

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

[As Amended Through P.L. 110-246, Effective May 22, 2008]

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TITLE XIV—CONSERVATION

SEC. 1401. [16 U.S.C 3801] SHORT TITLE.

This title may be cited as the “Conservation Program Improvements Act”.

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Subtitle C—Agricultural Resources Conservation Program

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SEC. 1437. [16 U.S.C. 3831 note] STUDY OF LAND USE FOR EXPIRING CONTRACTS AND EXTENSION OF AUTHORITY.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a study of cropland subject to expiring conservation reserve contracts entered into prior to the date of enactment of this Act under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.). Such study shall include the consideration of—

- (1) the environmental benefits of such lands that remain out of crop production as compared to the economic benefits that would result from returning such lands to production under adequate stewardship and management;
- (2) the renewal of the contracts in a manner that allows for certain sustainable economic uses of cropland in return for lower rental payments;
- (3) the purchase of permanent easements permitting specified economic uses of cropland subject to the contracts;
- (4) the purchase of the cropland subject to the contracts;
- (5) the preservation of crop acreage bases associated with cropland subject to the contracts if the owner or operator continues to devote the cropland to conserving uses;
- (6) the purchase of crop acreage bases associated with cropland subject to the contracts; and
- (7) the expiration of the contracts.

(b) REPORT.—Not later than December 31, 1993, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report concerning the results of the study conducted under subsection (a) and recommendations concerning the treatment of lands subject to expiring contracts under subtitle D of title XII of the Food Security Act of 1985, proposed legislation addressing the treatment of such lands, and the projected cost of such treatment.

(c) EXTENSIONS.—During the 1996 through 2000 calendar years, the Secretary of Agriculture may—

(1) extend up to 10 years contracts entered into under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831) prior to the date of enactment of this Act; or

(2) purchase long-term or permanent easements as provided for in chapter 3;

at the option of the owner or operator on land that the Secretary has determined under the study conducted under subsection (a) should remain in conserving uses.

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Subtitle D—OTHER CONSERVATION MEASURES

SEC. 1451. [7 U.S.C 5822] INTEGRATED FARM MANAGEMENT PROGRAM OPTION.

(a) ESTABLISHMENT.—The Secretary of Agriculture (hereafter in this section referred to as the “Secretary”) shall, by regulation, establish a voluntary program, to be known as the “Integrated Farm Management Program Option” (hereafter referred to in this section as the “program”), designed to assist producers of agricultural commodities in adopting integrated, multiyear, site-specific farm management plans by reducing farm program barriers to resource stewardship practices and systems.

(b) DEFINITIONS.—

(1) IN GENERAL.—For purposes of this section—

(A) The term “resource-conserving crop” means legumes, legume-grass mixtures, legume-small grain mixtures, legume-grass-small grain mixtures, and alternative crops.

(B) The term “resource-conserving crop rotation” means a crop rotation that includes at least one resource-conserving crop and that reduces erosion, maintains or improves soil fertility and tilth, interrupts pest cycles, or conserves water.

(C) The term “farming operations and practices” includes the integration of crops and crop-plant variety selection, rotation practices, tillage systems, soil conserving and soil building practices, nutrient management strategies, biological control and integrated pest management strategies, livestock production and management systems, animal waste management systems, water and energy conservation measures, and health and safety considerations.

(D) The term “integrated farm management plan” means a comprehensive, multiyear, site-specific plan that meets the requirements of subsection (f).

(2) CROPS.—For purposes of paragraph (1)(A)—

(A) The term “grass” means perennial grasses commonly used for haying or grazing.

(B) The term “legume” means forage legumes (such as alfalfa or clover) or any legume grown for use as a forage or green manure, but not including any bean crop from which the seeds are harvested.

(C) The term “small grain” shall not include malting barley or wheat, except for wheat interplanted with other small grain crops for nonhuman consumption.

(D) The term “alternative crops” means experimental and industrial crops grown in arid and semiarid regions that conserve soil and water.

(c) ELIGIBILITY.—To be eligible to participate in the program established by this section, a producer must—

(1) prepare and submit to the Secretary for approval an integrated farm management plan (hereafter referred to in this section as the “plan”);

(2) actively apply the terms and conditions of the plan, as approved by the Secretary;

(3) devote to a resource-conserving crop, on the average through the life of the contract, not less than 20 percent of the crop acreage bases enrolled under such program;

(4) comply with the terms and conditions of any annual acreage limitation program in effect for the crop acreage bases contracted under the terms of this subsection; and

(5) keep such records as the Secretary may reasonably require.

(d) ACREAGE.—In accepting contracts for the program, the Secretary, to the extent practicable, shall enroll not more than 3,000,000, nor more than 5,000,000, acres of cropland in each of the calendar years 1991 through 1995.

(e) CONTRACTS.—The Secretary shall enter into contracts with producers to enroll acreage in the program. Such contracts shall be for a period of not less than 3 years, but may, at the producer’s option, be for a longer period of time (up to 5 years) and may be renewed upon mutual agreement between the Secretary and the producer.

(f) REQUIREMENTS OF THE PLANS.—Each plan approved by the Secretary shall—

(1) specify the acreage and the crop acreage bases to be enrolled in the program;

(2) describe the resource-conserving crop rotation to be implemented and maintained on such acreage during the contract period to fulfill the purposes of the program;

(3) contain a schedule for the implementation, improvement and maintenance of the resource-conserving crop rotation described in the plan;

(4) describe the farming operations and practices to be implemented on such acreage and how such operations and practices could reasonably be expected to result in—

(A) the maintenance or enhancement of the overall productivity and profitability of the farm;

(B) the prevention of the degradation of farmland soils, the long-term improvement of the fertility and physical properties of such soils; and

(C) the protection of water supplies from contamination by managing or minimizing agricultural pollutants if their management or minimization results in positive economic and environmental benefits;

(5) assist the producer to comply with all Federal, State, and local requirements designed to protect soil, wetland, wild-

life habitat, and the quality of groundwater and surface water;
and

(6) contain such other terms as the Secretary may, by regulation, require.

(g) ADMINISTRATION; CERTIFICATION; TERMINATION.—

(1) ADMINISTRATION; TECHNICAL ASSISTANCE; FLEXIBILITY; IMPLEMENTATION; DISPLACEMENT.—

(A) ADMINISTRATION.—The program shall be administered by the Secretary.

(B) TECHNICAL ASSISTANCE.—In administering the program, the Secretary, in consultation with the local conservation districts, and any State or local authorities deemed appropriate by the Secretary, shall provide technical assistance to producers in developing and implementing plans, evaluating the effectiveness of plans, and assessing the costs and benefits of farming operations and practices. The plans may draw on handbooks and technical guides and may also include other practices appropriate to the particular circumstances of the producer and the purposes of the program.

(C) FLEXIBILITY.—In administering the program, the Secretary shall provide sufficient flexibility for a producer to adjust or modify the producer's plan consistent with this section, except that such adjustments or modifications must be approved by the Secretary.

(D) MINIMIZATION OF ADVERSE EFFECT.—

(i) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary shall implement this section in such a manner as to minimize any adverse economic effect on the agribusinesses and other agriculturally related economic interests within any county, State, or region that may result from a decrease of harvested acres due to the operation of this section. In carrying out this section, the Secretary may restrict the total amount of crop acreage that may be removed from production, taking into consideration the total amount of crop acreage that has, or will be, removed from production under other price support, production adjustment, or conservation program activities.

(ii) MAXIMIZE CONSERVATION GOALS.—The Secretary shall, to the greatest extent practicable, permit producers on a farm that desire to participate in the program authorized under this section to enroll acreage adequate to maximize conservation goals on such farm and ensure economic effectiveness of the program in each individual application.

(E) DISPLACEMENT.—The Secretary shall not approve any plan that will result in the involuntary displacement of farm tenants or lessees by landowners through the removal of substantial portions of the farm from production of a commodity. In the case of any tenant or lessee who has rented or leased the farm (with or without a written option for annual renewal or periodic renewals) for a period of two or more of the immediately preceding years, the Secretary shall consider the refusal by a landlord, without reasonable cause other than simply for the purpose of enrollment in

the program, to renew such rental or lease as an involuntary displacement in the absence of a written consent to such nonrenewal by the tenant or lessee.

(2) CERTIFICATION.—The Secretary shall certify compliance by producers with the terms and conditions of the plans.

(3) TERMINATION.—The Secretary may terminate a contract entered into with a producer under this program if—

(A) the producer agrees to such termination, or

(B) the producer violates the terms and conditions of such contract.

(h) PROGRAM RULES.—

(1) BASE AND YIELD PROTECTION.—Notwithstanding any other provision of law, the Secretary shall not, except as provided in paragraph (6), reduce crop acreage bases, or farm program payment yields, as a result of the planting of a resource-conserving crop as part of a resource-conserving crop rotation.

(2) RESOURCE-CONSERVING CROPS ON REDUCED ACREAGE.—Notwithstanding the provisions of title I of the Agricultural Act of 1949, acreage devoted to resource-conserving crops as part of a resource-conserving crop rotation under this program may also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program and up to 50 percent of the acreage so designated shall be without restrictions on haying and grazing, except as provided in paragraph (5)(B), except that such acreage that is devoted to perennial cover on which cost-share assistance for the establishment of the perennial cover has been provided, shall not be credited towards the producer's resource-conserving crop requirement under a contract under this section.

(3) BARLEY, OATS, AND WHEAT.—Notwithstanding any other provisions of this section, barley, oats, or wheat planted as part of a resource-conserving crop on reduced acreage may not be harvested in kernel form.

(4) PAYMENT ACRES.—Notwithstanding any other provision of this Act, the Secretary shall not reduce farm program payments of participants in this program as a result of the planting a resource-conserving crop as part of a resource-conserving crop rotation on payment acres.

(5) HAYING AND GRAZING RESTRICTION.—

(A) IN GENERAL.—The Secretary shall not make any program payments to a producer who is otherwise eligible to receive with respect to acreage enrolled in the program if such producer hays or grazes such acreage (excluding acreage designated as conservation use acreage) during the 5-month period in each State during which haying and grazing of conserving use acres is not allowed under the provisions of the Agricultural Act of 1949, or, if the crop planted on such acreage includes a small grain, before the producer harvests the small grain crop in kernel form.

(B) LIMITATION ON PERMITTED HAYING AND GRAZING.—Notwithstanding any other provision of this section, if the Secretary determines that implementation of this section will result in a significant adverse economic impact on hay or livestock prices in a particular geographic area, the Secretary may limit the quantity of hay that can be harvested

or grazed from that area. Such limit may include restrictions on the number of times that hay may be harvested or grazed from the acres per year, the timing of such harvesting and grazing, or the number of years that such land may remain in the same hay stand, or a prohibition on the harvesting or grazing of hay from acres on which a small grain was not originally interplanted with the hay crop and harvested for grain.

(6) **BASE ACRE ADJUSTMENTS.**—The Secretary, only for the purpose of establishing a producer’s crop acreage base under the Agricultural Act of 1949, may make such adjustments as the Secretary determines to be fair and equitable to reflect resource-conserving crop rotation practices that were maintained by producers prior to participation in the program and to reflect such other factors as the Secretary determines should be considered, except that the total of such adjustments in any year shall not exceed the total farm program savings in the same year that would result from the implementation of plans.

(7) **PAYMENT ACREAGE LIMITATION.**—

(A) **IN GENERAL.**—No producers enrolled in a resource-conserving crop rotation shall not be eligible to receive payments under farm programs for wheat, feed grains, cotton, or rice under the Agricultural Act of 1949 on acreage equal to the average number of traditionally underplanted acres for the three years prior to enrolling in this program.

(B) **DEFINITION.**—

(i) **IN GENERAL.**—Subject to clause (ii), for the purposes of this paragraph the term “traditionally underplanted acreage” means the difference in a particular year between the acreage that is part of a producer’s crop acreage base that is not planted to the program crop and the part of the crop acreage base subject to an acreage limitation program or required to be set aside, but only to the extent that such number exceeds the number of acres resulting from the reduction in payment acres under an amendment made by section 1101 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508; 104 Stat. 1388-1). In no case shall such acreage be less than zero.

(ii) **EXCEPTION.**—In the case of a producer participating in a particular year in a program authorized under section 101B(c)(1)(D), 103B(c)(1)(D), 105B(c)(1)(E), or 107B(c)(1)(E) of the Agricultural Act of 1949, the term “traditionally underplanted acreage” means 8 percent of the producer’s permitted acreage for such year.

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[SEC. 1456. [7 U.S.C. 3130] COMPOSTING RESEARCH AND EXTENSION PROGRAM.¹⁴⁵⁶⁻¹]

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Subtitle E—Watershed Protection and Flood Prevention Act; Farmland Protection

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CHAPTER 2—FARMLAND PROTECTION**SEC. 1465. [7 U.S.C. 4201 note] SHORT TITLE, PURPOSE, AND DEFINITION.**

(a) **SHORT TITLE.**—This chapter may be cited as the “Farms for the Future Act of 1990”.

(b) **PURPOSE.**—It is the purpose of this chapter to promote a national farmland protection effort to preserve our vital farmland resources for future generations.

(c) **DEFINITIONS.**—As used in this chapter:

(1) **ALLOWABLE INTEREST RATE.**—The term “allowable interest rate” refers to the interest rate that the State trust fund pays on each eligible loan (including the interest paid by the State trust fund, State, or State agency on bonds or other obligations described in paragraph (2)).

(2) **ELIGIBLE LOAN.**—The term “eligible loan” means each loan made by lending institutions to each State trust fund, or to the State acting in conjunction with the State trust fund, to further the purposes of this chapter, and the proceeds from any issuance of obligations, or other bonded indebtedness, of any eligible State, the State trust fund, or any agency of an eligible State, except that no eligible loan shall bear an interest rate in excess of 10 percent per year.

(3) **ELIGIBLE STATE.**—The term “eligible State” means—

(A) the State of Vermont; and

(B) at the option of the Secretary and subject to appropriations, any State that—

(i) operates or administers a land preservation fund that invests funds in the protection or preservation of farmland for agricultural purposes; and

(ii) works in coordination with the governing bodies of counties, towns, townships, villages, or other units of general government below the State level, or with private nonprofit or public organizations, to assist in the preservation of farmland for agricultural purposes.

(4) **LENDING INSTITUTION.**—The term “lending institution” means any Federal or State chartered bank, savings and loan association, cooperative lending agency, other legally organized lending agency, State government or agency, political subdivision of a State, or any nonprofit conservation organization.

¹⁴⁵⁶⁻¹Sec. 858 of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 1173, April 4, 1996, repealed this section.

(5) PROGRAM.—The term “program” means the farmland preservation program established under this chapter to be known as the “Agricultural Resource Conservation Demonstration Program”.

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

(7) STATE.—The term “State” means any State of the United States, the Commonwealth of Puerto Rico, and the Virgin Islands of the United States.

(8) STATE TRUST FUND.—The term “State trust fund” means any trust fund or an account established by an eligible State, or other public instrumentality of the eligible State, where such eligible State is approved to participate by the Secretary in the program under application procedures set forth in section 1466(j) or 1468.

SEC. 1466. [7 U.S.C. 4201 note] ESTABLISHMENT OF PROGRAM.

(a) IN GENERAL.—

(1) PURPOSE.—The Secretary shall establish and implement a program, to be known as the “Agricultural Resource Conservation Demonstration Program”, to provide Federal guarantees and interest assistance for eligible loans described in section 1465(c)(2) made to, or issued for the benefit of, State trust funds.

(2) ASSISTANCE.—Under the program the Secretary shall guarantee for a period of 10 years the timely payment of the principal amount and interest due on each eligible loan described in section 1465(c)(2) made to, or issued for the benefit of, State trust funds and shall for each such 10-year period subsidize the interest on such eligible loans at the allowable interest rate for the first 5 years after the loan is made, or issued, and at no less than 3 percentage points for the second 5 years under procedures described in subsection (b).

(b) MANDATORY ASSISTANCE TO EACH STATE TRUST FUND.—The Secretary shall—

(1) fully guarantee with the full faith and credit of the United States each eligible loan described in section 1465(c)(2) made to, or issued for the benefit of, each State trust fund under procedures established by the Secretary;

(2) annually pay to each State trust fund an amount calculated by applying the allowable interest rate to the amount of each loan described in section 1465(c)(2) made to, or issued for the benefit of, each State trust fund during each of the first 5 years after the date on which each such loan was made or issued; and

(3) annually pay to each State trust fund, for each year during the second 5-year period after each such eligible loan is made to, or issued for the benefit of, the State trust fund, an amount calculated by applying the interest rate difference, between the rate of interest charged to borrowers of direct loans as described in section 316(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(a)(2)) and the allowable interest rate, to the amount of each such loan made to, or issued for the benefit of, the State trust fund, as determined under procedures established by the Secretary.

(c) FUNDING.—

(1) **ISSUANCE OF STOCK.**—The Secretary of Agriculture shall make and issue stock, in the same manner as notes are issued under section 309(c) or 309A(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(c) or 1929a(d)), to the Secretary of the Treasury for the purpose of obtaining funds from the Secretary of the Treasury that are necessary for discharging the obligations of the Secretary of Agriculture under this chapter. The stock shall not pay dividends and shall not be redeemable.

(2) **PURCHASE OF STOCK.**—The Secretary of the Treasury shall provide the funding necessary to implement this chapter. The Secretary of the Treasury shall purchase any stock of the Secretary of Agriculture issued to implement this chapter. The Secretary of the Treasury shall use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code. The purposes for which the securities may be issued under such chapter are extended to include the raising of funds to purchase stock issued by the Secretary of Agriculture to implement this chapter with respect to each eligible State. The Secretary of Agriculture shall make and issue such stock as is necessary to fund this chapter to the Secretary of the Treasury who shall promptly purchase the stock (within 60 days) being offered by the Secretary of Agriculture.

(3) **COMMODITY CREDIT CORPORATION.**—If the Secretary of Agriculture fails to issue stock as required under this chapter, or if funding is otherwise not provided as set forth in this chapter, for the eligible State described in section 1465(c)(3)(A), notwithstanding any other provision of law, the Secretary of Agriculture shall use the funds, services and facilities of the Commodity Credit Corporation to carry out the requirements of this chapter. The procedure described in paragraph (2) shall be used to reimburse the Corporation for funds expended to carry out this paragraph.

(d) **REQUIRED PURCHASES OF STOCK.**—The Secretary shall promptly notify the Secretary of the Treasury, in writing, each time an application of an eligible State is approved by the Secretary under this chapter. The Secretary of the Treasury shall promptly purchase stock (within 60 days) offered by the Secretary under subsection (c) and the Secretary of Agriculture shall deposit the proceeds from each such sale of stock in accounts created to administer the program.

(e) **ENTITLEMENTS.**—The Secretary is entitled to receive funds, and shall receive funds, from the Secretary of the Treasury in an amount equal to the total par-value of the stock issued to the Secretary of the Treasury. Each State trust fund is entitled to receive, and the Secretary of Agriculture shall promptly pay to each such trust fund, amounts calculated under procedures described in subsection (b).

(f) **REGULATIONS.**—Except regarding the eligible State described in section 1465(c)(3)(A), the Secretary shall promulgate proposed and final regulations, under the prior public comment provisions of section 553 of title 5, United States Code, setting forth—

- (1) the application procedures for eligible States;
- (2) the factors to be used in approving applicants;

(3) procedures for the prompt payment of the obligations of the Secretary under subsection (b);

(4) recordkeeping requirements for approved State trust funds;

(5) requirements to prevent program abuse and procedures to recover improperly obtained funds;

(6) rules permitting State trust funds to act as revolving funds or to otherwise accumulate additional capital, based on investments, to be subsequently used to promote the purposes of this chapter; and

(7) any other rules necessary and appropriate to carry out the program.

(g) DURATION OF PROGRAM.—The program established under this chapter shall expire on September 30, 1996, except that any financial obligations of the Secretary shall continue to be met as required by this chapter.

(h) ELIGIBLE USES FOR GUARANTEED LOAN FUNDS.—

(1) IN GENERAL.—Funds from eligible loans (including proceeds from the sale of bonds or other obligations described in section 1465(c)(2)) guaranteed under this chapter, and any earnings of the State trust funds, may be used—

(A) to purchase development rights, conservation easements or other types of easements, or to purchase agricultural land in fee simple or some lesser estate in land;

(B) to pay all reasonable and customary costs including appraisal, survey and engineering fees, and legal expenses;

(C) to pay the costs of enforcing easements or land use restrictions;

(D) to cover the costs of complying with any regulations issued by the Secretary under this program and the costs of implementing the farmland plan of operation, except that the guaranteed loan proceeds shall not be used to pay overhead expenses of the State trust fund (rent, utilities, salaries, wages, insurance premiums, and the like); and

(E) to generate earnings (including through investments not exceeding 10 years in duration for each eligible loan), to be used for future farmland preservation efforts, through investments in direct obligations of the United States or obligations guaranteed by the United States or an agency thereof or by depositing funds in any member bank of the Federal Reserve System or any federally insured State nonmember bank.

(2) COLLATERAL FOR LOANS.—To the extent consistent with relevant banking laws and practices, the investments or deposits described in paragraph (1)(E) may serve as collateral for loans made to, or on behalf of, the State trust fund.

(i) STATE USE OF GUARANTEED LOAN FUNDS.—The Secretary may issue regulations or procedures requiring each State trust fund to report to the Secretary regarding the uses of the eligible loans (described in section 1465(c)(2)) guaranteed by the Secretary and the Secretary may monitor the uses of the funds to ensure that the loans are used for purposes related to this chapter. Neither the Secretary or the lending institution shall have the power to require approval of each specific use of the loans guaranteed by the Secretary, the specific terms of each use of the loan funds, or the specific pro-

visions of each purchase or investment made with loans guaranteed by the Secretary. The Secretary may require that each State trust fund provide a State farmland preservation plan of operation to the Secretary setting forth the plans for administering the program in the State and may require each State trust fund to periodically report to the Secretary on the purchases of interests in farmland and on other specific uses of the funds.

(j) SPECIAL RULES FOR THE PILOT PROJECT STATE.—Notwithstanding any other provisions of this chapter, the following special rules shall apply to the eligible State described in section 1465(c)(3)(A):

(1) PROVISION OF LOAN GUARANTEE AND INTEREST ASSISTANCE AGREEMENT.—Within 30 days of the date any State trust fund in the eligible State receives a commitment for each eligible loan from a lending institution, the Secretary shall provide the lending institution with the loan guarantee and the interest assistance agreement so that the lending institution may disburse the full amount of the loan proceeds to the State trust fund on the date of loan closing to carry out this program. After the loan closing, the lending institution shall have no obligation to monitor or approve the use of loan proceeds by the State trust fund.

(2) APPROVAL OF APPLICATION.—The Secretary shall annually approve the completed application from the eligible State within 30 days after receipt if the application sets forth the general goals and policies of the State trust fund. The Secretary shall provide the Federal assistance required under this chapter beginning on the date the application or plan is approved.

(3) AMOUNT OF GUARANTEES.—The Secretary shall calculate the total amount of guarantees to be provided for fiscal year 1992 in an amount equal to double the sum of—

(A) the amount that was made available in fiscal year 1991 to the State trust fund (the Vermont Conservation and Housing Board regardless of whether the fund had been approved by the Secretary in fiscal year 1991), by the State described in section 1465(c)(3)(A), political subdivisions thereof, charitable organizations, private persons, or any other entity, in addition to the proceeds from the sale of obligations of the State related to the purposes of the State trust fund and the fair market value of donations of interests in land to the State trust fund; and

(B) the matching contribution calculated under section 1468(c) for fiscal year 1992 for the State.

(k) MISCELLANEOUS PROVISIONS.—

(1) OPERATION.—Each State trust fund may operate through nonprofit corporations, municipalities, or other political subdivisions of States in carrying out the purposes of the program established in this chapter.

(2) EARNINGS.—Earnings on funds of each State trust fund may be used for any purposes related to carrying out the operations of the trust fund in a manner not inconsistent with the requirements of this chapter or the farmland preservation plan.

SEC. 1467. [7 U.S.C. 4201 note] FEDERAL ACCOUNTS AND COMPLIANCE.

(a) **ACCOUNTS.**—To carry out the purposes of this chapter, the Secretary may establish in the Treasury of the United States an account, to be known as the “Agricultural Resource Conservation Revolving Fund” (hereafter referred to in this chapter as the “Fund”), for the use by the Secretary to meet the obligations of the Secretary under this chapter.

(b) **COMPLIANCE.**—If the Secretary determines that any State trust fund is failing to comply, to a significant degree, with any requirements of this chapter, the Secretary shall report the failure to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate, shall fully investigate the matter, may decline to provide additional Federal guarantees or interest subsidies to the State trust fund, and shall take other steps as may be appropriate to prevent the use of Federal assistance in a manner not consistent with this chapter.

SEC. 1468. [7 U.S.C. 4201 note] APPLICATIONS AND ADMINISTRATION.

(a) **APPLICATIONS.**—In applying for assistance under this chapter an eligible State described in section 1465(c)(3)(B) shall—

(1) prepare and submit, to the Secretary, an application at such time, in such manner, and containing such information as the Secretary shall require;

(2) agree that the State trust fund will use any funds provided, or guaranteed, by the Secretary under this chapter in a manner that is consistent with the chapter and the regulations promulgated by the Secretary; and

(3) agree to comply with any other requirements set forth in agreements with the Secretary or as the Secretary may prescribe by regulation.

(b) **ANNUAL APPLICATIONS.**—Eligible States described in section 1465(c)(3)(B) may apply for Federal assistance under this chapter on an annual basis. The Secretary shall approve or disapprove each application for assistance, and notify the applicant of the action not later than 30 days after receipt of a complete application.

(c) **MATCH AND MAXIMUM AMOUNT.**—

(1) **IN GENERAL.**—The total amount of any guarantees provided by the Secretary under this program for each eligible State shall equal an amount that is equal to double the amount that is, or shall be, made available to the trust fund (including matching funds described in paragraphs (2) through (4)) in each such eligible State by the State, political subdivisions thereof, charitable organizations, private persons, or any other entity, for acquiring interests in land to protect and preserve important farmlands for future agricultural use but in no event shall the total Federal share exceed \$10,000,000 in any fiscal year for any given State.

(2) **EARNINGS.**—Earnings of the State trust fund and funds expended by the State or the State trust fund prior to loan closing for purposes consistent with this chapter, and in the same fiscal year, may be considered as matching funds.

(3) **OBLIGATIONS.**—Proceeds from the sale of tax-exempt general obligation bonds, or other obligations, of the State or State trust fund shall be an allowable source of matching funds under this chapter for the same fiscal year.

(4) LAND.—The fair market value of any donation of an interest in land to the State trust fund, or a charitable organization working with the State trust fund, may be considered as matching funds, for the same fiscal year, if—

(i)¹⁴⁶⁸⁻¹ the fair market value is based on an appraisal determined to be adequate by the State trust fund; and

(ii)¹⁴⁶⁸⁻² the donation is consistent with the State farmland preservation plan,

except that the value of land donated to charitable organizations by the State trust fund shall not be included as part of the match.

(d) CLARIFICATION OF FEDERAL LAW.—Sellers of land, or of interests in land, to any State trust fund are not, and shall not be considered by the Secretary as, recipients or beneficiaries of Federal assistance.

SEC. 1469. [7 U.S.C. 4201 note] REPORT.

Not later than September 30, 1992, and annually thereafter, the Secretary of Agriculture shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report concerning the operation of the program established under this chapter.

SEC. 1470. [7 U.S.C. 4201 note] IMPLEMENTATION AND EFFECTIVE DATE.

(a) IN GENERAL.—This chapter shall become effective on October 1, 1990. Not later than December 30, 1990, the Secretary shall enter into an agreement with the State of Vermont to provide Federal assistance under this chapter to the State.

(b) REGULATIONS.—Not later than December 31, 1991, the Secretary of Agriculture shall publish in the Federal Register interim final regulations to implement this chapter. The regulations shall not require each State's program to give a priority to the acquisition of land, or interests in land, that is subject to significant urban pressure.

SEC. 1470A. [7 U.S.C. 4201 note] COMPTROLLER GENERAL REPORTS.

On February 15 of 1992, and on December 1 of each of the years 1992 through 1996, the Comptroller General of the United States shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, on whether the Secretary of Agriculture is complying with the requirements of this chapter. The report shall include information concerning loans guaranteed under this chapter and the steps the Secretary of Agriculture has taken to comply with this chapter.

SEC. 1470B. [7 U.S.C. 4201 note] SPECIAL RULES FOR ISSUANCE OF STOCK FOR 1992.

The Secretary shall issue the stock required to be issued to the Secretary of Treasury under this chapter with respect to the eligible State described in section 1465(c)(3)(A), for fiscal year 1992, on or before December 20, 1991.

¹⁴⁶⁸⁻¹ So in law. Probably should be (A).

¹⁴⁶⁸⁻² So in law. Probably should be (B).

Subtitle F—Administration of Environmental Programs

SEC. 1471. [7 U.S.C. 5401] ESTABLISHMENT OF THE AGRICULTURAL COUNCIL ON ENVIRONMENTAL QUALITY.

(a) ESTABLISHMENT.—The Secretary shall establish an Agricultural Council on Environmental Quality in the Department of Agriculture (hereafter in this subtitle referred to as the “Council”). The Council shall be under the direct authority of the Secretary, and shall be responsible for carrying out the provisions of this subtitle, and for coordination and direction of all environmental policies and programs of the Department.

(b) MEMBERSHIP.—Membership of the Council shall consist of the Secretary, the Deputy Secretary, the Assistant Secretary for Natural Resources and Environment, the Assistant Secretary for Science and Education, other under and assistant secretaries as may be designated by the Secretary, and the Director of the Office of Agricultural Environmental Quality, established in section 1472, who shall serve as the Executive Director of the Council. The Secretary shall designate a member of the Council, other than the Executive Director, as chair of the Council.

SEC. 1472. [7 U.S.C. 5402] OFFICE OF AGRICULTURAL ENVIRONMENTAL QUALITY.

(a) ESTABLISHMENT.—The Secretary shall establish an Office of Agricultural Environmental Quality in the Department of Agriculture (hereafter in this subtitle referred to as the “Office”).

(b) DIRECTOR.—The Office shall be administered by a director who shall be appointed by the Secretary. The Director shall be an individual who has demonstrated technical expertise and experience in agricultural and environmental matters.

(c) STAFF.—

(1) APPOINTMENTS.—The Director may appoint such employees as may be necessary to assist the Director in carrying out this section. Such employees shall include individuals who have professional expertise in matters related to environmental quality, including (but not limited to) agricultural production, water quality, wetland, wildlife conservation, soil conservation, and agricultural chemical usage.

(2) LIAISONS.—The Administrator of the Environmental Protection Agency and the Secretary of the Interior shall detail to the Office upon request of the Secretary, on a reimbursable basis, at least one employee, respectively, with expertise in matters related to agriculture and environmental quality. Such detailed employees shall serve as a liaison for their respective agencies with the Department of Agriculture to assist the Director in carrying out the provisions of this section. The term of the detail shall not exceed 3 years.

(3) ADDITIONAL STAFF.—Upon request of the Secretary, the head of any Federal agency is authorized to detail, on a reimbursable basis, employees of such agency to the Office to assist the Director.

(d) DUTIES OF THE DIRECTOR.—

(1) IN GENERAL.—The Director shall assist the Council in developing a departmental and agency-specific environmental quality policy statement and implementation plan and an an-

nual agricultural environmental quality report, as specified in section 1473. The Director shall coordinate and monitor the activities of the Department regarding initiatives and programs related to environmental quality and the interpretation of departmental policies affecting environmental quality. The Director shall serve as a member of the Council and as its Executive Director.

(2) ADDITIONAL DUTIES.—The Director shall also be responsible for—

(A) recommending to the Council environmental protection goals and specific programs, initiatives, and policies that will balance the needs of production agriculture with environmental concerns;

(B) providing advice to the Council on the development, implementation, and review of activities of agencies of the Department to ensure consistency with the Department's environmental protection goals;

(C) coordinating environmental policy within the Department through the program managers, and between the Department and other Federal agencies, regional authorities, State and local governments, land-grant and other colleges and universities, and nonprofit and commercial organizations, regarding programs and actions relating to environmental quality;

(D) serving as a coordinator for the Department's data, information, programs, and initiatives dealing with environmental quality;

(E) developing the plans and reports required as specified by this subtitle; and

(F) providing such staff as may be necessary to support the activities of the Council.

SEC. 1473. [7 U.S.C. 5403] ENVIRONMENTAL QUALITY POLICY STATEMENT.

(a) ENVIRONMENTAL QUALITY POLICY STATEMENT, IMPLEMENTATION PLAN, AND ANNUAL REPORT.—

(1) POLICY STATEMENT.—The Council shall develop an Environmental Quality Policy Statement that identifies goals and objectives for addressing the effects of agriculture on environmental quality. The policy statement shall be based upon an assessment, in accordance with paragraph (2), of the current status and level of effort, in terms of staff and funding, of programs at the Department of Agriculture to evaluate, prevent, and mitigate environmental problems that may result from agricultural production. The policy statement shall be revised at least every 5 years.

(2) ASSESSMENT.—The assessment under paragraph (1) shall include:

(A) Detailed descriptions of the roles of the involved Departmental agencies.

(B) A description of current efforts to coordinate the individual activities of each of the involved departmental agencies.

(C) Recommendations for precluding any undesirable duplication of efforts within the Department and among the Department and other Federal and State programs.

(D) Specific recommendations for new initiatives in monitoring, research, extension, and technical assistance efforts to address present and potential environmental quality problems.

The assessment may incorporate existing documents and planning processes within the Department.

(b) IMPLEMENTATION PLAN.—The Director, subject to the approval of the Council, shall prepare a plan to implement the Environmental Quality Policy Statement. The plan shall include an assessment of the activities of each departmental agency to mitigate or reduce any negative effects on environmental quality of agricultural policies, programs, and practices under their respective jurisdictions and shall describe in detail new departmental and agency-specific initiatives intended to achieve the goals and objectives of the policy statement. The plan shall be revised at least every 5 years.

(c) ANNUAL ENVIRONMENTAL QUALITY REPORT.—Not later than January 31, 1992, and annually thereafter, the Council, through the Director, shall prepare and submit an annual report to the Congress, other appropriate Federal and State agencies, and the public on the progress being made toward the goals and objectives established in the Environmental Quality Policy Statement. The report shall also include—

(1) a review of the environmental activities and initiatives of the Department during the preceding year;

(2) specific action taken to coordinate the environmental programs of the Department with programs of other Federal agencies and related State programs; and

(3) such recommendations as the Secretary considers appropriate regarding current or additional environmental protection programs, initiatives, or policies that will balance the needs of production agriculture while addressing environmental concerns.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated annually not to exceed \$2,000,000 to carry out this subtitle.

[Subtitle G—Water Quality Research, Education, and Coordination ¹⁴⁸¹⁻¹]

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¹⁴⁸¹⁻¹ Subtitle G was repealed by sec. 302(c) of P.L. 105-185, 112 Stat. 563, June 23, 1998.