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## MISCELLANEOUS

### Subtitle A-Crop Insurance

1 **SEC. 10101. EXPECTED LOSS RATIO.**

2 (a) PROJECTED LOSS RATIO.—Section 506(o)(2) of the Federal Crop Insurance Act (7

3 U.S.C. 1506(o)(2)) is amended—

4

5

1 (1) in the paragraph heading, by striking “1998” and inserting “2007”;

2 (2) by striking “1998” and inserting “2007”; and

3 (3) by striking “1.075” and inserting “1.00”.

4 (b) PREMIUMS REQUIRED.—Section 508(d)(1) of the Federal Crop Insurance Act (7  
5 U.S.C. 1508(d)(1)) is amended by striking “1.1” and all that follows through “October 1,  
6 1998” and inserting “1.00 on and after October 1, 2007”.

7 (c) EFFECTIVE DATE.—This section shall take effect on September 30, 2007.

8 (d) ANNUAL REPORTING REQUIREMENT.—The Risk Management Agency will  
9 report annually, by March 1<sup>st</sup>, in the Federal Register—

10 (1) the projected loss ratio upon which premiums are based for the coming  
11 reinsurance year; and

12 (2) the projected loss ratio of the Corporation for the coming reinsurance year that  
13 excludes the portion of the premium paid by the Corporation.

14 **SEC. 10102. INCREASE IN CROP INSURANCE PARTICIPATION WHILE**  
15 **CONTROLLING PROGRAM COSTS.**

16 (a) ADMINISTRATIVE FEE FOR CATASTROPHIC RISK PROTECTION.—Section 508(b)(5)  
17 of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)) is amended by striking  
18 subparagraph (A) and inserting the following:

19 “(A) BASIC FEE.—

20 “(i) IN GENERAL.—Except as provided in clause (ii), each producer shall pay  
21 an administrative fee for catastrophic risk protection in an amount which is, as

1 determined by the Corporation, the greater of-

2 “(I) 25 percent of the premium amount for catastrophic risk protection  
3 established under paragraphs (2)(A) and (4) of subsection (d) per crop per  
4 county; or

5 “(II) \$100 per crop per county.

6 “(ii) MAXIMUM AMOUNT.—The total amount of administrative fees for  
7 catastrophic risk protection payable by a producer under clause (i) shall not  
8 exceed \$5,000 for all crops in all counties.”.

9 (b) ELIGIBILITY FOR DEPARTMENT PROGRAMS.—

10 (1) IN GENERAL,-Section 508(b)(7)(A) of the Federal Crop Insurance Act (7  
11 U.S.C. 1508(b)(7)(A)) is amended to read as follows:

12 “(A) In General.-

13 “(i) REQUIREMENT TO PURCHASE CROP INSURANCE.-Effective for the spring-  
14 planted 2008 and subsequent crops (and fall-planted 2008 crops at the option of  
15 the Secretary), to be eligible for any benefit listed in clause (ii), a person shall  
16 obtain additional coverage under subsection (c) for each crop of economic  
17 significance that-

18 “(I) covers at least 50 percent of loss in yield, on an individual or area  
19 yield basis, and that indemnifies at 100 percent of the expected market price;  
20 or

21 “(II) provides a level of coverage that is comparable to the coverage  
22 described in subclause (I), as determined by the Secretary.

1 “(ii) COVERED BENEFITS.-The benefits covered by the provisions of clause (i)

2 are-

3 “(I) any type of price and income support payment or loan under-

4 “(aa) title I of the Farm Security and Rural Investment Act of 2002 (7  
5 U.S.C. 7901 et seq.);

6 “(bb) the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et  
7 seq.); or

8 “(cc) any similar Act, as determined by the Secretary;

9 “(II) any payment under the conservation reserve program; or

10 “(III) any benefit described under section 371 of the Consolidated Farm  
11 and Rural Development Act (7 U.S.C. 2008f).”.

12 (2) CONFORMING AMENDMENT.-Section 371 of the Consolidated Farm and  
13 Rural Development Act (7 U.S.C. 2008f) is amended by striking “at least catastrophic” to  
14 the end of the sentence and inserting “insurance coverage pursuant to section 508(b)(7) of  
15 the Federal Crop Insurance Act (7 U.S.C.1508(b)(7)).”.

16 (c) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—Section 508(e)(2) of the  
17 Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is amended—

18 (1) in subparagraph (A), by striking “subsection (d)(2)(A)” and inserting  
19 “paragraphs (2)(A) and (4) of subsection (d)”;

20 (2) in subparagraph (B)(i), by striking “67 percent” and inserting “62 percent”;

21 (3) in subparagraph (C)(i), by striking “64 percent” and inserting “59 percent”;

1 (4) in subparagraph (D)(i), by striking “59 percent” and inserting “54 percent”;

2 (5) in subparagraph (E)(i), by striking “55 percent” and inserting “53 percent”;

3 (6) in subparagraph (F)(i), by striking “48 percent” and inserting “46 percent”; and

4 (7) in subparagraph (G)(i), by striking “38 percent” and inserting “36 percent”.

5 (d) CAT RATE ADJUSTMENTS.-Section 508(d) of the Federal Crop Insurance Act (7  
6 U.S.C. 1508(d)) is amended to add at the end the following:

7 “(4) RATE ADJUSTMENT.—The Corporation shall review the premium rates for  
8 catastrophic risk protection coverage and, in any county where the loss ratio for such  
9 coverage has been equal to or less than .90 for at least three of the previous five crop  
10 years, adjust the premium rate to create an expected loss ratio that is equal to the actual  
11 loss ratio described in section 10101(d)(1) of *farm bill 2007*.

12 (e) SHARE OF RISK.—

13 (1) IN GENERAL.-Section 508(k)(3) of the Federal Crop Insurance Act (7 U.S.C.  
14 1508(k)(3)) is amended—

15 (A) by striking “require the” and inserting “require—

16 “(A) the”;

17 (B) by striking the period at the end and inserting “; and”; and

18 (C) by adding at the end the following:

19 “(B)(i) the cumulative underwriting gain or loss, and the associated premium  
20 and losses with such amount, calculated under any reinsurance agreement (except

1 livestock) ceded to the Corporation by each approved insurance provider to be not  
2 less than 22 percent; and

3 “(ii) the Corporation to pay a ceding commission to reinsured companies of 2  
4 percent of the premium used to define the loss ratio for the approved insurance  
5 provider’s book of business that is described in clause (i).”; and

6 (2) CONFORMING AMENDMENTS.-Section 516 of the Federal Crop Insurance Act (7  
7 U.S.C. 1516) is amended-

8 (A) in subsection (a)(2), by adding at the end the following:

9 “(E) Costs associated with the ceding commissions described in section  
10 508(k)(3)(B)(ii).”; and

11 (4) EFFECTIVE DATE.-This section shall take effect on the first June 30<sup>th</sup> after date  
12 of enactment of this Act.

13 (f) REIMBURSEMENT RATE.—Section 508(k)(4)(A) of the Federal Crop Insurance Act  
14 (7 U.S.C. 1508(k)(4)(A)) is amended by striking clause (ii) and inserting the following:

15 “(ii)(I) for each of the 1999 through 2007 reinsurance years, 24.5 percent of  
16 the premium used to define loss ratio; and

17 “(II) for each of the 2008 and subsequent reinsurance years, 22.5 percent  
18 of the premium used to define loss ratio.”.

19 **SEC. 10103. RENEGOTIATION OF STANDARD REINSURANCE**

20 **AGREEMENT.**

21 (a) IN GENERAL.-Section 508(k) of the Federal Crop Insurance Act (7 U.S.C. 1508(k))  
22 is amended by adding at the end the following:

1           “(8) RENEGOTIATION OF STANDARD REINSURANCE AGREEMENT.—The Corporation  
2 may renegotiate the financial terms and conditions of each Standard Reinsurance  
3 Agreement not more frequently than once every 3 years.”.

4           (b) CONFORMING AMENDMENTS.—Sections 536 of the Agricultural Research,  
5 Extension, and Education Reform Act of 1998 (7 U.S.C. 1506 note; Public Law 105-185)  
6 and section 148 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1506 note;  
7 Public Law 106-224) are repealed.

8           **SEC. 10104. ACCESS TO DATA MINING INFORMATION.**

9           Section 515(j)(2) of the Federal Crop Insurance Act (7 U.S.C. 1515(j)(2)) is  
10 amended—

11           (1) by striking “The Secretary” and inserting the following:

12           “(A) IN GENERAL.—The Secretary”; and

13           (2) by adding at the end the following:

14           “(B) ACCESS TO DATA MINING INFORMATION.—

15           “(i) IN GENERAL.—The Secretary shall establish a fee-for-access program  
16 under which approved insurance providers pay to the Secretary a user fee in  
17 exchange for access to the data mining system established under subparagraph  
18 (A) for the purpose of assisting in fraud and abuse detection.

19           “(ii) ACCESS LIMITATION.—In establishing the program under clause (i), the  
20 Secretary shall ensure that an approved insurance provider has access only to  
21 information relating to the producers for which the approved insurance provider

1 provides insurance coverage.

2 “(iii) USE OF FEES.-

3 “(I) ACCOUNT.-There is established a Data Mining Account in the  
4 Treasury of the United States.

5 “(II) DEPOSITS.-Fees collected under this subparagraph, and associated  
6 late payment penalties and interest collected pursuant to section 3717 of title  
7 31, United States Code, shall be deposited into the Account established in  
8 subclause (I).

9 “(III) AVAILABILITY OF FUNDS.-In addition to any other available funds,  
10 amounts in the Account are authorized to be expended without further  
11 appropriation and to remain available until expended by the Secretary.

12 “(IV) PURPOSE OF FUNDS.-The funds deposited in the Data Mining  
13 Account shall be used to maintain and improve the data mining system or  
14 similar data mining activities by the Corporation.”.

15 **SEC. 10105. RESEARCH AND DEVELOPMENT.**

16 (a) RESEARCH AND DEVELOPMENT CONTRACTING AUTHORITY.-Section 522(c)(1) of  
17 the Federal Crop Insurance Act (7 U.S.C. 1522(c)(1)) is amended—

18 (1) in subparagraph (B), by striking “and” at the end;

19 (2) in subparagraph (C), by striking the period at the end and inserting “; and”; and

20 (3) by adding at the end the following:

21 “(D) maintain and improve existing policies, such as reviewing, evaluating, and



1 improving coverage to take into account—

2 “(i) alternative crop uses;

3 “(ii) new crop varieties;

4 “(iii) genetically-modified crops;

5 “(iv) new technologies; and

6 “(v) changing agricultural practices; and

7 “(E) provide improved coverage for value-added commodities and food grade  
8 quality crop production.”.

9 (b) Prohibited Research and Development by the Corporation.- Section 522(e)(4)(B)

10 of the Federal Crop Insurance Act (7 U.S.C. 1522(e)(4)(B)) is amended to read as

11 follows:

12 “(B) EXISTING POLICIES.-The Corporation may conduct such research and  
13 development as necessary to maintain and improve any policy that has been offered  
14 for sale to producers for at least 2 crop years and was developed-

15 “(i) by the Corporation;

16 “(ii) under subsection (c); or

17 “(iii) under section 508(h) that has been transferred to the Corporation for  
18 maintenance.”.

19 **SEC. 10106. EXPANDED USE OF FUNDING TO STRENGTHEN PROGRAM**  
20 **COMPLIANCE.**

21 Section 522(e)(3) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)(3)) is  
22 amended by striking everything “the Corporation may use” through the end of the

1 paragraph and inserting the following: “the Corporation may use—

2 “(A) not more than \$10,000,000 for each fiscal year to improve program  
3 integrity, such as

4 “(i) increasing the number of compliance personnel;

5 “(ii) increasing compliance related training;

6 “(iii) improving analysis tools and technology related to compliance;

7 “(iv) identifying, utilizing, and expanding innovative compliance strategies  
8 and technology; and

9 “(v) developing and maintaining the information management system  
10 developed pursuant to section 10706(b) of the Farm Security and Rural  
11 Investment Act of 2002 (7 U.S.C. 8002(b)); and

12 “(B) any excess amounts to carry out other activities authorized under this  
13 section.”.

14 **SEC. 10107.SUPPLEMENTAL DEDUCTIBLE COVERAGE.**

15 (a) GAP COVERAGE.-

16 (1) IN GENERAL.-Section 508(c)(4) of the Federal Crop Insurance Act (7 U.S.C.  
17 1508(c)(4) is amended-

18 (A) by striking “The level of coverage” and inserting the following:

19 “(A) BASIC COVERAGE.-The level of coverage”; and

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

21 “(B) SUPPLEMENTAL COVERAGE.—

22 “(i) IN GENERAL.-Notwithstanding paragraph (3) and subparagraph (A), the

1 Corporation may offer supplemental coverage, based on an area yield and loss  
2 basis, to cover that portion of a crop loss not covered under the producer's  
3 individual yield and loss basis plan of insurance, including any revenue plan of  
4 insurance with coverage based in part on individual yield and loss.

5 “(ii) LIMITATION.-The sum of the indemnity paid to the producer under the  
6 individual yield and loss plan of insurance and the supplemental coverage may  
7 not exceed 100 percent of the loss incurred by the producer for the crop.”

8 “(iii) ADMINISTRATIVE AND OPERATING EXPENSE REIMBURSEMENT.-  
9 Notwithstanding subsection (k)(4), the reimbursement rate for approved  
10 insurance providers for the supplemental coverage shall equal 6 percent of the  
11 premium used to define the loss ratio.

12 “(iv) DIRECT COVERAGE.-If the Corporation determines that it is in the best  
13 interests of producers, the Corporation may offer supplemental coverage as a  
14 Corporation endorsement to existing plans and policies of crop insurance  
15 authorized under this Act.

16 “(v) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.-  
17 Notwithstanding subsection (e), the amount of the premium to be paid by the  
18 Corporation for supplemental coverage offered pursuant to this subparagraph  
19 shall be determined by the Corporation, but may not exceed the sum of-

20 “(I) 50 percent of the amount of premium established under subsection  
21 (d)(2)(C)(i); and

22 “(II) the amount determined under subsection (d)(2)(C)(ii) for the

1 coverage level selected to cover operating and administrative expenses.”.

2

3 (2) CONFORMING AMENDMENTS.-Section 508(d)(2) of the Federal Crop Insurance  
4 Act (7 U.S.C. 1508(d)(2)) is amended-

5 (A) by striking “additional coverage” the first time it occurs and inserting

6 “additional and supplemental coverages”; and

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

8 “(C) SUPPLEMENTAL COVERAGE.-In the case of supplemental coverage offered  
9 under subsection (c)(4)(B), the amount of the premium shall-

10 “(i) be sufficient to cover anticipated losses and a reasonable reserve; and

11 “(ii) include an amount for operating and administrative expenses, as

12 determined by the Corporation on an industry-wide basis as a percentage of the

13 amount of the premium used to define loss ratio .”.

## 14 **Subtitle B-Livestock**

### 15 **SEC. 10201. PSEUDORABIES ERADICATION PROGRAM.**

16 Section 2506(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (21

17 U.S.C. 114i(d)) is amended by striking “2007” and inserting “2012”.

## 18 **Subtitle C-Specialty Crops**

### 19 **SEC. 10301. FARMERS’ MARKET PROMOTION PROGRAM.**

20 Section 6(e) of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C.

21 3005(e)) is amended by striking “2007” and inserting “2012”.

1     **SEC. 10302. PURCHASE OF FRUITS AND VEGETABLES FOR DOMESTIC**  
2     **NUTRITION BENEFITS PROGRAMS.**

3           (a) TRANSFER TO THE FOOD AND NUTRITION SERVICE.— Amounts made available to  
4     carry out Section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) in excess of the  
5     amounts specified in paragraphs (1) and (2) shall be transferred to the Food and Nutrition  
6     Service for necessary expenses to carry out the National School Lunch Act (42 U.S.C.  
7     1751 et seq.).

8           (1)\$1,169,000,000 in fiscal year 2008, \$1,173,000,000 in fiscal year 2009,  
9     \$1,199,000,000 in fiscal year 2010, \$1,215,000,000 in fiscal year 2011, \$1,231,000,000  
10    in fiscal year 2012, \$1,248,000,000 in fiscal year 2013, \$1,266,000,000 in fiscal year  
11    2014, \$1,284,000,000 in fiscal year 2015, \$1,303,000,000 in fiscal year 2016,  
12    \$1,322,000,000 in fiscal year 2017; plus

13           (2) transfers to the Department of Commerce as authorized by the Fish and Wildlife  
14    Act of August 8, 1956.

15           (b) PURCHASE OF FRUITS AND VEGETABLES.—The Secretary shall expend, from amounts  
16    made available to carry out section 32 of the Act of August 24, 1935 (7 U.S.C. 612c),  
17    \$491,000,000 for fiscal year 2008, \$516,000,000 for fiscal year 2009, \$541,000,000 for  
18    fiscal year 2010, \$566,000,000 for fiscal year 2011, and \$591,000,000 for fiscal year  
19    2012 and each subsequent fiscal year, to purchase fruits and vegetables for the purpose of  
20    providing nutritious foods for use in domestic nutrition assistance programs.

21           (c) FORM OF PURCHASES.—

22           (1) IN GENERAL.—Fruits and vegetables may be purchased in the form of fresh,

1 frozen, dried, or canned fruits and vegetables.

2 (2) SURVEY.-At intervals determined by the Secretary, the Secretary may survey  
3 entities that receive commodities under this paragraph to determine the preferences of  
4 the entities for the types of fruits and vegetables that are most in demand.

5 (3) VALUE ADDED PRODUCTS.-The Secretary may consider offering value-added  
6 fruit and vegetable products, taking into account-

7 (A) whether demand exists for the value-added product; and

8 (B) the interests of recipients.

## 9 **Subtitle D-Administration**

### 10 **SEC. 10401. OUTREACH AND ASSISTANCE FOR SOCIALLY**

### 11 **DISADVANTAGED FARMERS AND RANCHERS.**

12 Section 2501(a)(4)(A) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7  
13 U.S.C. 2279(a)(4)(A)) is amended by striking “2007” and inserting “2012”.

## 14 **Subtitle E-General Provisions**

### 15 **SEC. 10501. COTTON CLASSIFICATION SERVICES.**

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

### 19 **SEC. 10502. ORGANIC FARMING INITIATIVES.**

20 (a) Section 6523 of the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.)

1 is amended to read as follows:

2 **“SEC. 6523. NATIONAL ORGANIC CERTIFICATION COST-SHARE**  
3 **PROGRAM.**

4 “(a) IN GENERAL.-Of funds of the Commodity Credit Corporation, the Secretary shall  
5 use, to the maximum extent practicable, \$5,000,000 for each of fiscal years 2008 through  
6 2012 to provide cost-share assistance to help producers and handlers of agricultural  
7 products in obtaining certification under the national organic program established under  
8 this Act.

9 “(b) FEDERAL SHARE.-

10 “(1) IN GENERAL.-Subject to paragraph (2), the Secretary shall provide as cost share  
11 under this section not more than 75 percent of the costs incurred by a producer or  
12 handler in obtaining certification under the national organic program established under  
13 this Act.

14 “(2) MAXIMUM AMOUNT.-The maximum amount of a payment made to a producer  
15 or handler under this section shall be \$750.

16 “(c) ADMINISTRATION.-The Secretary, to the extent practicable, shall attempt to enroll  
17 every State as a cooperator in the administration of this cost share program for producers  
18 and handlers producing and handling within each cooperator’s State.”

19 (b) ORGANIC PRODUCTION AND MARKETING DATA.-

20 Section 7407 of the Food Security and Rural Investment Act of 2002 (7 U.S.C. 5925c) is  
21 amended to read as follows:

22 “(a) ORGANIC DATA COLLECTION.-To assist organic farmers in making informed

1 production and marketing decisions, the Secretary of Agriculture shall collect and  
2 publish segregated data and survey information about the price, production, and  
3 marketing of major organically produced commodities, as determined by the  
4 Secretary.

5 “(b) FUNDING.--The Secretary of Agriculture shall use, to the maximum extent  
6 practicable, \$1,000,000 of the funds of the Commodity Credit Corporation to carry  
7 out this section, to remain available until expended.”.

## 8 **SUBTITLE F- DAIRY**

### 9 **SEC. 10601.-DAIRY PROMOTION AND RESEARCH PROGRAM.**

10 Section 113(e)(2) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(e)(2))  
11 is amended by striking “2007” and inserting “2012”.

### 12 **SEC. 10602.-DAIRY RESEARCH AND PROMOTION ASSESSMENTS**

13 (a) DAIRY PROMOTION PROGRAM.--Section 111(l) of the Dairy Production Stabilization  
14 Act of 1983 (7 U.S.C. 4502(l)) is amended to read as follows:

15 “(l) the term ‘United States’, when used in a geographical sense, means—

16 “(1) all of the States;

17 “(2) the District of Columbia; and

18 “(3) the Commonwealth of Puerto Rico.”.

19 (b) DAIRY RESEARCH PROGRAM.--Section 130(12) of the Dairy Production Stabilization  
20 Act of 1983 (7 U.S.C. 4531(12)) is amended to read as follows:



- 1           “(12) the term ‘United States’, when used in a geographical sense, means—
- 2           “(1) all of the States;
- 3           “(2) the District of Columbia; and
- 4           “(3) the Commonwealth of Puerto Rico.”.