTS.—

6 “(1) DIRECT PAYMENTS.—The total amount of  
7 direct payments received, directly or indirectly, by a  
8 person or any legal entity (except a joint venture or  
9 a general partnership) in any crop year under sub-  
10 title A of title I of the **【2007 Farm Bill】** for pea-  
11 nuts may not exceed \$60,000.

12 “(2) COUNTER-CYCLICAL PAYMENTS.—The  
13 total amount of counter-cyclical payments received,  
14 directly or indirectly, by a person or any legal entity  
15 (except a joint venture or a general partnership in  
16 any crop year under subtitle A of title I of the  
17 **【2007 Farm Bill】** for peanuts may not exceed  
18 \$65,000.”.

19 (b) DIRECT CONTRIBUTION.—Section 1001 of the  
20 Food Security Act of 1985 (7 U.S.C. 1308) is amended—

21 (1) in subsection (a)—

22 (A) by redesignating paragraphs (2) and  
23 (3) as paragraphs (4) and (5), respectively; and

24 (B) by inserting after paragraph (1) the  
25 following new paragraphs:

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

4                   “(A) owns land or an agricultural com-  
5 modity; or

6                   “(B) produces an agricultural commodity.

7           “(3) PERSON.—The term ‘person’ means a nat-  
8 ural person, and does not include a legal entity.”;

9           (2) by striking subsections (d) through (e) and  
10 inserting the following new subsections:

11           “(d) CONTRIBUTION OF PAYMENTS.—

12                   “(1) IN GENERAL.—In implementing sub-  
13 sections (b) and (c), the Secretary shall issue such  
14 regulations as are necessary to ensure that the total  
15 amount of payments are attributed to a person by  
16 taking into account the direct and indirect owner-  
17 ship interests of the person in a legal entity that is  
18 eligible to receive such payments.

19                   “(2) PAYMENTS TO A PERSON.—Every payment  
20 made directly to a person shall be combined with the  
21 person’s pro rata interest in payments received by a  
22 legal entity in which the person has a direct or indi-  
23 rect ownership interest.

24                   “(3) PAYMENTS TO A LEGAL ENTITY.—

1           “(A) IN GENERAL.—Every payment made  
2 to a legal entity shall be attributed to those per-  
3 sons who have a direct or indirect ownership in-  
4 terest in the legal entity.

5           “(B) ATTRIBUTION OF PAYMENTS.—

6           “(i) PAYMENT LIMITS.—Except as  
7 provided in clause (ii), payments made to  
8 a legal entity shall not exceed the amounts  
9 specified in subsections (b) and (c).

10           “(ii) EXCEPTION.—Payments made to  
11 a joint venture or a general partnership  
12 shall not exceed, for each payment speci-  
13 fied in subsections (b) and (c), the amount  
14 determined by multiplying the maximum  
15 payment amount specified in subsections  
16 (b) and (c) by the number of persons and  
17 legal entities (other than joint ventures  
18 and general partnerships) that comprise  
19 the ownership of the joint venture or gen-  
20 eral partnership.

21           “(4) FOUR LEVELS OF ATTRIBUTION FOR EM-  
22 BEDDED ENTITIES.—

23           “(A) IN GENERAL.—Attribution of pay-  
24 ments made to legal entities shall be traced  
25 through four levels of ownership in entities.

1           “(B) FIRST LEVEL.—Any payments made  
2 to a legal entity (a first-tier entity) that is  
3 owned in whole or in part by a person shall be  
4 attributed to the person in an amount that rep-  
5 represents the direct ownership in the first-tier en-  
6 tity by the person.

7           “(C) SECOND LEVEL.—Any payments  
8 made to a first-tier entity that is owned in  
9 whole or in part by another legal entity (a sec-  
10 ond-tier entity) shall be attributed to the sec-  
11 ond-tier entity in proportion to the second-tier  
12 entity’s ownership in the first-tier entity. If the  
13 second-tier entity is owned in whole or in part  
14 by a person, the amount of the payment made  
15 to the first-tier entity shall be attributed to the  
16 person in the amount that represents the indi-  
17 rect ownership in the first-tier entity by the  
18 person.

19           “(D) THIRD AND FOURTH LEVELS.—The  
20 Secretary shall attribute payments at the third  
21 and fourth tiers of ownership in the same man-  
22 ner as specified in subparagraph (C) unless the  
23 fourth-tier of ownership is that of a fourth-tier  
24 entity and not that of a person, in which case  
25 the Secretary shall reduce the amount of the

1 payment to be made to the first-tier entity in  
2 the amount that represents the indirect owner-  
3 ship in the first-tier entity by the fourth-tier en-  
4 tity.

5 “(e) SPECIAL RULES.—

6 “(1) MINOR CHILDREN.—Payments received by  
7 a child under the age of 18 shall be attributed to the  
8 child’s parents, except that the Secretary shall issue  
9 regulations which provide the conditions under which  
10 payments received by a child under the age of 18  
11 will not be attributed to the child’s parents.

12 “(2) MARKETING COOPERATIVES.—Subsections  
13 (b) and (c) shall not apply to a cooperative associa-  
14 tion of producers with respect to commodities pro-  
15 duced by its members which are marketed by such  
16 association on behalf of its members but shall apply  
17 to such producers as persons.

18 “(3) TRUSTS AND ESTATES.—

19 “(A) IN GENERAL.—With respect to irrev-  
20 ovable trusts and estates, the Secretary shall  
21 administer the provisions of this subtitle in  
22 such manner as the Secretary determines will  
23 ensure that fair and equitable treatment of the  
24 beneficiaries of such trusts and estates.

1           “(B) IRREVOCABLE TRUST.—In order for  
2 a trust to be considered an irrevocable trust,  
3 the terms of the trust agreement must not  
4 allow for modification or termination of the  
5 trust by the grantor, allow for the grantor to  
6 have any future, contingent, or remainder inter-  
7 est in the corpus of the trust, or provide for the  
8 transfer of the corpus of the trust to the re-  
9 mainder beneficiary in less than 20 years from  
10 the date the trust is established except in cases  
11 where the transfer is contingent on the remain-  
12 der beneficiary achieving at least the age of ma-  
13 jority or is contingent on the death of the  
14 grantor or income beneficiary.

15           “(C) REVOCABLE TRUST.—A revocable  
16 trust shall be considered to be the same person  
17 as the grantor of the trust.

18           “(4) CASH RENT TENANTS.—

19           “(A) DEFINITION.—In this paragraph, the  
20 term ‘cash rent tenant’ means a person or legal  
21 entity that rents land—

22                   “(i) for cash; or

23                   “(ii) for a crop share guaranteed as to  
24 the amount of the commodity to be paid in  
25 rent.

1           “(B) RESTRICTION.—A cash rent tenant  
2           who makes a significant contribution of active  
3           personal management, but not of personal  
4           labor, with respect to a farming operation is eli-  
5           gible to receive a payment described in sub-  
6           section (b) only if the tenant makes a signifi-  
7           cant contribution of equipment used in the  
8           farming operation.

9           “(5) FEDERAL AGENCIES.—

10           “(A) IN GENERAL.—Federal agencies shall  
11           not be eligible to receive any payment described  
12           in subsection (b) or (c).

13           “(B) RENTS LAND.—A person or legal en-  
14           tity that rents land owned by a Federal agency  
15           may receive such payments.

16           “(6) STATE AND LOCAL GOVERNMENTS.—

17           “(A) GOVERNMENTS INELIGIBLE.—

18           “(i) IN GENERAL.—Except as pro-  
19           vided in subparagraphs (B) and (C), State  
20           and local governments and political sub-  
21           divisions and agencies of such govern-  
22           ments, shall not be eligible to receive pay-  
23           ments described in subsections (b) and (c).

24           “(ii) TENANTS.—A person or legal en-  
25           tity that rents land owned by a State or

1 local government or a political subdivision  
2 or agency of such government, may receive  
3 payments described in subsections (b) and  
4 (c) if they otherwise meet all applicable cri-  
5 teria.

6 “(B) EXCEPTION.—

7 “(i) IN GENERAL.—Within the limita-  
8 tion described in clause (ii), a State and  
9 the political subdivisions and agencies of  
10 such governments, may receive payments  
11 described in subsections (b) and (c), if the  
12 State or a political subdivision or agency of  
13 such government—

14 “(I) is the producer of all crops  
15 produced on a farm; and

16 “(II) the proceeds from the crop  
17 production are used to maintain a  
18 public school.

19 “(ii) LIMITATION.—For each State,  
20 the total amount of payments described in  
21 subsections (b) and (c) that are received  
22 collectively by the State and all political  
23 subdivisions or agencies of such govern-  
24 ments shall not exceed the amounts that



1           one legal entity may receive in one year as  
2           specified in subsections (b) and (c).

3           “(C) SHARE LEASES.—A State and the po-  
4           litical subdivisions and agencies of such govern-  
5           ments may, without regard to the provisions of  
6           subparagraph (B), receive payments described  
7           in subsections (b) and (c) if—

8                   “(i) the payments are received with  
9                   respect to land that is share leased to a  
10                  private party;

11                  “(ii) the lease was in effect on the  
12                  date of enactment of the **【2007 Farm**  
13                  **Bill】**; and

14                  “(iii) the land is used to maintain a  
15                  public school.

16           “(7) CHANGES IN FARMING OPERATIONS.—In  
17           the administration of this subtitle, the Secretary  
18           may not approve any change in a farming operation  
19           that otherwise will increase the number of persons to  
20           which the limitations under this section are applied  
21           unless the Secretary determines that the change is  
22           bona fide and substantive. The addition of a family  
23           member to a farming operation under the criteria  
24           set out in section 1001A shall be considered a bona

1       fide and substantive change in the farming oper-  
2       ation.

3               “(8) DENIAL OF PROGRAM BENEFITS.—

4                       “(A) TWO YEAR DENIAL OF PAYMENT.—A  
5       person or legal entity shall be ineligible to re-  
6       ceive payments specified in subsections (b) and  
7       (c) for that year, and the succeeding crop year,  
8       in which the Secretary determines that the per-  
9       son or entity engaged in an activity in which  
10      the primary purpose of the activity was to avoid  
11      the application of the provisions of this subtitle  
12      to the person, legal entity or any other person  
13      or legal entity.

14                      “(B) EXTENDED INELIGIBILITY.—If the  
15      Secretary determines that a person or legal en-  
16      tity, for their benefit or the benefit of any other  
17      person or legal entity, has knowingly engaged  
18      in, or aided in the creation of fraudulent docu-  
19      ments, failed to disclose material information  
20      relevant to the administration of this subtitle  
21      requested by the Secretary, or committed other  
22      equally serious actions as identified in regula-  
23      tions issued by the Secretary, the Secretary  
24      may for a period not to exceed five crop years

1 deny the issuance of payments to the person or  
2 legal entity.

3 “(C) PRO RATA DENIAL.—Payments other-  
4 wise owed to a person or legal entity covered by  
5 subparagraphs (A) or (B) shall be denied in a  
6 pro rata manner based upon the ownership in-  
7 terest of the person or legal entity in a farm,  
8 and payments otherwise payable to the person  
9 or legal entity who is a cash rent tenant on a  
10 farm owned or under the control of such person  
11 or legal entity shall be denied.

12 “(9) DEATH OF OWNER.—In the event of a  
13 transfer of any ownership interest in land or a com-  
14 modity as the result of the death of a program par-  
15 ticipant, the new owner of such land or commodity  
16 may, if such person is otherwise eligible to partici-  
17 pate in the applicable program, succeed to the prior  
18 owner’s contract and receive payments subject to  
19 this section without regard to the amount of pay-  
20 ments received by the new owner. Payments made  
21 pursuant to this subsection shall not exceed the  
22 amount to which the previous owner was entitled to  
23 receive under the terms of the contract at the time  
24 of the death of the prior owner.”.

1 (c) REPEAL OF THREE-ENTITY RULE.—Section  
2 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–  
3 1) is amended—

4 (1) in the section heading, by striking “**PRE-**  
5 **VENTION OF CREATION OF ENTITIES TO QUAL-**  
6 **IFY AS SEPARATE PERSONS**” and inserting “**NO-**  
7 **TIFICATION OF INTERESTS**”; and

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

10 “(a) NOTIFICATION OF INTERESTS.—To facilitate  
11 administration of sections 1001 and this section, each en-  
12 tity or person receiving payments described in subsections  
13 (b) and (c) of section 1001 as a separate person shall pro-  
14 vide to the Secretary of Agriculture, at such times and  
15 in such manner as prescribed by the Secretary, the name  
16 and social security number of each individual, or the name  
17 and taxpayer identification number of each entity, that  
18 holds or acquires an ownership interest in such separate  
19 person and shall provide such information regarding each  
20 entity in which such separate person holds an ownership  
21 interest.”.

22 (d) AMENDMENT FOR CONSISTENCY.—Section  
23 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–  
24 1) is amended by striking subsection (b) and inserting the  
25 following new subsections:

1 “(b) ACTIVELY ENGAGED.—

2 “(1) IN GENERAL.—To be eligible to receive a  
3 payment described in subsection (b) and (c) of sec-  
4 tion 1001, a person or legal entity must be actively  
5 engaged in farming as provided in this subsection or  
6 subsection (c).

7 “(2) CLASSES ACTIVELY ENGAGED.—Except as  
8 provided in subsections (c) and (d)—

9 “(A) a person, including a person partici-  
10 pating in a farming operation as a partner in  
11 a general partnership, a participant in a joint  
12 venture, a grantor of a revocable trust, or a  
13 participant in a similar entity as determined by  
14 the secretary, shall be considered to be actively  
15 engaged in farming with respect to a farm oper-  
16 ation if—

17 “(i) the person makes a significant  
18 contribution (based on the total value of  
19 the farming operation) to the farming op-  
20 eration of—

21 “(I) capital, equipment, or land;  
22 and

23 “(II) personal labor or active per-  
24 sonal management;

1           “(ii) the person’s share of the profits  
2           or losses from the farming operation is  
3           commensurate with the contributions of  
4           the person to the farming operation; and

5           “(iii) the contributions of the person  
6           are at risk;

7           “(B) a legal entity that is a corporation,  
8           joint stock company, association, limited part-  
9           nership, charitable organization, or other simi-  
10          lar entity determined by the Secretary, includ-  
11          ing any such entity participating in the farming  
12          operation as a partner in a general partnership,  
13          a participant in a joint venture, a grantor of a  
14          revocable trust, or as a participant in a similar  
15          entity as determined by the Secretary shall be  
16          considered as actively engaged in farming with  
17          respect to a farming operation if—

18                  “(i) the entity separately makes a sig-  
19                  nificant contribution (based on the total  
20                  value of the farming operation) of capital,  
21                  equipment, or land;

22                  “(ii) the stockholders or members col-  
23                  lectively make a significant contribution of  
24                  personal labor or active personal manage-  
25                  ment to the operation; and

1                   “(iii) the standards provided in  
2                   clauses (ii) and (iii) of paragraph (A), as  
3                   applied to the entity, are met by the entity;

4                   “(C) if a legal entity that is a general part-  
5                   nership, joint venture, or similar entity, as de-  
6                   termined by the Secretary, separately makes a  
7                   significant contribution (based on the total  
8                   value of the farming operation involved) of cap-  
9                   ital, equipment, or land, and the standards pro-  
10                  vided in clauses (ii) and (iii) of paragraph (A),  
11                  as applied to the entity, are met by the entity,  
12                  the partners or members making a significant  
13                  contribution of personal labor or active personal  
14                  management shall be considered to be actively  
15                  engaged in farming with respect to the farming  
16                  operation involved; and

17                  “(D) in making determinations under this  
18                  subsection regarding equipment and personal  
19                  labor, the Secretary shall take into consider-  
20                  ation the equipment and personal labor nor-  
21                  mally and customarily provided by farm opera-  
22                  tors in the area involved to produce program  
23                  crops.

24                  “(c) SPECIAL CLASSES ACTIVELY ENGAGED.—

1           “(1) LANDOWNER.—A person or legal entity  
2           that is a landowner contributing the owned land to  
3           a farming operation shall be considered to be ac-  
4           tively engaged in farming with respect to the farm-  
5           ing operation if the landowner receives rent or in-  
6           come for such use of the land based on the land’s  
7           production or the operation’s operating results, and  
8           the person or legal entity meets the standard pro-  
9           vided in clauses (ii) and (iii) of subsection (b)(2)(A).

10           “(2) ADULT FAMILY MEMBER.—With respect to  
11           a farming operation when a majority of the partici-  
12           pants are family members, an adult family member  
13           shall be considered to be actively engaged in farming  
14           with respect to the farming operation if the per-  
15           son—

16                   “(A) makes a significant contribution,  
17                   based on the total value of the farming oper-  
18                   ation, of active personal management or per-  
19                   sonal labor; and

20                   “(B) such contribution meets the stand-  
21                   ards provided in clauses (ii) and (iii) of sub-  
22                   section (b)(2)(A).

23           “(3) SHARECROPPER.—A sharecropper who  
24           makes a significant contribution of personal labor to  
25           a farming operation shall be considered to be ac-



1           tively engaged in farming with respect to the farm-  
2           ing operation if such contribution meets the stand-  
3           ards provided in clauses (ii) and (iii) of subsection  
4           (b)(2)(A).

5           “(4) GROWERS OF HYBRID SEED.—In deter-  
6           mining whether a person or legal entity growing hy-  
7           brid seed under contract shall be considered to be  
8           actively engaged in farming, the Secretary shall not  
9           take into consideration the existence of a hybrid seed  
10          contract.

11          “(5) CUSTOM FARMING SERVICES.—A person or  
12          legal entity receiving custom farming services will be  
13          considered separately eligible for payment limitation  
14          purposes if such person or legal entity is actively en-  
15          gaged in farming based on subsection (b)(2) or  
16          paragraphs (1) through (5) of this subsection. No  
17          other rules with respect to custom farming shall  
18          apply in making a determination under this section.

19          “(6) SPOUSE.—Where one spouse is determined  
20          to be actively engaged, the other spouse shall be de-  
21          termined to have met the requirements of subclause  
22          (I) of subsection (b)(2)(A)(i) of this section.

23          “(d) CLASSES NOT ACTIVELY ENGAGED.—

24                 “(1) CASH RENT LANDLORD.—A landlord con-  
25                 tributing land to a farming operation shall not be

1       considered to be actively engaged in farming with re-  
2       spect to the farming operation if the landlord re-  
3       ceives cash rent, or a crop share guaranteed as to  
4       the amount of the commodity to be paid in rent, for  
5       such use of the land.

6               “(2) OTHER PERSONS.—Any other person de-  
7       termined by the Secretary as failing to meet the  
8       standards set out in subsections (b)(2) and (c) shall  
9       not be considered to be actively engaged in farming  
10      with respect to a farming operation.”.

11      (e) TRANSITION.—Section 1001 of the Food Security  
12      Act of 1985 (7 U.S.C. 1308), as in effect on the day before  
13      the date of the enactment of this Act, shall continue to  
14      apply with respect to the 2007 crop of any covered com-  
15      modity.

        Title I, page 102, line 13, insert “(a) EXTENSION  
OF ADJUSTED GROSS INCOME LIMITATION.—”. before  
“Section”.

        Title I, page 102, after line 20, insert the following  
new subsection:

16      (b) MODIFICATION OF LIMITATION.—Section  
17      1001D(b) of the Food Security Act of 1985 (7 U.S.C.  
18      1308–3a(b)) is amended—

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

3 “(1) CAPS.—

4 “(A) UPPER LIMIT.—Notwithstanding any  
5 other provision of law, an individual or entity  
6 shall not be eligible to receive any benefit de-  
7 scribed in paragraph (2) during a crop year if  
8 the average adjusted gross income of the indi-  
9 vidual or entity exceeds \$1,000,000.

10 “(B) PRODUCER EXEMPTION.—Notwith-  
11 standing any other provision of law, an indi-  
12 vidual or entity shall not be eligible to receive  
13 any benefit described in paragraph (2) during a  
14 crop year if the average adjusted gross income  
15 of the individual or entity exceeds \$500,000,  
16 unless not less than 66.66 percent of the aver-  
17 age adjusted gross income of the individual or  
18 entity is derived from farming, ranching, or for-  
19 estry operations, as determined by the Sec-  
20 retary.”;

21 (2) in paragraph (2)(A), by striking “or C”;

22 and

23 (3) by adding at the end the following new  
24 paragraph:

1           “(3) INCOME DERIVED FROM FARMING, RANCH-  
2           ING OR FORESTRY OPERATIONS.—In determining  
3           what portion of the average adjusted gross income of  
4           an individual or entity is derived from farming,  
5           ranching, or forestry operations, the Secretary shall  
6           include income derived from the following:

7                   “(A) The production of crops, livestock, or  
8                   unfinished raw forestry products.

9                   “(B) The sale, including the sale of ease-  
10                  ments and development rights, of farm, ranch,  
11                  or forestry land or water rights.

12                  “(C) The sale, but not as a dealer, of  
13                  equipment purchased to conduct farm, ranch,  
14                  or forestry operations when the equipment is  
15                  otherwise subject to depreciation expense.

16                  “(D) The rental of land used for farming,  
17                  ranching, or forestry operations.

18                  “(E) The provision of production inputs  
19                  and services to farmers, ranchers, and foresters.

20                  “(F) The processing, storing, and trans-  
21                  porting of farm, ranch, and forestry commod-  
22                  ities.

23                  “(G) The sale of land that has been used  
24                  for agriculture.”.

Strike section 1512 (title I, page 109, beginning line 1), relating to mandatory reporting for peanuts.

[CONSERVATION TITLE AMENDMENTS]

Title II, page 3, after line 8, add the following new subsection (and redesignate subsequent subsections):

1 (d) TREATMENT OF MULTI-YEAR GRASSES AND  
2 LEGUMES.—Subsection (g) of section 1231 of the Food  
3 Security Act of 1985 (16 U.S.C. 3831) is amended to read  
4 as follows:

5 “(g) MULTI-YEAR GRASSES AND LEGUMES.—

6 “(1) IN GENERAL.—For purposes of this sub-  
7 chapter, alfalfa and other multi-year grasses and  
8 legumes in a rotation practice, approved by the Sec-  
9 retary, shall be considered agricultural commodities.

10 “(2) CROPPING HISTORY.—Alfalfa, when grown  
11 as part of a rotation practice, as determined by the  
12 Secretary, is an agricultural commodity subject to  
13 the cropping history criteria under subsection  
14 (b)(1)(B) for the purpose of determining whether  
15 highly erodible cropland has been planted or consid-  
16 ered planted for 4 of the 6 years referred to in such  
17 subsection.”.

Title II, page 9, line 25, strike “3,775,000 acres”  
and insert “3,605,000 acres”.

Title II, page 24, line 6, strike “conservation plan” and insert “conservation offer”.

Title II, page 25, line 4, strike “agrees” and insert “is required”.

Title II, page 33, lines 8 and 9, strike “at the time the conservation security contract is accepted” and insert “, as required by the conservation security contract”.

Title II, page 34, line 18, strike “State and” and insert “State,”.

Title II, page 34, line 21 strike “needs.” and insert “needs, and other considerations to achieve equitable geographic distributions of funds, as determined by the Secretary.”.

Title II, page 37, after line 2, add the following new subsection (and redesignate subsequent subsections):

1           (b) ENROLLMENT OF ACREAGE.—Subsection (b) of  
2 section 1238N of the Food Security Act of 1985 (16  
3 U.S.C. 3838n) is amended by striking paragraph (1) and  
4 inserting the following new paragraph:

5           “(1) ENROLLMENT.—The Secretary shall enroll  
6 an additional 1,000,000 acres of restored or im-  
7 proved grassland, rangeland, and pastureland in the

1 grassland reserve program during fiscal years 2008  
2 through 2012.”.

Title II, page 38, line 13, strike “cap.” and insert  
“cap, as prescribed in regulations issued by the Sec-  
retary.”.

Title II, page 43, line 20, strike “may” and insert  
“shall”.

Title II, page 53, strike lines 7 and 8, and insert the  
following: “\$30,000,000 for fiscal year 2008,  
\$35,000,000 for fiscal year 2009, \$50,000,000 for fiscal  
year 2010, \$60,000,000 for fiscal year 2011, and  
\$75,000,000 for fiscal year 2012.”.

Title II, page 53, after line 22, insert the following  
new paragraph:

3 “(4) AIR QUALITY.—Of the funds made avail-  
4 able under paragraph (1), the Secretary shall use  
5 \$10,000,000 for fiscal year 2008, \$15,000,000 for  
6 fiscal year 2009, \$30,000,000 for fiscal year 2010,  
7 \$40,000,000 for fiscal year 2011, and \$55,000,000  
8 for fiscal year 2012 to support air quality improve-  
9 ment and performance incentives for States to help  
10 meet State and local regulatory requirements related  
11 to air quality.”.

Title II, page 53, beginning line 23, strike subsection (m) relating to performance incentives for States.

Title II, page 60, after line 6, insert the following new subparagraph:

1           “(G) Proposals that will assist producers  
2           in meeting a regulatory requirement imposed on  
3           lands in agriculture production that reduces the  
4           economic scope of the producer’s operation.”.

Title II, page 71, beginning line 7, strike paragraph (4) and insert the following new paragraph:

5           “(4) the Secretary may require the inclusion of  
6           a Federal contingent right of enforcement or execu-  
7           tory limitation in a conservation easement or other  
8           interest in land for conservation purposes purchased  
9           with Federal funds, in order to preserve the ease-  
10          ment as a party of last resort, and the inclusion of  
11          such a right or interest shall not be considered to be  
12          the Federal acquisition of real property and the Fed-  
13          eral standards and procedures for land acquisition  
14          shall not apply to the inclusion of the right or inter-  
15          est.”.

Title II, page 73, beginning line 9, strike subsection (b) and insert the following new subsection:



1 (b) COST SHARE FOR LONG-TERM AGREEMENTS  
2 AND IMPACT ON SCOPE OF OPERATIONS.—Section  
3 1240N(b)(2) of the Food Security Act of 1985 (16 U.S.C.  
4 3839bb–1(b)(2)) is amended—

5 (1) in the paragraph heading by inserting “AND  
6 IMPACT ON SCOPE OF OPERATIONS” after “AGREE-  
7 MENTS”;

8 (2) in subparagraph (A), by striking “years,”  
9 and inserting “years, or that will assist producers in  
10 meeting a regulatory requirement imposed on lands  
11 in agriculture production that reduces the economic  
12 scope of the producer’s operation,”; and

13 (3) in subparagraph (B), by striking “15 per-  
14 cent” and inserting “25 percent”.

Title II, page 80, strike lines 12 through 15, and in-  
sert the following:

15 “(B) \$15,000,000 for fiscal year 2009.

16 “(C) \$30,000,000 for fiscal year 2010.

17 “(D) \$40,000,000 for fiscal year 2011.

18 “(E) \$55,000,000 for fiscal year 2012.”.

Title II, page 91, beginning line 16, strike sub-  
section (a) and insert the following new subsection:

19 “(a) ESTABLISHMENT OF INITIATIVE.—

1           “(1) ESTABLISHMENT.—The Secretary shall es-  
2           tablish a cooperative conservation partnership initia-  
3           tive (in this section referred to as the ‘Partnership’)  
4           within each program described in subsection (b) to  
5           address conservation issues involving production ag-  
6           riculture on local, regional, or State levels.

7           “(2) ADMINISTRATION.—The Secretary shall  
8           carry out the Partnership—

9                   “(A) by selecting proposals for grants and  
10                  agreements by eligible entities described in sub-  
11                  section (c) through a competitive selection proc-  
12                  ess;

13                   “(B) by making grants to, and entering  
14                  into agreements with, with eligible entities de-  
15                  scribed in subsection (c) for not less than 2  
16                  years, but not more than 5 years, in duration;  
17                  and

18                   “(C) by providing producers that are par-  
19                  ticipating in a special project and initiative of  
20                  an eligible entity preferential enrollment into 1  
21                  or more of the programs described in subsection  
22                  (b).

23           “(3) PURPOSES.—The purposes of the Partner-  
24           ship are to carry out special projects and initia-  
25           tives—

1           “(A) to address conservation issues involv-  
2           ing production agriculture on local, regional, or  
3           State levels through producers and eligible enti-  
4           ties;

5           “(B) to address community and economic  
6           development needs and opportunities; and

7           “(C) to increase access to, and participa-  
8           tion in, the programs described in subsection  
9           (b) by producers of specialty crops (as defined  
10          in section 3 of the Specialty Crops Competitive-  
11          ness Act of 2004, Pub. L. 108–465 (7 U.S.C.  
12          1621 note).”.

Title II, page 93, after line 3, insert the following  
new paragraph:

13           “(5) A combination of partners specified in a  
14          preceding paragraph.”.

Title II, page 98, after line 5, insert the following  
new subsections (and redesignate subsequent subsections  
accordingly):

15          “(g) DUTIES OF PARTNERS.—Eligible partners  
16          shall—

17           “(1) identify conservation issues affecting pro-  
18          duction agriculture on local, regional, or State levels

1 that could be addressed through special projects and  
2 initiatives;

3 “(2) enter into agreements or obtain grants  
4 from the Secretary to carry out special projects and  
5 initiatives;

6 “(3) identify through outreach efforts producers  
7 that can participate in the special project or initia-  
8 tive of the eligible entity if the producer is otherwise  
9 eligible to be enrolled, as determined by the Sec-  
10 retary, or has already enrolled, in the applicable pro-  
11 gram described in subsection (b); and

12 “(4) carry out the special project and initiative.

13 “(h) DUTIES OF THE SECRETARY.—

14 “(1) ADDITIONAL DUTIES.—In addition to the  
15 normal administration of the programs described in  
16 subsection (b), the Secretary shall be responsible for  
17 basic administrative and oversight functions relating  
18 to the special projects and initiatives, including—

19 “(A) rules and procedures relating to con-  
20 servation standards and specifications;

21 “(B) conservation compliance;

22 “(C) appeals;

23 “(D) adjusted gross income limitations;

24 “(E) direct attribution; and

1                   “(F) such other similar functions as the  
2                   Secretary might designate.

3                   “(2) FLEXIBILITY.—The Secretary may adjust  
4                   eligibility criteria, approved practices, practice stand-  
5                   ards, innovative conservation practices, and other  
6                   elements of the programs described in subsection (b)  
7                   to better reflect unique local circumstances and pur-  
8                   poses if the Secretary determines such adjustments  
9                   would—

10                   “(A) improve environmental enhancement  
11                   and long-term sustainability of the natural re-  
12                   source base; and

13                   “(B) be consistent with the purposes of the  
14                   program and the special project and initiative.

15                   “(3) PREFERENTIAL ENROLLMENT.—Subject to  
16                   the limitations under subsection (j), the Secretary  
17                   shall provide preferential enrollment to producers  
18                   that are eligible—

19                   “(A) for the applicable program described  
20                   in subsection (b); and

21                   “(B) to participate in the special project  
22                   and initiative of an eligible partner.”.

Title II, page 99, strike lines 13 through 15, and in-  
sert the following: “Secretary shall develop criteria for

this allocation made on a similar basis as to the program priorities under subsection (f).”.

At the end of subtitle D of title II (page 112, after line 9), add the following new section:

1 **SEC. 2409. PAYMENT LIMITATIONS.**

2 (a) IN GENERAL.—The Food Security Act of 1985  
3 is amended by inserting after section 1245, as added by  
4 section 2407, the following new section:

5 **“SEC. 1246. PAYMENT LIMITATIONS.**

6 “(a) PAYMENTS FOR CONSERVATION PRACTICES.—  
7 The total amount of payments that a person or a legal  
8 entity (except a joint venture or a general partnership)  
9 may receive, directly or indirectly, in any fiscal year shall  
10 not exceed—

11 “(1) \$60,000 from any single program under  
12 this title or as agricultural management assistance  
13 under section 524(b) of the Federal Crop Insurance  
14 Act (7 U.S.C. 524(b)); or

15 “(2) \$125,000 from more than one program  
16 under this title and as agricultural management as-  
17 sistance under section 524(b) of the Federal Crop  
18 Insurance Act.

19 “(b) EXCEPTIONS.—The limitations under subsection  
20 (a) shall not apply with respect to the following:

1           “(1) The wetlands reserve program under sub-  
2 chapter C of chapter 1 of subtitle D.

3           “(2) The farm and ranchland protection pro-  
4 gram under subchapter B of chapter 2 of such sub-  
5 title.

6           “(3) The grassland reserve program under sub-  
7 chapter C of chapter 2 of such subtitle.

8           “(c) DIRECT CONTRIBUTION.—

9           “(1) IN GENERAL.—In implementing the pay-  
10 ment limitations in subsection (a), the Secretary  
11 shall issue such regulations as are necessary to en-  
12 sure that the total amount of payments are attrib-  
13 uted to a person by taking into account the direct  
14 and indirect ownership interests of the person in a  
15 legal entity that is eligible to receive such payments.

16           “(2) PAYMENTS TO A PERSON.—Every payment  
17 made directly to a person shall be combined with the  
18 person’s pro rata interest in payments received by a  
19 legal entity in which the person has a direct or indi-  
20 rect ownership interest.

21           “(3) PAYMENTS TO A LEGAL ENTITY.—

22           “(A) IN GENERAL.—Every payment made  
23 to a legal entity shall be attributed to those per-  
24 sons who have a direct or indirect ownership in-  
25 terest in the legal entity.

1 “(B) CONTRIBUTION OF PAYMENTS.—

2 “(i) PAYMENT LIMITS.—Except as  
3 provided in clause (ii), payments made to  
4 a legal entity shall not exceed the amounts  
5 specified in subsection (a).

6 “(ii) EXCEPTION.—Payments made to  
7 a joint venture or a general partnership  
8 shall not exceed, for each payment speci-  
9 fied in subsection (a), the amount deter-  
10 mined by multiplying the maximum pay-  
11 ment amount specified in subsection (a) by  
12 the number of persons and legal entities  
13 (other than joint ventures and general  
14 partnerships) that comprise the ownership  
15 of the joint venture or general partner-  
16 ship.”.

17 (b) CONFORMING AMENDMENTS.—

18 (1) EXISTING PAYMENT LIMITATIONS IN CON-  
19 SERVATION PROGRAMS.—Title XII of the Food Se-  
20 curity Act of 1985 is amended—

21 (A) in section 1234 (16 U.S.C. 3834) by  
22 striking subsection (f);

23 (B) in section 1238C (16 U.S.C. 3838c),  
24 as amended by section 2103, by striking sub-  
25 sections (d) and (e); and



1 (C) by striking section 1240G (16 U.S.C.  
2 3839aa-7).  
3 (2) AGRICULTURAL MANAGEMENT ASSIST-  
4 ANCE.—Section 524(b) of the Federal Crop Insur-  
5 ance Act (7 U.S.C. 524) is amended by striking  
6 paragraph (3).

[TRADE TITLE AMENDMENTS]

Title III, page 4, strike lines 21 through 25, and in-  
sert the following:

7 “(4) FUNDING.—In addition to other funds  
8 made available for the Administrator to perform  
9 monitoring of emergency food assistance, the Admin-  
10 istrator may implement this subsection using up to  
11 \$15,000,000 of funds made available under this title  
12 for each of the fiscal years 2008 through 2012, ex-  
13 cept for paragraph (1)(F), for which only  
14 \$2,500,000 shall be made available during fiscal  
15 year 2008.”.

Title III, page 5, beginning line 1, strike subsection  
(h), relating to indirect support costs to United Nations  
World Food Program.

Title III, page 10, line 10, strike “, to the maximum  
extent practicable,”.

Title III, page 12, line 19, strike “, including intellectual property right violations,”.

[NUTRITION TITLE AMENDMENTS]

Title IV, beginning on page 26, strike line 16 and all that follows through line 10 on page 17, and insert the following:

1           “(5) TRADITIONAL AND LOCAL FOODS FUND.—

2                   “(A) IN GENERAL.—The Secretary shall  
3           establish a fund to purchase traditional and lo-  
4           cally-grown food, designated by region, for re-  
5           cipients of food distributed under this sub-  
6           section.

7                   “(B) NATIVE AMERICAN PRODUCERS.—  
8           For recipients of food distributed under sub-  
9           paragraph (A), at least 50 percent shall be pro-  
10          duced by Native American farmers, ranchers,  
11          and producers.

12                   “(C) DEFINITION OF TRADITIONAL AND  
13          LOCALLY GROWN.—The Secretary, in conjunc-  
14          tion with the Indian Tribal Organizations, will  
15          determine the definition of traditional and lo-  
16          cally-grown.

17                   “(D) AUTHORIZATION OF APPROPRIA-  
18          TIONS.—There is authorized to be appropriated

1           to the Secretary \$5,000,000 for each of the fis-  
2           cal years 2008 through 2012 to carry out sub-  
3           paragraph (A).”.

Title IV, page 30, line 19, insert “except as provided  
in section 5(h)(4)” after “(B)” .

Title IV, page 31 line 3, insert “shall undertake  
such certifications and” after “basis,”.

Title IV, page 31, line 10, insert “, through activi-  
ties allowable under section 16(a)(4)” after “(1)”.

Title IV, page 31, line 19, strike “perform any other  
acts or”.

Title IV, page 31, line 21, strike “and” at the end.

Title IV, page 31, after line 21, insert the following:

4           “except that nothing in this subparagraph shall  
5           prevent a State agency from contracting for  
6           automated systems, issuance services or pro-  
7           gram information activities reimbursed under  
8           paragraphs (2), (3), (4), or (6) of section 16(a)  
9           or under section 16(g) or for assisting in the  
10          verification of an applicant’s identity; and”.

Title IV, page 32, after line 14, insert the following:

1 (d) DISASTERS.—Section 5(h) of the Food Stamp  
2 Act of 1977 (7 U.S.C. 2014(h)) is amended by inserting  
3 at the end:

4 “(4) The Secretary may authorize a state agen-  
5 cy, on a temporary basis, to use employees or indi-  
6 viduals that do not meet the standards prescribed  
7 under section 11(e)(6)(B) in order to determine eli-  
8 gibility for a disaster food stamp program under this  
9 subsection.”.

10 (e) DISALLOWANCE OF FUNDS.—No funds shall be  
11 available under any appropriations act for implementing  
12 or continuing any contract that does not comply with sec-  
13 tion 11(e)(6)(B) of the Food Stamp Act of 1977 (7 U.S.C.  
14 2020(e)(6)(B)) as amended by subsection (a) nor for any  
15 costs associated with the termination or full or partial ab-  
16 rogation of such contract.

17 (f) TRANSITION PERIOD.—Subsection (e) shall not  
18 apply to the costs of implementing, continuing, or renego-  
19 tiating any contract concluded before January 1, 2007,  
20 (but shall apply to any costs associated with the termi-  
21 nation or full or partial abrogation of such contract) until  
22 the first day of the first month beginning at least 120  
23 days after the date of enactment of this Act.

Title IV, page 49, after line 6, insert the following  
(and make such technical and conforming changes as  
may be appropriate):

1 **SEC. 4019. EMERGENCY FOOD ASSISTANCE.**

2 Section 27(a) of the Food Stamp Act of 1977 (7  
3 U.S.C. 2036(a)) is amended by striking “2007” and in-  
4 serting “2012”.

Title IV, subtitle C, add at the end the following  
new section (page 53, after line 18):

5 **SEC. 4303. EXPANSION OF FRESH FRUIT AND VEGETABLE**  
6 **PROGRAM.**

7 Section 18 of the Richard B. Russell National School  
8 Lunch Act (42 U.S.C. 1769) is amended in subsection  
9 (g)—

10 (1) in paragraph (1)—

11 (A) in the matter preceding subparagraph  
12 (A), by striking “July 2004” and inserting  
13 “July 2007”; and

14 (B) in paragraph (1) by amending sub-  
15 paragraphs (A) and (B) to read as follows:

16 “(A) 35 elementary or secondary schools in  
17 each State;

1           “(B) additional elementary or secondary  
2           schools in each State in proportion to the stu-  
3           dent population of the State; and”;

4           (2) in paragraph (3)(A) by striking “paragraph  
5           (1)(B)” and inserting “paragraph (1)”;

6           (3) in paragraph (5) in each of subparagraphs  
7           (A) and (B), by striking “2008” and inserting  
8           “2012”; and

9           (4) in paragraph (6)(B)—

10           (A) in clause (i)—

11           (i) by striking “October 1, 2004, and  
12           on each October 1 thereafter,” and insert-  
13           ing “October 1, 2007, and on each October  
14           1 thereafter,”; and

15           (ii) by striking “\$9,000,000” and in-  
16           serting “\$70,000,000”; and

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

18           “(iii) ADMINISTRATIVE EXPENSES.—  
19           For fiscal year 2009 and each fiscal year  
20           thereafter, of the amount available to carry  
21           out this subsection, the Secretary may re-  
22           serve not more than 1 percent of that  
23           amount for administrative expenses in car-  
24           rying out this subsection.

1                   “(iv) STATE ADMINISTRATIVE  
2 COSTS.—For fiscal year 2009 and each fis-  
3 cal year thereafter, of the amount received  
4 by a State to carry out this subsection, the  
5 State may use not more than 5 percent of  
6 that amount for administrative expenses in  
7 carrying out this subsection. To be eligible  
8 to use such funds for such expenses, the  
9 State must submit to the Secretary a plan  
10 indicating how the State intends to use  
11 such funds.

12                   “(v) FEDERAL REQUIREMENTS.—The  
13 Secretary shall establish requirements to  
14 be followed by States in administering this  
15 subsection. The initial set of requirements  
16 shall be established not later than 1 year  
17 after the date of the enactment of this  
18 clause.”.

[CREDIT TITLE AMENDMENTS]

Title V, page 19, strike lines 8 through 12 and in-  
sert the following:

19                   “The Secretary may not review for privatization or  
20 enter into a contract with a private party to carry out any  
21 functions, including those performed by support personnel,

1 that are related to a rural development or farm loan pro-  
2 gram carried out under this title, the Rural Development  
3 Act of 1972, or the Rural Electrification Act of 1936.”.

Title V, page 20, line 11, insert “or (b)(1)(F)” after  
“(b)(1)(E)”.

Title V, page 22, line 14, insert “or (b)(1)(F)” after  
“(b)(1)(E)”.

Title V, page 23, strike line 20 and all that follows  
through line 4 on page 24 and insert the following:

4 (a) FARM CREDIT BANKS.—Section 1.11(b)(3) of the  
5 Farm Credit Act of 1971 (12 U.S.C. 2019(b)(3)) is  
6 amended by striking “2,500” and inserting “6,000”.

7 (b) ASSOCIATIONS.—Section 2.4(b)(3) of such Act  
8 (12 U.S.C. 2075(b)(3)) is amended by striking “2,500”  
9 and inserting “6,000”.

Title V, page 25, line 6, insert “, as amended by  
section 531(c) of this Act,” before “is amended”.

Title V, page 25, line 8, strike “(E)” and insert  
“(F)”.

At the end of title V, add the following:



1 **SEC. \_\_\_\_\_ . LOANS TO PURCHASERS OF HIGHLY**  
2 **FRACTIONED LANDS.**

3 Section 1 of Public Law 91–229 (25 U.S.C. 488) is  
4 amended by adding at the end the following: “The Sec-  
5 retary of Agriculture may make and insure loans as pro-  
6 vided in section 309 of the Consolidated Farm and Rural  
7 Development Act to eligible purchasers of highly  
8 fractionated land pursuant to section 204(c) of the Indian  
9 Land Consolidation Act. Section 4 of this Act shall not  
10 apply to trust or restricted tribal or tribal corporation  
11 property mortgaged pursuant to the preceding sentence.”.

[RURAL DEVELOPMENT TITLE AMEND-  
MENTS]

Title VI, page 3, strike lines 3 through 8 and insert  
the following:

12 **SEC. 6005. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL**  
13 **FACILITIES.**

14 Section 306(a)(25) of the Consolidated Farm and  
15 Rural Development Act (7 U.S.C. 1926(a)(25)) is amend-  
16 ed—

17 (1) by striking subparagraph (B) and inserting  
18 the following:

19 “(B) FEDERAL SHARE.—The Secretary  
20 shall establish the maximum percentage of the

1 cost of the facility that may be covered by a  
2 grant under this paragraph, except that the  
3 Secretary may not require non-Federal financial  
4 support in an amount that is greater than 5  
5 percent of the total cost.”; and

6 (2) in subparagraph (C), by striking “2003  
7 through 2007” and inserting “2008 through 2012”.

Title VI, page 23, beginning on line 7, strike “popu-  
lation density, and seasonal population increases” and in-  
sert “population, seasonal increases, and other factors as  
determined by the Secretary.”.

Title VI, page 23, strike line 15 and all that follows  
through line 6 on page 24.

Title VI, page 24, line 7, strike “(e)” and insert  
“(d)”.

Title VI, page 30, beginning on line 1, strike “serv-  
ices to at least 5 percent of” and insert “service to at  
least 5 percent of the households in”.

Title VI, page 30, strike lines 17 through 20 and in-  
sert the following:

8 “(iii) 2 incumbent service providers  
9 who, together, serve not more than 25 per-

1 cent of the households in the service area  
2 proposed in the application.”.

Title VI, page 30, strike line 21 and all that follows  
through line 6 on page 31 and insert the following:

3 “(B) PROHIBITION.—In carrying out this  
4 section, the Secretary may not make a loan to  
5 an eligible community in which there are 3 or  
6 more incumbent service providers, unless—

7 “(i) the loan is to an incumbent serv-  
8 ice provider of the community;

9 “(ii) the other providers in that com-  
10 munity are notified of the application be-  
11 fore approval by the Secretary, and have  
12 sufficient time to comment on the applica-  
13 tion; and

14 “(iii) the application includes substan-  
15 tially increasing—

16 “(I) the quality of broadband  
17 service in the community; and

18 “(II) the provision of broadband  
19 service to underserved households in-  
20 side and outside the community.”.

[RESEARCH TITLE AMENDMENTS]

Title VII, page 29, line 19, strike “450i(d)” and insert “401”.

Title VII, page 42, strike lines 1 through 2 and insert the following:

1 **SEC. 7205. INCLUSION OF UDC IN GRANTS AND FELLOW-**  
2 **SHIPS FOR FOOD AND AGRICULTURAL**  
3 **SCIENCES EDUCATION.**

Title VII, page 48, strike line 19 and insert the following:

4 **SEC. 7222. HISPANIC-SERVING AGRICULTURAL COLLEGES**  
5 **AND UNIVERSITIES.**

Title VII, page 48, strike line 23 and insert the following:

6 **“SEC. 1456. HISPANIC-SERVING AGRICULTURAL COLLEGES**  
7 **AND UNIVERSITIES.”.**

Title VII, page 49, line 3, insert “and Universities” after “Colleges”.

Title VII, page 49, line 5, insert “AND UNIVERSITIES” after “COLLEGE”.

Title VII, page 49, lines 5 through 6, strike “college” and insert “colleges and universities”.

Title VII, page 49, strike lines 11 through 13 and insert the following:

1                   “(B) offers associate, bachelor’s, or other  
2                   accredited degree programs in agriculture-re-  
3                   lated fields.”.

Title VII, page 49, line 17, insert “and Universities” after “Colleges”.

Title VII, page 50, line 22, insert “and universities” after “colleges”.

Title VII, page 51, lines 2, insert “and universities” after “colleges”.

Title VII, page 51, strike lines 3 through 18.

Title VII, page 51, line 19, strike “(c)” and insert “(5)”.

Title VII, page 51, line 20, strike “(1)” and insert “(A)”.

Title VII, page 51, line 24, strike “(A)” and insert “(i)”.

Title VII, page 52, line 1, strike “(B)” and insert “(ii)”.

Title VII, page 52, line 2, insert “and universities” after “colleges”.

Title VII, page 52, line 3, strike “(2)” and insert “(B)”.

Title VII, page 52, line 6, insert “and university” after “college”.

Title VII, page 52, line 8, strike “(A)” and insert “(i)”.

Title VII, page 52, line 11, strike “(B)” and insert “(ii)”.

Title VII, page 52, line 12, insert “and universities” after “colleges”.

Title VII, page 52, line 13, strike “(3)” and insert “(C)”.

Title VII, page 52, line 20, insert “and universities” after “colleges”.

Title VII, page 52, after line 20, insert the following:

1                   “(D) Amounts appropriated pursuant to  
2                   this section shall be held and considered to have  
3                   been granted to Hispanic-serving agricultural  
4                   colleges and universities to establish an endow-  
5                   ment pursuant to subsection (b).”.

Title VII, page 52, line 21, strike “(d)” and insert “(c)”.

Title VII, page 53, lines 1 through 5, strike “institutions that offer academic programs leading to baccalaureate degrees in agriculture and agriculture related fields, including food science, nutrition, bioenergy, and environmental sciences,” and insert “agricultural colleges and universities”.

Title VII, page 53, lines 13 through 16, strike “institutions that offer academic programs leading to baccalaureate degrees in agriculture and agriculture-related fields” and insert “agricultural colleges and universities”.

Title VII, page 53, lines 20 through 24, strike “institutions offering academic programs leading to baccalaureate degrees in agriculture and agriculture-related fields including food science, nutrition, bioenergy, and environmental sciences” and insert “agricultural colleges and universities”.

Title VII, page 54, line 23, strike “(e)” and insert “(d)”.

Title VII, page 55, line 1, insert “and universities” after “colleges”.

Title VII, page 55, line 23, insert “and universities” after “colleges”.

Title VII, page 56, line 2, insert “and universities” after “colleges”.

Title VII, page 56, line 20, insert “and universities” after “colleges”.

Title VII, page 56, line 24, insert “and universities” after “colleges”.

Title VII, page 57, line 4, insert “and universities” after “colleges”.

Title VII, page 63, line 5, strike “BEANS” and insert “BEAN”.

Title VII, page 65, line 10, strike the quotation marks and the final period.

Title VII, page 65, after line 10, insert the following:

1       “(g) ADDITIONAL FUNDING.—In addition to funds  
2 made available under subsection (f), of the funds of the  
3 Commodity Credit Corporation, the Secretary shall make  
4 available to carry out this section a total of \$25,000,000  
5 for fiscal years 2008 through 2012.



Title VII, page 66, line 9, insert “rural” before “community”.

Title VII, page 66, line 14, strike “research,”.

Title VII, page 66, lines 16 and 17, strike “the research community,”.

Title VII, page 66, line 23, strike “and develop research,” and insert “and”.

Title VII, page 68, after line 5, insert the following:

1       (d) GRANT PRIORITY.—Preference shall be given to  
2 rural community colleges working in partnership to im-  
3 prove information sharing capacity and to maximize the  
4 ability to meet the requirements of this section.

Title VII, page 78, line 15, strike the quotation marks and the final period.

Title VII, page 78, after line 15, insert the following:

5       (h) ADDITIONAL FUNDING.—In addition to funds  
6 made available under subsection (g), of the funds of the  
7 Commodity Credit Corporation, the Secretary shall make  
8 available to carry out this section a total of \$215,000,000  
9 for fiscal years 2008 through 2012.

Title VII, page 83, after line 24, insert the following:

1       (g) **ADDITIONAL FUNDING.**—In addition to funds  
2 made available under subsection (f), of the funds of the  
3 Commodity Credit Corporation, the Secretary shall make  
4 available to carry out this section a total of \$25,000,000  
5 for fiscal years 2008 through 2012.

At the end of title VII, add the following:

6 **SEC. 7607. SUPPORT FOR RESEARCH REGARDING DISEASES**  
7                   **OF WHEAT, TRITICALE, AND BARLEY CAUSED**  
8                   **BY FUSARIUM GRAMINEARUM OR BY**  
9                   **TILLETIA INDICA.**

10       Section 408(e) of the Agricultural Research, Extension,  
11 and Education Reform Act of 1998 (7 U.S.C.  
12 7628(e)) is amended by striking “2007” and inserting  
13 “2012”.

[ENERGY TITLE AMENDMENTS]

Title IX, page 5, strike lines 4 through 9.

Title IX, page 5, line 10, redesignate subparagraph  
(C) as subparagraph (A).

Title IX, page 5, line 19, redesignate subparagraph  
(D) as subparagraph (B).

Title IX, page 10, line 17, strike “biobased fuels, such as ethanol and biodiesel,” and insert “biobased fuels”.

Title IX, page 24, line 17, strike “and”.

Title IX, page 24, after line 19 insert the following:

1                   “(iii) to enhance the value of coprod-  
2                   ucts arise from such technologies and proc-  
3                   esses; and”.

Title IX, page 25, line 15, strike “research and development toward” and “research, development, and commercial applications toward”.

Title IX, page 25, line 17, strike “feedstock production through the development of crops and cropping systems” and insert “feedstocks and feedstock systems”.

Title IX, page 25, line 23, strike “dedicated crops” and insert “dedicated crops and other biomass sources”.

Title IX, page 26, line 7, strike “and”.

Title IX, page 26, line 10, strike “land;” and insert “land; and”.

Title IX, page 26, after line 10 insert the following:

1                   “(v) improving the value and quality  
2                   of coproducts, including materials used for  
3                   animal feeding;”.

Title IX, page 27, line 7, strike “desired products  
or” and insert “desired products, coproducts, or”.

Title IX, page 27, line 11, strike “and”.

Title IX, page 27, after line 15 insert the following:

4                   “(vi) enhancement of products and co-  
5                   products, including dried distillers grains  
6                   (including substantially elevated starch  
7                   content, increased oil content, improved  
8                   fatty acid profiles, and improved resistance  
9                   to mold and mycotoxins; and”.

Title IX, page 28, line 8, strike “the use of dried  
distillers grains” and insert “improvements in dried dis-  
tillers grains”.

Title IX, page 31, line 11, strike “demonstration”  
and “demonstration and commercial applications”.

Title IX, page 34, after line 18 insert the following:

10                   “(3) MANAGEMENT PLAN.—The Secretary shall  
11                   every five years, in consultation with the Secretary  
12                   of Energy, submit to Congress a detailed manage-

1           ment plan for the implementation of this section.

2           The management plan shall include—

3                   “(A) consideration of the contribution of  
4                   the section towards achieving the objectives re-  
5                   ferred to in paragraphs (2) and (3) of sub-  
6                   section (g) and in achieving the goals of the  
7                   biomass program of the Department of Energy;

8                   “(B) consideration of input solicited from  
9                   the Advisory Committee, State, and private  
10                  sources; and

11                  “(C) specific and quantifiable near and  
12                  long-term goals.”.

Title IX, page 34, after line 25 insert the following:

13           (c) MANAGEMENT PLAN SUBMISSION DATE.—The  
14 first management plan required to be submitted under sec-  
15 tion 9008(i)(3) of the Biomass Research and Development  
16 Act of 2000, as added by subsection (a), shall be sub-  
17 mitted not later than 180 days after the date of the enact-  
18 ment of this Act.

Title IX, page 35, line 17, strike “and”.

Title IX, page 35, after line 17, insert the following:

19                   “(F) renewable diesel;”.

Title IX, page 35, line 13, strike “from eligible feedstock”.

Title IX, page 35, line 18, redesignate subparagraph (F) as subparagraph (G).

Title IX, page 36, after line 22 insert the following new subparagraph:

1                   (D) by adding at the end the following new  
2                   paragraph:

3                   “(5) RENEWABLE DIESEL.—The term ‘renew-  
4                   able diesel’ means any type of biobased renewable  
5                   fuel derived from plant or animal matter that may  
6                   be used as a substitute for standard diesel fuel and  
7                   meets the requirements of an appropriate American  
8                   Society for Testing and Material standard. Such  
9                   term does not include any fuel derived from coproc-  
10                  essing an eligible feedstock with a feedstock that is  
11                  not biomass.”.

Title IX, page 51, after line 13 insert the following:

12                  “(4) TRANSFER RULE; STORAGE FEES.—  
13                  “(A) GENERAL TRANSFER RULE.—Except  
14                  as provided in subparagraph (C), the Secretary  
15                  shall ensure that bioenergy producers that pur-  
16                  chase eligible commodities pursuant to this sub-  
17                  section take possession of such commodities

1           within 30 calendar days of the date of such  
2           purchase from the Commodity Credit Corpora-  
3           tion.

4           “(B) PAYMENT OF STORAGE FEES PRO-  
5           HIBITED.—

6           “(i) IN GENERAL.—The Secretary  
7           shall, to the greatest extent practicable,  
8           carry out this subsection in a manner that  
9           ensures no storage fees are paid by the  
10          Commodity Credit Corporation in the ad-  
11          ministration of this subsection.

12          “(ii) EXCEPTION.—Clause (i) shall  
13          not apply with respect to any commodities  
14          owned and held in inventory by the Com-  
15          modity Credit Corporation (accumulated  
16          pursuant to the program authorized under  
17          section 156 of the Federal Agriculture Im-  
18          provement and Reform Act (7 U.S.C.  
19          7272)).

20          “(C) OPTION TO PREVENT STORAGE  
21          FEES.—

22          “(i) IN GENERAL.—The Secretary  
23          may enter into contracts with bioenergy  
24          producers to sell eligible commodities to  
25          such producers prior in time to entering

1 into contracts with eligible entities to pur-  
2 chase such commodities to be used to sat-  
3 isfy the contracts entered into with the bio-  
4 energy producers.

5 “(ii) SPECIAL TRANSFER RULE.—If  
6 the Secretary makes a sale and purchase  
7 referred to in clause (i), the Secretary shall  
8 ensure that the bioenergy producer that  
9 purchased eligible commodities takes pos-  
10 session of such commodities within 30 cal-  
11 endar days of the date the Commodity  
12 Credit Corporation purchases such com-  
13 modities.”.

Title IX, page 51, line 14, redesignate paragraph  
(4) as paragraph (5).

Title IX, page 51, line 22, redesignate paragraph  
(5) as paragraph (6).

At the appropriate place in title IX, insert the fol-  
lowing new section:

14 **SEC. \_\_\_\_ . BIOMASS INVENTORY REPORT.**

15 (a) INVENTORY REQUIRED.—The Secretary of Agri-  
16 culture shall conduct an inventory of biomass resources  
17 on a county-by-county basis.



1 (b) REPORT.—Not later than one year after the date  
2 of the enactment of this Act, the Secretary shall submit  
3 to the Committee on Agriculture of the House of Rep-  
4 resentatives and the Committee on Agriculture, Nutrition,  
5 and Forestry of the Senate a report containing—

6 (1) the results of the inventory conducted under  
7 subsection (a); and

8 (2) an estimate of the amount of unused crop  
9 land in the United States that could be used for  
10 dedicated energy crops.

11 (c) BIOMASS RESOURCES DEFINED.—In this section,  
12 the term “biomass resource” has the meaning given the  
13 term “eligible commodity” in section 9010(a)(3) of the  
14 Farm Security and Rural Investment Act of 2002 (7  
15 U.S.C. 8108(a)(3)).

#### [HORTICULTURE TITLE AMENDMENTS]

Title X, page 4, lines 9 through 13, relating to specialty crop block grants, increase each dollar amount by \$20,000,000.

Title X, page 31, strike lines 22 through 24 and insert the following:

16 (c) FUNDING.—

17 (1) COMMODITY CREDIT CORPORATION.—Of the  
18 funds of the Commodity Credit Corporation, the

1 Secretary shall make available to carry out this sec-  
2 tion \$20,000,000 for fiscal years 2008 through  
3 2012.

4 (2) AUTHORIZATION OF APPROPRIATIONS.—  
5 There are authorized to be appropriated such sums  
6 as are necessary for each of fiscal years 2008  
7 through 2012 to carry out this section.

[MISCELLANEOUS TITLE AMENDMENTS]

Title XI, page 11, after line 7, insert the following  
new paragraph:

8 (3) TREATMENT OF 2008 REINSURANCE  
9 YEAR.—Clause (ii) of section 508(k)(4)(A) of the  
10 Federal Crop Insurance Act (7 U.S.C.  
11 1508(k)(4)(A)), as in effect on the day before the  
12 date of the enactment of this Act, shall continue to  
13 apply with respect to the 2008 reinsurance year.

Title XI, strike section 11005 and insert the fol-  
lowing new section:

14 **SEC. 11005. CROP INSURANCE INELIGIBILITY RELATED TO**  
15 **CROP PRODUCTION ON NONCROPLAND.**

16 Section 502 of the Federal Crop Insurance Act (7  
17 U.S.C. 1502) is amended by adding at the end the fol-  
18 lowing new subsection:

1           “(e) CROP INSURANCE INELIGIBILITY RELATED TO  
2 CROP PRODUCTION ON NONCROPLAND.—

3           “(1) NONCROPLAND DEFINED.—In this sub-  
4 section, the term ‘noncropland’ means native grass-  
5 land and pasture the Secretary determines has never  
6 been used for crop production

7           “(2) INELIGIBILITY.—Noncropland acreage on  
8 which an agricultural commodity for which a policy  
9 or plan of insurance is available under this title is  
10 planted shall be ineligible for crop insurance under  
11 this title for the first 4 years of planting, as deter-  
12 mined by the Secretary, unless the applicable county  
13 committee of the Farm Service Agency determines—

14           “(A) the acreage is agronomically suited  
15 for the commodity to be planted, and

16           “(B) the risk of excessive soil erosion is  
17 minimal.

18           “(3) YIELD DETERMINATION BASED ON COUN-  
19 TY ACTUAL PRODUCTION HISTORY.—

20           “(A) IN GENERAL.—If an agricultural  
21 commodity ineligible for insurance as described  
22 in paragraph (2) is planted for 4 years, begin-  
23 ning with the fifth year in which the commodity  
24 is planted, the producer of the commodity may  
25 procure crop insurance for the commodity

1 under this title. The yield for such crop insur-  
2 ance shall be determined only—

3 “(i) by using the actual production  
4 history for the farm; and

5 “(ii) for each year in which the farm  
6 does not have an actual production history,  
7 by using the average actual production his-  
8 tory for the commodity in the county in  
9 which the farm is located.

10 “(B) EXCEPTION.—If an agricultural com-  
11 modity is planted on noncropland acreage and  
12 is eligible for insurance as provided in para-  
13 graph (2), then the yield for such crop insur-  
14 ance shall be determined only—

15 “(i) by using the actual production  
16 history for the farm; and

17 “(ii) for each year in which the farm  
18 does not have an actual production history,  
19 by using the average actual production his-  
20 tory for the commodity in the county in  
21 which the farm is located.

22 “(4) EFFECTIVE DATE.—This subsection shall  
23 apply to crop years following the 2007 crop year.”.

Title XI, page 19, after line 2, insert the following  
new section (and redesignate subsequent sections):

1 **SEC. 11006. FUNDS FOR DATA MINING.**

2 Section 515(k) of the Federal Crop Insurance Act (7  
3 U.S.C. 1515(k)) is amended by striking paragraph (1) and  
4 inserting the following new paragraph:

5 “(1) AVAILABLE FUNDS.—To carry out this  
6 section, the Corporation may use, from amounts  
7 made available from the insurance fund established  
8 under section 516(c)—

9 “(A) not more than \$11,000,000 during  
10 fiscal year 2008; and

11 “(B) not more than \$7,000,000 during fis-  
12 cal year 2009 and each subsequent year there-  
13 after.”.

At the end of subtitle C of title XI, add the following  
new section:

14 **SEC. 11210. COORDINATOR FOR CHRONICALLY UNDER-**  
15 **SERVED RURAL AREAS.**

16 (a) ESTABLISHMENT.—The Secretary of Agriculture  
17 shall establish a Coordinator for Chronically Underserved  
18 Rural Areas (in this section referred to as the “Coordi-  
19 nator”), to be located in the Office of Outreach of the De-  
20 partment of Agriculture.

21 (b) MISSION.—The mission of the Coordinator shall  
22 be to direct Department of Agriculture resources to high  
23 need, high poverty rural areas.

1 (c) DUTIES.—The Coordinator shall consult with  
2 other offices in directing technical assistance, strategic re-  
3 gional planning, at the State and local level, for developing  
4 rural economic development that leverages the resources  
5 of State and local governments and non-profit and com-  
6 munity development organizations.

7 (d) AUTHORIZATION OF APPROPRIATIONS.—There  
8 are authorized to be appropriated to the Secretary such  
9 sums as necessary to carry out this section for fiscal years  
10 2008 through 2012.

At the appropriate place in title XI, insert the fol-  
lowing new section:

11 **SEC. \_\_\_\_ . STATE-INSPECTED MEAT AND POULTRY.**

12 (a) REVIEW OF STATE MEAT AND POULTRY INSPEC-  
13 TION PROGRAMS.—

14 (1) REPORT.—Not later than 30 days after the  
15 date of the enactment of this Act, the Secretary of  
16 Agriculture shall submit to Congress a report con-  
17 taining the results of a review by the Secretary of  
18 each State meat and poultry inspection program.  
19 Such report shall include—

20 (A) a determination of the effectiveness of  
21 each State meat and poultry inspection pro-  
22 gram; and

1 (B) an identification of changes that are  
2 necessary to enable future transition to a State  
3 program of enforcing Federal inspection re-  
4 quirements as described in the amendments  
5 made by subsections (b) and (c).

6 (2) AUTHORIZATION OF APPROPRIATIONS.—

7 (A) IN GENERAL.—There are authorized to  
8 be appropriated such sums as are necessary to  
9 carry out this section.

10 (B) AVAILABLE FUNDS.—Notwithstanding  
11 any other provision of law, only funds specifi-  
12 cally appropriated under subparagraph (A) may  
13 be used to carry out this subsection.

14 (b) STATE MEAT INSPECTION PROGRAMS.—

15 (1) IN GENERAL.—Title III of the Federal  
16 Meat Inspection Act (21 U.S.C. 661 et seq.) is  
17 amended to read as follows:

18 **“TITLE III—STATE MEAT**  
19 **INSPECTION PROGRAMS**

20 **“SEC. 301. POLICY AND FINDINGS.**

21 “(a) POLICY.—It is the policy of Congress to protect  
22 the public from meat and meat food products that are  
23 adulterated or misbranded and to assist in efforts by State  
24 and other government agencies to accomplish that policy.

25 “(b) FINDINGS.—Congress finds that—

1           “(1) the goal of a safe and wholesome supply  
2 of meat and meat food products throughout the  
3 United States would be better served if a consistent  
4 set of requirements, established by the Federal Gov-  
5 ernment, were applied to all meat and meat food  
6 products, whether produced under State inspection  
7 or Federal inspection;

8           “(2) under such a system, State and Federal  
9 meat inspection programs would function together to  
10 create a seamless inspection system to ensure food  
11 safety and inspire consumer confidence in the food  
12 supply in interstate commerce; and

13           “(3) such a system would ensure the viability of  
14 State meat inspection programs, which should help  
15 to foster the viability of small establishments.

16 **“SEC. 302. APPROVAL OF STATE MEAT INSPECTION PRO-**  
17 **GRAMS.**

18           “(a) IN GENERAL.—Notwithstanding any other pro-  
19 vision of this Act, the Secretary may approve a State meat  
20 inspection program and allow the shipment in commerce  
21 of carcasses, parts of carcasses, meat, and meat food prod-  
22 ucts inspected under the State meat inspection program  
23 in accordance with this title.

24           “(b) ELIGIBILITY.—



1           “(1) IN GENERAL.—To receive or maintain ap-  
2           proval from the Secretary for a State meat inspec-  
3           tion program in accordance with subsection (a), a  
4           State shall—

5                   “(A) implement a State meat inspection  
6           program that enforces the mandatory ante-  
7           mortem and postmortem inspection, reinspec-  
8           tion, sanitation, and related Federal require-  
9           ments of titles I, II, and IV (including the regu-  
10          lations, directives, notices, policy memoranda,  
11          and other regulatory requirements issued under  
12          those titles); and

13                   “(B) enter into a cooperative agreement  
14          with the Secretary in accordance with sub-  
15          section (c).

16           “(2) ADDITIONAL REQUIREMENTS.—

17                   “(A) IN GENERAL.—In addition to the re-  
18          quirements described in paragraph (1), a State  
19          meat inspection program reviewed in accord-  
20          ance with **【section #(a)】** of the **【2007 Farm**  
21          **Bill】** shall implement, not later than 180 days  
22          after the date on which the report is submitted  
23          under subsection (b) of such section, all rec-  
24          ommendations from the review, in a manner ap-  
25          proved by the Secretary.

1                   “(B) REVIEW OF NEW STATE MEAT IN-  
2                   SPECTION PROGRAMS.—

3                   “(i) REVIEW REQUIREMENT.—Not  
4                   later than one year after the date on which  
5                   the Secretary approves a new State meat  
6                   inspection program, the Secretary shall  
7                   conduct a review of the new State meat in-  
8                   spection program, which shall include—

9                   “(I) a determination of the effec-  
10                  tiveness of the new State meat inspec-  
11                  tion program; and

12                  “(II) identification of changes  
13                  necessary to ensure enforcement of  
14                  Federal inspection requirements.

15                  “(ii) IMPLEMENTATION REQUIRE-  
16                  MENTS.—In addition to the requirements  
17                  described in paragraph (1), to continue to  
18                  be an approved State meat inspection pro-  
19                  gram, a new State meat inspection pro-  
20                  gram shall implement all recommendations  
21                  from the review conducted in accordance  
22                  with this subparagraph, in a manner ap-  
23                  proved by the Secretary.

24                  “(iii) DEFINITION OF NEW STATE  
25                  MEAT INSPECTION PROGRAM.—In this sub-

1 paragraph, the term ‘new State meat in-  
2 spection program’ means a State meat in-  
3 spection program that is not approved in  
4 accordance with subsection (a) between the  
5 effective date of the **【2007 Farm Bill】** and  
6 the date that is one year after the effective  
7 date of such Act.

8 “(c) COOPERATIVE AGREEMENT.—Notwithstanding  
9 chapter 63 of title 31, United States Code, the Secretary  
10 may enter into a cooperative agreement with a State  
11 that—

12 “(1) establishes the terms governing the rela-  
13 tionship between the Secretary and the State meat  
14 inspection program;

15 “(2) provides that the State will adopt (includ-  
16 ing adoption by reference) provisions identical to ti-  
17 tles I, II, and IV (including the regulations, direc-  
18 tives, notices, policy memoranda, and other regu-  
19 latory requirements issued under those titles);

20 “(3) provides that State-inspected and passed  
21 meat and meat food products shall be marked with  
22 a mark of State inspection, which shall be deemed  
23 to be an official mark, in accordance with require-  
24 ments issued by the Secretary;

1           “(4) provides that the State will comply with all  
2 labeling requirements issued by the Secretary gov-  
3 erning meat and meat food products inspected under  
4 the State meat inspection program;

5           “(5) provides that the Secretary shall have au-  
6 thority—

7           “(A) to detain and seize livestock, car-  
8 carcasses, parts of carcasses, meat, and meat food  
9 products under the State meat inspection pro-  
10 gram;

11           “(B) to obtain access to facilities, records,  
12 livestock, carcasses, parts of carcasses, meat,  
13 and meat food products of any person, firm, or  
14 corporation that slaughters, processes, handles,  
15 stores, transports, or sells meat or meat food  
16 products inspected under the State meat inspec-  
17 tion program to determine compliance with this  
18 Act (including the regulations issued under this  
19 Act); and

20           “(C) to direct the State to conduct any ac-  
21 tivity authorized to be conducted by the Sec-  
22 retary under this Act (including the regulations  
23 issued under this Act); and

24           “(6) includes such other terms as the Secretary  
25 determines to be necessary to ensure that the ac-

1        tions of the State and the State meat inspection pro-  
2        gram are consistent with this Act (including the reg-  
3        ulations, directives, notices, policy memoranda, and  
4        other regulatory requirements issued under this  
5        Act).

6        “(d) RESTRICTION ON ESTABLISHMENT SIZE.—After  
7        the date that is 90 days after the effective date of the  
8        **[2007 Farm Bill]**, establishments with more than 50 em-  
9        ployees may not be accepted into a State meat inspection  
10       program. Any establishment that is subject to state in-  
11       spection on such date, may remain subject to State inspec-  
12       tion.

13       “(e) REIMBURSEMENT OF STATE COSTS.—The Sec-  
14       retary may reimburse a State for not more than 50 per-  
15       cent of the State’s costs of meeting the Federal require-  
16       ments for the State meat inspection program.

17       “(f) SAMPLING.—A duly authorized representative of  
18       the Secretary shall be afforded access to State inspected  
19       establishments to take reasonable samples of the inventory  
20       of such establishments upon payment of the fair market  
21       value therefor.

22       “(g) NONCOMPLIANCE.—If the Secretary determines  
23       that a State meat inspection program does not comply  
24       with this title or the cooperative agreement under sub-  
25       section (c), the Secretary shall take such action as the Sec-

1 retary determines to be necessary to ensure that the car-  
2 casses, parts of carcasses, meat, and meat food products  
3 in the State are inspected in a manner that effectuates  
4 this Act (including the regulations, directives, notices, pol-  
5 icy memoranda, and other regulatory requirements issued  
6 under this Act).

7 **“SEC. 303. AUTHORITY TO TAKE OVER STATE MEAT INSPEC-**  
8 **TION PROGRAMS.**

9 “(a) NOTIFICATION.—If the Secretary has reason to  
10 believe that a State is not in compliance with this Act (in-  
11 cluding the regulations, directives, notices, policy memo-  
12 randa, and other regulatory requirements issued under  
13 this Act) or the cooperative agreement under section  
14 302(c) and is considering the revocation or temporary sus-  
15 pension of the approval of the State meat inspection pro-  
16 gram, the Secretary shall promptly notify and consult with  
17 the Governor of the State.

18 “(b) SUSPENSION AND REVOCATION.—

19 “(1) IN GENERAL.—The Secretary may revoke  
20 or temporarily suspend the approval of a State meat  
21 inspection program and take over a State meat in-  
22 spection program if the Secretary determines that  
23 the State meat inspection program is not in compli-  
24 ance with this Act (including the regulations, direc-  
25 tives, notices, policy memoranda, and other regu-

1 latory requirements issued under this Act) or the co-  
2 operative agreement under section 302(c).

3 “(2) PROCEDURES FOR REINSTATEMENT.—A  
4 State meat inspection program that has been the  
5 subject of a revocation may be reinstated as an ap-  
6 proved State meat inspection program under this  
7 Act only in accordance with the procedures under  
8 section 302(b)(2)(B).

9 “(c) PUBLICATION.—If the Secretary revokes or tem-  
10 porarily suspends the approval of a State meat inspection  
11 program in accordance with subsection (b), the Secretary  
12 shall publish notice of the revocation or temporary suspen-  
13 sion under that subsection in the Federal Register.

14 “(d) INSPECTION OF ESTABLISHMENTS.—Not later  
15 than 30 days after the date of publication of a determina-  
16 tion under subsection (c), an establishment subject to a  
17 State meat inspection program with respect to which the  
18 Secretary makes a determination under subsection (b)  
19 shall be inspected by the Secretary.

20 **“SEC. 304. EXPEDITED AUTHORITY TO TAKE OVER INSPEC-**  
21 **TION OF STATE-INSPECTED ESTABLISH-**  
22 **MENTS.**

23 “Notwithstanding any other provision of this title, if  
24 the Secretary determines that an establishment operating  
25 under a State meat inspection program is not operating

1 in accordance with this Act (including the regulations, di-  
2 rectives, notices, policy memoranda, and other regulatory  
3 requirements issued under this Act) or the cooperative  
4 agreement under section 302(c), and the State, after noti-  
5 fication by the Secretary to the Governor, has not taken  
6 appropriate action within a reasonable time as determined  
7 by the Secretary, the Secretary may immediately deter-  
8 mine that the establishment is an establishment that shall  
9 be inspected by the Secretary, until such time as the Sec-  
10 retary determines that the State will meet the require-  
11 ments of this Act (including the regulations, directives, no-  
12 tices, policy memoranda, and other regulatory require-  
13 ments) and the cooperative agreement with respect to the  
14 establishment.

15 **“SEC. 305. ANNUAL REVIEW.**

16 “(a) IN GENERAL.—The Secretary shall develop and  
17 implement a process to annually review each State meat  
18 inspection program approved under this title and to certify  
19 the State meat inspection programs that comply with the  
20 cooperative agreement entered into with the State under  
21 section 302(c).

22 “(b) COMMENT FROM INTERESTED PARTIES.—In  
23 developing the review process described in subsection (a),  
24 the Secretary shall solicit comment from interested par-  
25 ties.



1 **“SEC. 306. FEDERAL INSPECTION OPTION.**

2 “(a) IN GENERAL.—An establishment that operates  
3 in a State with an approved State meat inspection pro-  
4 gram may apply for inspection under the State meat in-  
5 spection program or for Federal inspection.

6 “(b) LIMITATION.—An establishment shall not make  
7 an application under subsection (a) more than once every  
8 four years.”.

9 (2) RESTAURANTS AND RETAIL STORES.—Title  
10 IV of the Federal Meat Inspection Act is amended—

11 (A) by redesignating section 411 (21  
12 U.S.C. 681) as section 414; and

13 (B) by inserting after section 410 (21  
14 U.S.C. 680) the following:

15 **“SEC. 411. RESTAURANTS AND RETAIL STORES.**

16 “(a) LIMITATION ON APPLICABILITY OF INSPECTION  
17 REQUIREMENTS.—The provisions of this Act requiring in-  
18 spection of the slaughter of animals and the preparation  
19 of carcasses, parts of carcasses, meat, and meat food prod-  
20 ucts shall not apply to operations of types traditionally  
21 and usually conducted at retail stores and restaurants, as  
22 determined by the Secretary, if the operations are con-  
23 ducted at a retail store, restaurant, or similar retail estab-  
24 lishment for sale of such prepared articles in normal retail  
25 quantities or for service of the articles to consumers at  
26 such an establishment.

1 “(b) CENTRAL KITCHEN FACILITIES.—

2 “(1) IN GENERAL.—For the purposes of this  
3 section, operations conducted at a central kitchen fa-  
4 cility of a restaurant shall be considered to be con-  
5 ducted at a restaurant if the central kitchen of the  
6 restaurant prepares meat or meat food products that  
7 are ready to eat when they leave the facility and are  
8 served in meals or as entrees only to customers at  
9 restaurants owned or operated by the same person,  
10 firm, or corporation that owns or operates the facil-  
11 ity.

12 “(2) EXCEPTION.—A facility described in para-  
13 graph (1) shall be subject to section 202 and may  
14 be subject to the inspection requirements of title I  
15 for as long as the Secretary determines to be nec-  
16 essary, if the Secretary determines that the sanitary  
17 conditions or practices of the facility or the proc-  
18 essing procedures or methods at the facility are such  
19 that any of the meat or meat food products of the  
20 facility are rendered adulterated.

21 **“SEC. 412. ACCEPTANCE OF INTERSTATE SHIPMENTS OF**  
22 **MEAT AND MEAT FOOD PRODUCTS.**

23 “Notwithstanding any provision of State law, a State  
24 or local government shall not prohibit or restrict the move-  
25 ment or sale of meat or meat food products that have been

1 inspected and passed in accordance with this Act for inter-  
2 state commerce.

3 **“SEC. 413. ADVISORY COMMITTEES FOR FEDERAL AND**  
4 **STATE PROGRAMS.**

5 “The Secretary may appoint advisory committees  
6 consisting of such representatives of appropriate State  
7 agencies as the Secretary and the State agencies may des-  
8 ignate to consult with the Secretary concerning State and  
9 Federal programs with respect to meat inspection and  
10 other matters within the scope of this Act.”.

11 (c) STATE POULTRY INSPECTION PROGRAMS.—

12 (1) IN GENERAL.—The Poultry Products In-  
13 spection Act (21 U.S.C. 451 et seq.) is amended by  
14 striking section 5 and inserting the following:

15 **“SEC. 5. STATE POULTRY INSPECTION PROGRAMS.**

16 “(a) POLICY.—It is the policy of Congress to protect  
17 the public from poultry products that are adulterated or  
18 misbranded and to assist in efforts by State and other gov-  
19 ernment agencies to accomplish that policy.

20 “(b) FINDINGS.—Congress finds that—

21 “(1) the goal of a safe and wholesome supply  
22 of poultry products throughout the United States  
23 would be better served if a consistent set of require-  
24 ments, established by the Federal Government, were

1 applied to all poultry products, whether produced  
2 under State inspection or Federal inspection;

3 “(2) under such a system, State and Federal  
4 poultry inspection programs would function together  
5 to create a seamless inspection system to ensure  
6 food safety and inspire consumer confidence in the  
7 food supply in interstate commerce; and

8 “(3) such a system would ensure the viability of  
9 State poultry inspection programs, which should  
10 help to foster the viability of small official establish-  
11 ments.

12 “(c) APPROVAL OF STATE POULTRY INSPECTION  
13 PROGRAMS.—

14 “(1) IN GENERAL.—Notwithstanding any other  
15 provision of this Act, the Secretary may approve a  
16 State poultry inspection program and allow the ship-  
17 ment in commerce of poultry products inspected  
18 under the State poultry inspection program in ac-  
19 cordance with this section and section 5A.

20 “(2) ELIGIBILITY.—

21 “(A) IN GENERAL.—To receive or main-  
22 tain approval from the Secretary for a State  
23 poultry inspection program in accordance with  
24 paragraph (1), a State shall—

1 “(i) implement a State poultry inspec-  
2 tion program that enforces the mandatory  
3 antemortem and postmortem inspection,  
4 reinspection, sanitation, and related Fed-  
5 eral requirements of sections 1 through 4  
6 and 6 through 33 (including the regula-  
7 tions, directives, notices, policy memo-  
8 randa, and other regulatory requirements  
9 issued under those sections); and

10 “(ii) enter into a cooperative agree-  
11 ment with the Secretary in accordance  
12 with paragraph (3).

13 “(B) ADDITIONAL REQUIREMENTS.—

14 “(i) IN GENERAL.—In addition to the  
15 requirements described in subparagraph  
16 (A), a State poultry inspection program re-  
17 viewed in accordance with **[section #(a)]**  
18 of the **[2007 Farm Bill]** shall implement,  
19 not later 180 days after the date on which  
20 the report is submitted under subsection  
21 (b) of such section, all recommendations  
22 from the review, in a manner approved by  
23 the Secretary.

24 “(ii) REVIEW OF NEW STATE POUL-  
25 TRY INSPECTION PROGRAMS.—

1                   “(I) REVIEW REQUIREMENT.—  
2                   Not later than one year after the date  
3                   on which the Secretary approves a  
4                   new State poultry inspection program,  
5                   the Secretary shall conduct a review  
6                   of the new State poultry inspection  
7                   program, which shall include—

8                                 “(aa) a determination of the  
9                                 effectiveness of the new State  
10                                poultry inspection program; and

11                               “(bb) identification of  
12                                changes necessary to ensure en-  
13                                forcement of Federal inspection  
14                                requirements.

15                   “(II) IMPLEMENTATION RE-  
16                   QUIREMENTS.—In addition to the re-  
17                   quirements described in subparagraph  
18                   (A), to continue to be an approved  
19                   State poultry inspection program, a  
20                   new State poultry inspection program  
21                   shall implement all recommendations  
22                   from the review conducted in accord-  
23                   ance with this clause, in a manner ap-  
24                   proved by the Secretary.

1                   “(III) DEFINITION OF NEW  
2 STATE POULTRY INSPECTION PRO-  
3 GRAM.—In this clause, the term ‘new  
4 State poultry inspection program’  
5 means a State poultry inspection pro-  
6 gram that is not approved in accord-  
7 ance with paragraph (1) between the  
8 effective date of the [2007 Farm  
9 Bill] and the date that is one year  
10 after the effective date of such Act.

11           “(3) COOPERATIVE AGREEMENT.—Notwith-  
12 standing chapter 63 of title 31, United States Code,  
13 the Secretary may enter into a cooperative agree-  
14 ment with a State that—

15                   “(A) establishes the terms governing the  
16 relationship between the Secretary and the  
17 State poultry inspection program;

18                   “(B) provides that the State will adopt (in-  
19 cluding adoption by reference) provisions iden-  
20 tical to sections 1 through 4 and 6 through 33  
21 (including the regulations, directives, notices,  
22 policy memoranda, and other regulatory re-  
23 quirements issued under those sections);

24                   “(C) provides that State-inspected and  
25 passed poultry products may be marked with

1 the mark of State inspection, which shall be  
2 deemed to be an official mark, in accordance  
3 with requirements issued by the Secretary;

4 “(D) provides that the State will comply  
5 with all labeling requirements issued by the  
6 Secretary governing poultry products inspected  
7 under the State poultry inspection program;

8 “(E) provides that the Secretary shall have  
9 authority—

10 “(i) to detain and seize poultry and  
11 poultry products under the State poultry  
12 inspection program;

13 “(ii) to obtain access to facilities,  
14 records, and poultry products of any per-  
15 son that slaughters, processes, handles,  
16 stores, transports, or sells poultry products  
17 inspected under the State poultry inspec-  
18 tion program to determine compliance with  
19 this Act (including the regulations issued  
20 under this Act); and

21 “(iii) to direct the State to conduct  
22 any activity authorized to be conducted by  
23 the Secretary under this Act (including the  
24 regulations issued under this Act); and



1           “(F) includes such other terms as the Sec-  
2           retary determines to be necessary to ensure  
3           that the actions of the State and the State  
4           poultry inspection program are consistent with  
5           this Act (including the regulations, directives,  
6           notices, policy memoranda, and other regulatory  
7           requirements issued under this Act).

8           “(4) RESTRICTION ON ESTABLISHMENT SIZE.—  
9           After the date that is 90 days after the effective  
10          date of the **【2007 Farm Bill】**, establishments with  
11          more than 50 employees may not be accepted into  
12          a State meat inspection program. Any establishment  
13          that is subject to state inspection on such date may  
14          remain subject to state inspection.

15          “(5) REIMBURSEMENT OF STATE COSTS.—The  
16          Secretary may reimburse a State for not more than  
17          60 percent of the State’s costs of meeting the Fed-  
18          eral requirements for the State poultry inspection  
19          program.

20          “(6) SAMPLING.—A duly authorized representa-  
21          tive of the Secretary shall be afforded access to  
22          State inspected establishments to take reasonable  
23          samples of their inventory upon payment of the fair  
24          market value therefor.

1           “(7) NONCOMPLIANCE.—If the Secretary deter-  
2           mines that a State poultry inspection program does  
3           not comply with this section, section 5A, or the co-  
4           operative agreement under paragraph (3), the Sec-  
5           retary shall take such action as the Secretary deter-  
6           mines to be necessary to ensure that the poultry  
7           products in the State are inspected in a manner that  
8           effectuates this Act (including the regulations, direc-  
9           tives, notices, policy memoranda, and other regu-  
10          latory requirements issued under this Act).

11          “(d) ANNUAL REVIEW.—

12           “(1) IN GENERAL.—The Secretary shall develop  
13           and implement a process to annually review each  
14           State poultry inspection program approved under  
15           this section and to certify the State poultry inspec-  
16           tion programs that comply with the cooperative  
17           agreement entered into with the State under sub-  
18           section (c)(3).

19           “(2) COMMENT FROM INTERESTED PARTIES.—

20           In developing the review process described in para-  
21           graph (1), the Secretary shall solicit comment from  
22           interested parties.

23          “(e) FEDERAL INSPECTION OPTION.—

24           “(1) IN GENERAL.—An official establishment  
25           that operates in a State with an approved State

1 poultry inspection program may apply for inspection  
2 under the State poultry inspection program or for  
3 Federal inspection.

4 “(2) LIMITATION.—An official establishment  
5 shall not make an application under paragraph (1)  
6 more than once every 4 years.

7 **“SEC. 5A. AUTHORITY TO TAKE OVER STATE POULTRY IN-**  
8 **SPECTION ACTIVITIES.**

9 “(a) AUTHORITY TO TAKE OVER STATE POULTRY  
10 INSPECTION PROGRAMS.—

11 “(1) NOTIFICATION.—If the Secretary has rea-  
12 son to believe that a State is not in compliance with  
13 this Act (including the regulations, directives, no-  
14 tices, policy memoranda, and other regulatory re-  
15 quirements issued under this Act) or the cooperative  
16 agreement under section 5(c)(3) and is considering  
17 the revocation or temporary suspension of the ap-  
18 proval of the State poultry inspection program, the  
19 Secretary shall promptly notify and consult with the  
20 Governor of the State.

21 “(2) SUSPENSION AND REVOCATION.—

22 “(A) IN GENERAL.—The Secretary may re-  
23 voke or temporarily suspend the approval of a  
24 State poultry inspection program and take over  
25 a State poultry inspection program if the Sec-

1           retary determines that the State poultry inspec-  
2           tion program is not in compliance with this Act  
3           (including the regulations, directives, notices,  
4           policy memoranda, and other regulatory re-  
5           quirements issued under this Act) or the coop-  
6           erative agreement.

7           “(B) PROCEDURES FOR REINSTATE-  
8           MENT.—A State poultry inspection program  
9           that has been the subject of a revocation may  
10          be reinstated as an approved State poultry in-  
11          spection program under this Act only in accord-  
12          ance with the procedures under section  
13          5(e)(2)(B)(ii).

14          “(3) PUBLICATION.—If the Secretary revokes  
15          or temporarily suspends the approval of a State  
16          poultry inspection program in accordance with para-  
17          graph (2), the Secretary shall publish notice of the  
18          revocation or temporary suspension under that para-  
19          graph in the Federal Register.

20          “(4) INSPECTION OF ESTABLISHMENTS.—Not  
21          later than 30 days after the date of publication of  
22          a determination under paragraph (3), an official es-  
23          tablishment subject to a State poultry inspection  
24          program with respect to which the Secretary makes

1 a determination under paragraph (2) shall be in-  
2 spected by the Secretary.

3 “(b) EXPEDITED AUTHORITY TO TAKE OVER IN-  
4 SPECTION OF STATE-INSPECTED OFFICIAL ESTABLISH-  
5 MENTS.—Notwithstanding any other provision of this  
6 title, if the Secretary determines that an official establish-  
7 ment operating under a State poultry inspection program  
8 is not operating in accordance with this Act (including the  
9 regulations, directives, notices, policy memoranda, and  
10 other regulatory requirements issued under this Act) or  
11 the cooperative agreement under section 5(e)(3), and the  
12 State, after notification by the Secretary to the Governor,  
13 has not taken appropriate action within a reasonable time  
14 as determined by the Secretary, the Secretary may imme-  
15 diately determine that the official establishment is an es-  
16 tablishment that shall be inspected by the Secretary, until  
17 such time as the Secretary determines that the State will  
18 meet the requirements of this Act (including the regula-  
19 tions, directives, notices, policy memoranda, and other reg-  
20 ulatory requirements) and the cooperative agreement with  
21 respect to the official establishment.”.

22 (2) RESTAURANTS AND RETAIL STORES, AC-  
23 CEPTANCE OF INTERSTATE SHIPMENTS OF POULTRY  
24 PRODUCTS, AND ADVISORY COMMITTEES FOR FED-  
25 ERAL AND STATE PROGRAMS.—The Poultry Prod-

1       ucts Inspection Act (21 U.S.C. 451 et seq.) is  
2       amended by inserting after section 30 the following:

3       **“SEC. 31. RESTAURANTS AND RETAIL STORES.**

4       “(a) LIMITATION ON APPLICABILITY OF INSPECTION  
5       REQUIREMENTS.—The provisions of this Act requiring in-  
6       spection of the slaughter of poultry and the processing of  
7       poultry products shall not apply to operations of types tra-  
8       ditionally and usually conducted at retail stores and res-  
9       taurants, if the operations are conducted at a retail store,  
10      restaurant, or similar retail establishment for sale of such  
11      prepared articles in normal retail quantities or for service  
12      of the articles to consumers at such an establishment.

13      “(b) CENTRAL KITCHEN FACILITIES.—

14              “(1) IN GENERAL.—For the purposes of this  
15              section, operations conducted at a central kitchen fa-  
16              cility of a restaurant shall be considered to be con-  
17              ducted at a restaurant if the central kitchen of the  
18              restaurant prepares poultry products that are ready  
19              to eat when they leave the facility and are served in  
20              meals or as entrees only to customers at restaurants  
21              owned or operated by the same person that owns or  
22              operates the facility.

23              “(2) EXCEPTION.—A facility described in para-  
24              graph (1) shall be subject to section 11(b) and may  
25              be subject to the inspection requirements of this Act

1 for as long as the Secretary determines to be nec-  
2 essary, if the Secretary determines that the sanitary  
3 conditions or practices of the facility or the proc-  
4 essing procedures or methods at the facility are such  
5 that any of the poultry products of the facility are  
6 rendered adulterated.

7 **“SEC. 32. ACCEPTANCE OF INTERSTATE SHIPMENTS OF**  
8 **POULTRY PRODUCTS.**

9 “Notwithstanding any provision of State law, a State  
10 or local government shall not prohibit or restrict the move-  
11 ment or sale of poultry products that have been inspected  
12 and passed in accordance with this Act for interstate com-  
13 merce.

14 **“SEC. 33. ADVISORY COMMITTEES FOR FEDERAL AND**  
15 **STATE PROGRAMS.**

16 “The Secretary may appoint advisory committees  
17 consisting of such representatives of appropriate State  
18 agencies as the Secretary and the State agencies may des-  
19 ignate to consult with the Secretary concerning State and  
20 Federal programs with respect to poultry product inspec-  
21 tion and other matters within the scope of this Act”.

22 (d) REGULATIONS.—Not later than 180 days after  
23 the date of the enactment of this Act, the Secretary of  
24 Agriculture shall promulgate such regulations as are nec-

1 essary to implement the amendments made by subsections  
2 (b) and (c).

3 (e) EFFECTIVE DATE.—The amendments made by  
4 subsections (b) and (c) of this Act shall take effect on the  
5 date that is 180 days after the date of the enactment of  
6 this Act.