

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO COMMODITY TITLE  
OFFERED BY M . \_\_\_\_\_**

Strike all of title I and insert the following new title:

1                   **TITLE I—COMMODITY**  
2                   **PROGRAMS**

TITLE I—COMMODITY PROGRAMS

Sec. 1001. Definitions.

Subtitle A—Direct Payments and Counter-Cyclical Payments

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Sec. 1102. Availability of direct payments.

Sec. 1103. Availability of counter-cyclical payments.

Sec. 1104. Producer agreement required as condition of provision of direct payments and counter-cyclical payments.

Sec. 1105. Planting flexibility.

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Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

Sec. 1201. Availability of nonrecourse marketing assistance loans for loan commodities.

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Sec. 1207. Special marketing loan provisions for upland cotton.

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Subtitle F—Administration

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Sec. 1610. Availability of incentive payments for certain producers.

1 **SEC. 1001. DEFINITIONS.**

2 In this title (other than subtitle C):

3 (1) **AGRICULTURAL ACT OF 1949.**—The term  
4 “Agricultural Act of 1949” means the Agricultural  
5 Act of 1949 (7 U.S.C. 1421 et seq.), as in effect  
6 prior to the suspensions under section 171 of the  
7 Federal Agriculture Improvement and Reform Act of  
8 1996 (7 U.S.C. 7301), section 1602(b) of the Farm  
9 Security and Rural Investment Act of 2002 (7  
10 U.S.C. 7992(b)), and section 1602(b) of this Act.

11 (2) **BASE ACRES.**—The term “base acres”, with  
12 respect to a covered commodity on a farm, means  
13 the number of acres established under section 1101  
14 of the Farm Security and Rural Investment Act of  
15 2002 (7 U.S.C. 7911), as in effect on the day before  
16 the date of the enactment of this Act, subject to any  
17 adjustment under section 1101 of this Act.

18 (3) **COUNTER-CYCLICAL PAYMENT.**—The term  
19 “counter-cyclical payment” means a payment made  
20 to producers on a farm under section 1103.

21 (4) **COVERED COMMODITY.**—The term “covered  
22 commodity” means wheat, corn, grain sorghum, bar-  
23 ley, oats, upland cotton, rice, soybeans, and other  
24 oilseeds.

1           (5) DIRECT PAYMENT.—The term “direct pay-  
2           ment” means a payment made to producers on a  
3           farm under section 1102.

4           (6) EFFECTIVE PRICE.—The term “effective  
5           price”, with respect to a covered commodity for a  
6           crop year, means the price calculated by the Sec-  
7           retary under section 1103 to determine whether  
8           counter-cyclical payments are required to be made  
9           for that crop year.

10          (7) EXTRA LONG STAPLE COTTON.—The term  
11          “extra long staple cotton” means cotton that—

12                (A) is produced from pure strain varieties  
13                of the Barbadosense species or any hybrid of the  
14                species, or other similar types of extra long sta-  
15                ple cotton, designated by the Secretary, having  
16                characteristics needed for various end uses for  
17                which United States upland cotton is not suit-  
18                able and grown in irrigated cotton-growing re-  
19                gions of the United States designated by the  
20                Secretary or other areas designated by the Sec-  
21                retary as suitable for the production of the vari-  
22                eties or types; and

23                (B) is ginned on a roller-type gin or, if au-  
24                thorized by the Secretary, ginned on another  
25                type gin for experimental purposes.

1           (8) LOAN COMMODITY.—The term “loan com-  
2           modity” means wheat, corn, grain sorghum, barley,  
3           oats, upland cotton, extra long staple cotton, rice,  
4           soybeans, other oilseeds, wool, mohair, honey, dry  
5           peas, lentils, and small chickpeas.

6           (9) OTHER OILSEED.—The term “other oil-  
7           seed” means a crop of sunflower seed, rapeseed,  
8           canola, safflower, flaxseed, mustard seed, crambe,  
9           sesame seed, or, if designated by the Secretary, an-  
10          other oilseed.

11          (10) PAYMENT ACRES.—The term “payment  
12          acres”, with respect to a covered commodity on a  
13          farm, means 85 percent of the base acres for the  
14          covered commodity, on which direct payments and  
15          counter-cyclical payments are made.

16          (11) PAYMENT YIELD.—The term “payment  
17          yield” means the yield established for direct pay-  
18          ments and counter-cyclical payments under section  
19          1102 of the Farm Security and Rural Investment  
20          Act of 2002 (7 U.S.C. 7912), as in effect on the day  
21          before the date of the enactment of this Act, for a  
22          farm for a covered commodity.

23          (12) PRODUCER.—

24                 (A) IN GENERAL.—The term “producer”  
25                 means an owner, operator, landlord, tenant, or

1 sharecropper that shares in the risk of pro-  
2 ducing a crop and is entitled to share in the  
3 crop available for marketing from the farm, or  
4 would have shared had the crop been produced.

5 (B) HYBRID SEED.—In determining  
6 whether a grower of hybrid seed is a producer,  
7 the Secretary shall—

8 (i) not take into consideration the ex-  
9 istence of a hybrid seed contract; and

10 (ii) ensure that program requirements  
11 do not adversely affect the ability of the  
12 grower to receive a payment under this  
13 title.

14 (13) SECRETARY.—The term “Secretary”  
15 means the Secretary of Agriculture.

16 (14) STATE.—The term “State” means each of  
17 the several States of the United States, the District  
18 of Columbia, the Commonwealth of Puerto Rico, and  
19 any other territory or possession of the United  
20 States.

21 (15) TARGET PRICE.—The term “target price”  
22 means the price per bushel (or other appropriate  
23 unit in the case of upland cotton, rice, and other oil-  
24 seeds) of a covered commodity used to determine the  
25 payment rate for counter-cyclical payments.

1           (16) UNITED STATES.—The term “United  
2 States”, when used in a geographical sense, means  
3 all of the States.

## 4           **Subtitle A—Direct Payments and** 5           **Counter-Cyclical Payments**

### 6           **SEC. 1101. ADJUSTMENTS TO BASE ACRES.**

7           (a) TREATMENT OF CONSERVATION RESERVE CON-  
8 TRACT ACREAGE.—

9           (1) IN GENERAL.—The Secretary shall provide  
10 for an adjustment, as appropriate, in the base acres  
11 for covered commodities for a farm whenever either  
12 of the following circumstances occurs:

13           (A) A conservation reserve contract en-  
14 tered into under section 1231 of the Food Secu-  
15 rity Act of 1985 (16 U.S.C. 3831) with respect  
16 to the farm expires or is voluntarily terminated.

17           (B) Cropland is released from coverage  
18 under a conservation reserve contract by the  
19 Secretary.

20           (2) SPECIAL PAYMENT RULES.—For the crop  
21 year in which a base acres adjustment under para-  
22 graph (1) is first made, the owner of the farm shall  
23 elect to receive either direct payments and counter-  
24 cyclical payments with respect to the acreage added  
25 to the farm under this subsection or a prorated pay-

1       ment under the conservation reserve contract, but  
2       not both.

3       (b) PREVENTION OF EXCESS BASE ACRES.—

4           (1) REQUIRED REDUCTION.—If the sum of the  
5       base acres for a farm, together with the acreage de-  
6       scribed in paragraph (2), exceeds the actual crop-  
7       land acreage of the farm, the Secretary shall reduce  
8       the base acres for 1 or more covered commodities for  
9       the farm so that the sum of the base acres and acre-  
10      age described in paragraph (2) does not exceed the  
11      actual cropland acreage of the farm.

12          (2) OTHER ACREAGE.—For purposes of para-  
13      graph (1), the Secretary shall include the following:

14           (A) Any acreage on the farm enrolled in  
15      the conservation reserve program or wetlands  
16      reserve program under chapter 1 of subtitle D  
17      of title XII of the Food Security Act of 1985  
18      (16 U.S.C. 3830 et seq.).

19           (B) Any other acreage on the farm en-  
20      rolled in a conservation program for which pay-  
21      ments are made in exchange for not producing  
22      an agricultural commodity on the acreage.

23          (3) SELECTION OF ACRES.—The Secretary shall  
24      give the owner of the farm the opportunity to select  
25      the base acres for the farm under subtitle C against

1 which the reduction required by paragraph (1) will  
2 be made.

3 (4) EXCEPTION FOR DOUBLE-CROPPED ACRE-  
4 AGE.—In applying paragraph (1), the Secretary  
5 shall make an exception in the case of double crop-  
6 ping, as determined by the Secretary.

7 (c) PERMANENT REDUCTION IN BASE ACRES.—

8 (1) IN GENERAL.—The owner of a farm may  
9 reduce, at any time, the base acres for any covered  
10 commodity for the farm.

11 (2) ADMINISTRATION.—The reduction shall be  
12 permanent and made in the manner prescribed by  
13 the Secretary.

14 **SEC. 1102. AVAILABILITY OF DIRECT PAYMENTS.**

15 (a) PAYMENT REQUIRED.—For each of the 2008  
16 through 2012 crop years of each covered commodity, the  
17 Secretary shall make direct payments to producers on  
18 farms for which payment yields and base acres are estab-  
19 lished.

20 (b) PAYMENT RATE.—The payment rates used to  
21 make direct payments with respect to covered commodities  
22 for a crop year are as follows:

23 (1) Wheat, \$0.52 per bushel.

24 (2) Corn, \$0.28 per bushel.

25 (3) Grain sorghum, \$0.35 per bushel.



- 1 (4) Barley, \$0.24 per bushel.
- 2 (5) Oats, \$0.024 per bushel.
- 3 (6) Upland cotton, \$0.0667 per pound.
- 4 (7) Rice, \$2.35 per hundredweight.
- 5 (8) Soybeans, \$0.44 per bushel.
- 6 (9) Other oilseeds, \$0.0080 per pound.

7 (c) PAYMENT AMOUNT.—The amount of the direct  
8 payment to be paid to the producers on a farm for a cov-  
9 ered commodity for a crop year shall be equal to the prod-  
10 uct of the following:

11 (1) The payment rate specified in subsection  
12 (b).

13 (2) The payment acres of the covered com-  
14 modity on the farm.

15 (3) The payment yield for the covered com-  
16 modity for the farm.

17 (d) TIME FOR PAYMENT.—

18 (1) IN GENERAL.—In the case of each of the  
19 2008 through 2012 crop years, the Secretary may  
20 not make direct payments before October 1 of the  
21 calendar year in which the crop of the covered com-  
22 modity is harvested.

23 (2) ADVANCE PAYMENTS.—

24 (A) OPTION.—At the option of the pro-  
25 ducers on a farm, up to 22 percent of the direct

1 payment for a covered commodity for any of the  
2 2009 through 2012 crop years shall be paid to  
3 the producers in advance.

4 (B) MONTH.—

5 (i) SELECTION.—The producers shall  
6 select the month within which the advance  
7 payment for a crop year will be made.

8 (ii) OPTIONS.—The month selected  
9 may be any month during the period be-  
10 ginning on December 1 of the calendar  
11 year before the calendar year in which the  
12 crop of the covered commodity is harvested  
13 through the month within which the direct  
14 payment would otherwise be made.

15 (iii) CHANGE.—The producers may  
16 change the selected month for a subse-  
17 quent advance payment by providing ad-  
18 vance notice to the Secretary.

19 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a  
20 producer on a farm that receives an advance direct  
21 payment for a crop year ceases to be a producer on  
22 that farm, or the extent to which the producer  
23 shares in the risk of producing a crop changes, be-  
24 fore the date the remainder of the direct payment is  
25 made, the producer shall be responsible for repaying

1 the Secretary the applicable amount of the advance  
2 payment, as determined by the Secretary.

3 **SEC. 1103. AVAILABILITY OF COUNTER-CYCLICAL PAY-**  
4 **MENTS.**

5 (a) PAYMENT REQUIRED.—For each of the 2008  
6 through 2012 crop years for each covered commodity, the  
7 Secretary shall make counter-cyclical payments to pro-  
8 ducers on farms for which payment yields and base acres  
9 are established with respect to the covered commodity if  
10 the Secretary determines that the effective price for the  
11 covered commodity is less than the target price for the  
12 covered commodity.

13 (b) EFFECTIVE PRICE.—For purposes of subsection  
14 (a), the effective price for a covered commodity is equal  
15 to the sum of the following:

16 (1) The higher of the following:

17 (A) The national average market price re-  
18 ceived by producers during the 12-month mar-  
19 keting year for the covered commodity, as de-  
20 termined by the Secretary.

21 (B) The national average loan rate for a  
22 marketing assistance loan for the covered com-  
23 modity in effect for the applicable period under  
24 subtitle B.

1           (2) The payment rate in effect for the covered  
2 commodity under section 1102 for the purpose of  
3 making direct payments with respect to the covered  
4 commodity.

5           (c) TARGET PRICE.—For purposes of subsection (a),  
6 the target prices for covered commodities shall be as fol-  
7 lows:

8           (1) Wheat, \$3.92 per bushel.

9           (2) Corn, \$2.63 per bushel.

10          (3) Grain sorghum, \$2.57 per bushel.

11          (4) Barley, \$2.24 per bushel.

12          (5) Oats, \$1.44 per bushel.

13          (6) Upland cotton, \$0.7240 per pound.

14          (7) Rice, \$10.50 per hundredweight.

15          (8) Soybeans, \$5.80 per bushel.

16          (9) Other oilseeds, \$0.1010 per pound.

17          (d) PAYMENT RATE.—The payment rate used to  
18 make counter-cyclical payments with respect to a covered  
19 commodity for a crop year shall be equal to the difference  
20 between—

21           (1) the target price for the covered commodity;

22          and

23           (2) the effective price determined under sub-  
24 section (b) for the covered commodity.

1 (e) PAYMENT AMOUNT.—If counter-cyclical pay-  
2 ments are required to be paid for any of the 2008 through  
3 2012 crop years of a covered commodity, the amount of  
4 the counter-cyclical payment to be paid to the producers  
5 on a farm for that crop year shall be equal to the product  
6 of the following:

7 (1) The payment rate specified in subsection  
8 (d).

9 (2) The payment acres of the covered com-  
10 modity on the farm.

11 (3) The payment yield for the farm.

12 (f) TIME FOR PAYMENTS.—

13 (1) GENERAL RULE.—If the Secretary deter-  
14 mines under subsection (a) that counter-cyclical pay-  
15 ments are required to be made under this section for  
16 the crop of a covered commodity, the Secretary shall  
17 make the counter-cyclical payments for the crop as  
18 soon as practicable after the end of the 12-month  
19 marketing year for the covered commodity.

20 (2) AVAILABILITY OF PARTIAL PAYMENTS.—If,  
21 before the end of the 12-month marketing year for  
22 a covered commodity, the Secretary estimates that  
23 counter-cyclical payments will be required for the  
24 crop of the covered commodity, the Secretary shall  
25 give producers on a farm the option to receive par-

1        tial payments of the counter-cyclical payment pro-  
2        jected to be made for that crop of the covered com-  
3        modity.

4            (3) TIME FOR PARTIAL PAYMENTS.—When the  
5        Secretary makes partial payments available for a  
6        covered commodity for each of the 2008 through  
7        2012 crop years—

8            (A) the first partial payment shall be made  
9        after completion of the first 6 months of the  
10       marketing year for the covered commodity; and

11           (B) the final partial payment shall be  
12       made as soon as practicable after the end of the  
13       12-month marketing year for the covered com-  
14       modity.

15           (4) AMOUNT OF PARTIAL PAYMENTS.—

16           (A) FIRST PARTIAL PAYMENT.—For each  
17       of the 2008 through 2012 crop years, the first  
18       partial payment under paragraph (3) to the  
19       producers on a farm may not exceed 40 percent  
20       of the projected counter-cyclical payment for  
21       the covered commodity for the crop year, as de-  
22       termined by the Secretary.

23           (B) FINAL PAYMENT.—The final payment  
24       for each of the 2008 through 2012 crop years  
25       shall be equal to the difference between—

1 (i) the actual counter-cyclical payment  
2 to be made to the producers for the cov-  
3 ered commodity for that crop year; and

4 (ii) the amount of the partial payment  
5 made to the producers under subparagraph  
6 (A).

7 (5) REPAYMENT.—The producers on a farm  
8 that receive a partial payment under this subsection  
9 for a crop year shall repay to the Secretary the  
10 amount, if any, by which the total of the partial pay-  
11 ments exceed the actual counter-cyclical payment to  
12 be made for the covered commodity for that crop  
13 year.

14 **SEC. 1104. PRODUCER AGREEMENT REQUIRED AS CONDI-**  
15 **TION OF PROVISION OF DIRECT PAYMENTS**  
16 **AND COUNTER-CYCLICAL PAYMENTS.**

17 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

18 (1) REQUIREMENTS.—Before the producers on  
19 a farm may receive direct payments or counter-cycli-  
20 cal payments with respect to the farm, the producers  
21 shall agree, during the crop year for which the pay-  
22 ments are made and in exchange for the payments—

23 (A) to comply with applicable conservation  
24 requirements under subtitle B of title XII of

1 the Food Security Act of 1985 (16 U.S.C. 3811  
2 et seq.);

3 (B) to comply with applicable wetland pro-  
4 tection requirements under subtitle C of title  
5 XII of that Act (16 U.S.C. 3821 et seq.);

6 (C) to comply with the planting flexibility  
7 requirements of section 1105;

8 (D) to use the land on the farm, in a  
9 quantity equal to the attributable base acres for  
10 the farm for an agricultural or conserving use,  
11 and not for a nonagricultural commercial or in-  
12 dustrial use, as determined by the Secretary;  
13 and

14 (E) to effectively control noxious weeds  
15 and otherwise maintain the land in accordance  
16 with sound agricultural practices, as determined  
17 by the Secretary.

18 (2) COMPLIANCE.—The Secretary may issue  
19 such rules as the Secretary considers necessary to  
20 ensure producer compliance with the requirements of  
21 paragraph (1).

22 (3) MODIFICATION.—At the request of the  
23 transferee or owner, the Secretary may modify the  
24 requirements of this subsection if the modifications



1 are consistent with the objectives of this subsection,  
2 as determined by the Secretary.

3 (b) TRANSFER OR CHANGE OF INTEREST IN  
4 FARM.—

5 (1) TERMINATION.—

6 (A) IN GENERAL.—Except as provided in  
7 paragraph (2), a transfer of (or change in) the  
8 interest of the producers on a farm in base  
9 acres for which direct payments or counter-cy-  
10 clical payments are made shall result in the ter-  
11 mination of the payments with respect to the  
12 base acres, unless the transferee or owner of  
13 the acreage agrees to assume all obligations  
14 under subsection (a).

15 (B) EFFECTIVE DATE.—The termination  
16 shall take effect on the date determined by the  
17 Secretary.

18 (2) EXCEPTION.—If a producer entitled to a di-  
19 rect payment or counter-cyclical payment dies, be-  
20 comes incompetent, or is otherwise unable to receive  
21 the payment, the Secretary shall make the payment,  
22 in accordance with rules issued by the Secretary.

23 (c) ACREAGE REPORTS.—As a condition on the re-  
24 ceipt of any benefits under this subtitle or subtitle B, the  
25 Secretary shall require producers on a farm to submit to

1 the Secretary annual acreage reports with respect to all  
2 cropland on the farm.

3 (d) TENANTS AND SHARECROPPERS.—In carrying  
4 out this subtitle, the Secretary shall provide adequate safe-  
5 guards to protect the interests of tenants and share-  
6 croppers.

7 (e) SHARING OF PAYMENTS.—The Secretary shall  
8 provide for the sharing of direct payments and counter-  
9 cyclical payments among the producers on a farm on a  
10 fair and equitable basis.

11 **SEC. 1105. PLANTING FLEXIBILITY.**

12 (a) PERMITTED CROPS.—Subject to subsection (b),  
13 any commodity or crop may be planted on base acres on  
14 a farm.

15 (b) LIMITATIONS REGARDING CERTAIN COMMOD-  
16 ITIES.—

17 (1) GENERAL LIMITATION.—The planting of an  
18 agricultural commodity specified in paragraph (3)  
19 shall be prohibited on base acres unless the com-  
20 modity, if planted, is destroyed before harvest.

21 (2) TREATMENT OF TREES AND OTHER  
22 PERENNIALS.—The planting of an agricultural com-  
23 modity specified in paragraph (3) that is produced  
24 on a tree or other perennial plant shall be prohibited  
25 on base acres.

1           (3) COVERED AGRICULTURAL COMMODITIES.—

2           Paragraphs (1) and (2) apply to the following agri-  
3           cultural commodities:

4                   (A) Fruits.

5                   (B) Vegetables (other than lentils, mung  
6           beans, and dry peas).

7                   (C) Wild rice.

8           (e) EXCEPTIONS.—Paragraphs (1) and (2) of sub-  
9           section (b) shall not limit the planting of an agricultural  
10          commodity specified in paragraph (3) of that subsection—

11                   (1) in any region in which there is a history of  
12          double-cropping of covered commodities with agricul-  
13          tural commodities specified in subsection (b)(3), as  
14          determined by the Secretary, in which case the dou-  
15          ble-cropping shall be permitted;

16                   (2) on a farm that the Secretary determines  
17          has a history of planting agricultural commodities  
18          specified in subsection (b)(3) on base acres, except  
19          that direct payments and counter-cyclical payments  
20          shall be reduced by an acre for each acre planted to  
21          such an agricultural commodity; or

22                   (3) by the producers on a farm that the Sec-  
23          retary determines has an established planting his-  
24          tory of a specific agricultural commodity specified in  
25          subsection (b)(3), except that—

1 (A) the quantity planted may not exceed  
2 the average annual planting history of such ag-  
3 ricultural commodity by the producers on the  
4 farm in the 1991 through 1995 or 1998  
5 through 2001 crop years (excluding any crop  
6 year in which no plantings were made), as de-  
7 termined by the Secretary; and

8 (B) direct payments and counter-cyclical  
9 payments shall be reduced by an acre for each  
10 acre planted to such agricultural commodity.

11 **SEC. 1106. PERIOD OF EFFECTIVENESS.**

12 This subtitle shall be effective beginning with the  
13 2008 crop year of each covered commodity through the  
14 2012 crop year.

15 **Subtitle B—Marketing Assistance**  
16 **Loans and Loan Deficiency Pay-**  
17 **ments**

18 **SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING**  
19 **ASSISTANCE LOANS FOR LOAN COMMOD-**  
20 **ITIES.**

21 (a) NONRECOURSE LOANS AVAILABLE.—

22 (1) AVAILABILITY.—For each of the 2008  
23 through 2012 crops of each loan commodity, the  
24 Secretary shall make available to producers on a

1 farm nonrecourse marketing assistance loans for  
2 loan commodities produced on the farm.

3 (2) TERMS AND CONDITIONS.—The marketing  
4 assistance loans shall be made under terms and con-  
5 ditions that are prescribed by the Secretary and at  
6 the loan rate established under section 1202 for the  
7 loan commodity.

8 (b) ELIGIBLE PRODUCTION.—The producers on a  
9 farm shall be eligible for a marketing assistance loan  
10 under subsection (a) for any quantity of a loan commodity  
11 produced on the farm.

12 (c) TREATMENT OF CERTAIN COMMINGLED COM-  
13 MODITIES.—In carrying out this subtitle, the Secretary  
14 shall make loans to producers on a farm that would be  
15 eligible to obtain a marketing assistance loan, but for the  
16 fact the loan commodity owned by the producers on the  
17 farm commingled with loan commodities of other pro-  
18 ducers in facilities unlicensed for the storage of agricul-  
19 tural commodities by the Secretary or a State licensing  
20 authority, if the producers obtaining the loan agree to im-  
21 mediately redeem the loan collateral in accordance with  
22 section 166 of the Federal Agriculture Improvement and  
23 Reform Act of 1996 (7 U.S.C. 7286).

24 (d) COMPLIANCE WITH CONSERVATION AND WET-  
25 LANDS REQUIREMENTS.—As a condition of the receipt of

1 a marketing assistance loan under subsection (a), the pro-  
2 ducer shall comply with applicable conservation require-  
3 ments under subtitle B of title XII of the Food Security  
4 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-  
5 land protection requirements under subtitle C of title XII  
6 of the Act (16 U.S.C. 3821 et seq.) during the term of  
7 the loan.

8 **SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING**  
9 **ASSISTANCE LOANS.**

10 (a) **LOAN RATES.**—The loan rate for a marketing as-  
11 sistance loan under section 1201 for a loan commodity  
12 shall be equal to the following:

- 13 (1) In the case of wheat, \$2.75 per bushel.
- 14 (2) In the case of corn, \$1.95 per bushel.
- 15 (3) In the case of grain sorghum, \$1.95 per  
16 bushel.
- 17 (4) In the case of barley, \$1.85 per bushel.
- 18 (5) In the case of oats, \$1.33 per bushel.
- 19 (6) In the case of upland cotton, \$0.52 per  
20 pound.
- 21 (7) In the case of extra long staple cotton,  
22 \$0.7977 per pound.
- 23 (8) In the case of rice, \$6.50 per hundred-  
24 weight.
- 25 (9) In the case of soybeans, \$5.00 per bushel.

1           (10) In the case of other oilseeds, \$.0930 per  
2           pound for each of the following kinds of oilseeds:

3           (A) Sunflower seed.

4           (B) Rapeseed.

5           (C) Canola.

6           (D) Safflower.

7           (E) Flaxseed.

8           (F) Mustard seed.

9           (G) Crambe.

10          (H) Sesame seed.

11          (I) Other oilseeds designated by the Sec-  
12          retary.

13          (11) In the case of dry peas, \$6.22 per hun-  
14          dredweight.

15          (12) In the case of lentils, \$11.72 per hundred-  
16          weight.

17          (13) In the case of small chickpeas, \$7.43 per  
18          hundredweight.

19          (b) SINGLE COUNTY LOAN RATE FOR OTHER OIL-  
20          SEEDS.—The Secretary shall establish a single loan rate  
21          in each county for each kind of other oilseeds described  
22          in subsection (a)(10).

23          (c) QUALITY GRADES FOR DRY PEAS, LENTILS, AND  
24          SMALL CHICKPEAS.—The loan rate for dry peas, lentils,  
25          and small chickpeas shall be based on—

1           (1) in the case of dry peas, United States feed  
2           peas;

3           (2) in the case of lentils, United States number  
4           3 lentils; and

5           (3) in the case of small chickpeas, United  
6           States number 3 small chickpeas that drop below a  
7           20/64 screen.

8   **SEC. 1203. TERM OF LOANS.**

9           (a) **TERM OF LOAN.**—In the case of each loan com-  
10          modity, a marketing assistance loan under section 1201  
11          shall have a term of 9 months beginning on the first day  
12          of the first month after the month in which the loan is  
13          made.

14          (b) **EXTENSIONS PROHIBITED.**—The Secretary may  
15          not extend the term of a marketing assistance loan for  
16          any loan commodity.

17   **SEC. 1204. REPAYMENT OF LOANS.**

18          (a) **GENERAL RULE.**—The Secretary shall permit the  
19          producers on a farm to repay a marketing assistance loan  
20          under section 1201 for a loan commodity (other than up-  
21          land cotton, rice, extra long staple cotton, and confec-  
22          tionery and each other kind of sunflower seed (other than  
23          oil sunflower seed)) at—

24                 (1) the loan rate established for the commodity  
25                 under section 1202, plus interest (determined in ac-



1 cordance with section 163 of the Federal Agriculture  
2 Improvement and Reform Act of 1996 (7 U.S.C.  
3 7283)); or

4 (2) a rate that the Secretary determines will—

5 (A) minimize potential loan forfeitures;

6 (B) minimize the accumulation of stocks of  
7 the commodity by the Federal Government;

8 (C) minimize the cost incurred by the Fed-  
9 eral Government in storing the commodity;

10 (D) allow the commodity produced in the  
11 United States to be marketed freely and com-  
12 petitively, both domestically and internationally;  
13 and

14 (E) minimize discrepancies in marketing  
15 loan benefits across State boundaries and  
16 across county boundaries.

17 (b) REPAYMENT RATES FOR UPLAND COTTON AND  
18 RICE.—The Secretary shall permit producers to repay a  
19 marketing assistance loan under section 1201 for upland  
20 cotton and rice at a rate that is the lesser of—

21 (1) the loan rate established for the commodity  
22 under section 1202, plus interest (determined in ac-  
23 cordance with section 163 of the Federal Agriculture  
24 Improvement and Reform Act of 1996 (7 U.S.C.  
25 7283)); or

1           (2) the prevailing world market price for the  
2 commodity (adjusted to United States quality and  
3 location), as determined by the Secretary.

4           (c) REPAYMENT RATES FOR EXTRA LONG STAPLE  
5 COTTON.—Repayment of a marketing assistance loan for  
6 extra long staple cotton shall be at the loan rate estab-  
7 lished for the commodity under section 1202, plus interest  
8 (determined in accordance with section 163 of the Federal  
9 Agriculture Improvement and Reform Act of 1996 (7  
10 U.S.C. 7283)).

11          (d) PREVAILING WORLD MARKET PRICE.—For pur-  
12 poses of this section and section 1207, the Secretary shall  
13 prescribe by regulation—

14           (1) a formula to determine the prevailing world  
15 market price for upland cotton and rice, adjusted to  
16 United States quality and location; and

17           (2) a mechanism by which the Secretary shall  
18 announce periodically the prevailing world market  
19 price for upland cotton and rice.

20          (e) ADJUSTMENT OF PREVAILING WORLD MARKET  
21 PRICE FOR UPLAND COTTON.—

22           (1) IN GENERAL.—During the period beginning  
23 on the date of the enactment of this Act through  
24 July 31, 2013, the prevailing world market price for  
25 upland cotton (adjusted to United States quality and

1 location) established under subsection (d) shall be  
2 further adjusted if—

3 (A) the adjusted prevailing world market  
4 price is less than 115 percent of the loan rate  
5 for upland cotton established under section  
6 1202, as determined by the Secretary; and

7 (B) the Friday through Thursday average  
8 price quotation for the lowest-priced United  
9 States growth as quoted for Middling (M)  $1\frac{3}{32}$ -  
10 inch cotton delivered C.I.F. Northern Europe is  
11 greater than the Friday through Thursday av-  
12 erage price of the 5 lowest-priced growths of  
13 upland cotton, as quoted for Middling (M)  
14  $1\frac{3}{32}$ -inch cotton, delivered C.I.F. Northern Eu-  
15 rope (referred to in this section as the “North-  
16 ern Europe price”).

17 (2) FURTHER ADJUSTMENT.—Except as pro-  
18 vided in paragraph (3), the adjusted prevailing world  
19 market price for upland cotton shall be further ad-  
20 justed on the basis of some or all of the following  
21 data, as available:

22 (A) The United States share of world ex-  
23 ports.

24 (B) The current level of cotton export sales  
25 and cotton export shipments.

1 (C) Other data determined by the Sec-  
2 retary to be relevant in establishing an accurate  
3 prevailing world market price for upland cotton  
4 (adjusted to United States quality and loca-  
5 tion).

6 (3) LIMITATION ON FURTHER ADJUSTMENT.—  
7 The adjustment under paragraph (2) may not ex-  
8 ceed the difference between—

9 (A) the Friday through Thursday average  
10 price for the lowest-priced United States growth  
11 as quoted for Middling 1<sup>3</sup>/<sub>32</sub>-inch cotton deliv-  
12 ered C.I.F. Northern Europe; and

13 (B) the Northern Europe price.

14 (f) REPAYMENT RATES FOR CONFECTIONERY AND  
15 OTHER KINDS OF SUNFLOWER SEEDS.—The Secretary  
16 shall permit the producers on a farm to repay a marketing  
17 assistance loan under section 1201 for confectionery and  
18 each other kind of sunflower seed (other than oil sunflower  
19 seed) at a rate that is the lesser of—

20 (1) the loan rate established for the commodity  
21 under section 1202, plus interest (determined in ac-  
22 cordance with section 163 of the Federal Agriculture  
23 Improvement and Reform Act of 1996 (7 U.S.C.  
24 7283)); or

1           (2) the repayment rate established for oil sun-  
2 flower seed.

3           (g) **QUALITY GRADES FOR DRY PEAS, LENTILS, AND**  
4 **SMALL CHICKPEAS.**—The loan repayment rate for dry  
5 peas, lentils, and small chickpeas shall be based on the  
6 quality grades for the applicable commodity specified in  
7 section 1202(c).

8 **SEC. 1205. LOAN DEFICIENCY PAYMENTS.**

9           (a) **AVAILABILITY OF LOAN DEFICIENCY PAY-**  
10 **MENTS.**—

11           (1) **IN GENERAL.**—Except as provided in sub-  
12 section (d), the Secretary may make loan deficiency  
13 payments available to producers on a farm that, al-  
14 though eligible to obtain a marketing assistance loan  
15 under section 1201 with respect to a loan com-  
16 modity, agree to forgo obtaining the loan for the  
17 commodity in return for loan deficiency payments  
18 under this section.

19           (2) **UNSHORN PELTS, HAY, AND SILAGE.**—

20           (A) **MARKETING ASSISTANCE LOANS.**—

21           Subject to subparagraph (B), nongraded wool  
22 in the form of unshorn pelts and hay and silage  
23 derived from a loan commodity are not eligible  
24 for a marketing assistance loan under section  
25 1201.

1 (B) LOAN DEFICIENCY PAYMENT.—Effective  
2 tive for the 2008 through 2012 crop years, the  
3 Secretary may make loan deficiency payments  
4 available under this section to producers on a  
5 farm that produce unshorn pelts or hay and si-  
6 lage derived from a loan commodity.

7 (b) COMPUTATION.—A loan deficiency payment for a  
8 loan commodity or commodity referred to in subsection  
9 (a)(2) shall be computed by multiplying—

10 (1) the payment rate determined under sub-  
11 section (c) for the commodity; by

12 (2) the quantity of the commodity produced by  
13 the eligible producers, excluding any quantity for  
14 which the producers obtain a marketing assistance  
15 loan under section 1201.

16 (c) PAYMENT RATE.—

17 (1) IN GENERAL.—In the case of a loan com-  
18 modity, the payment rate shall be the amount by  
19 which—

20 (A) the loan rate established under section  
21 1202 for the loan commodity; exceeds

22 (B) the rate at which a marketing assist-  
23 ance loan for the loan commodity may be repaid  
24 under section 1204.

1           (2) UNSHORN PELTS.—In the case of unshorn  
2           pelts, the payment rate shall be the amount by  
3           which—

4                   (A) the loan rate established under section  
5           1202 for ungraded wool; exceeds

6                   (B) the rate at which a marketing assist-  
7           ance loan for ungraded wool may be repaid  
8           under section 1204.

9           (3) HAY AND SILAGE.—In the case of hay or si-  
10          lage derived from a loan commodity, the payment  
11          rate shall be the amount by which—

12                   (A) the loan rate established under section  
13          1202 for the loan commodity from which the  
14          hay or silage is derived; exceeds

15                   (B) the rate at which a marketing assist-  
16          ance loan for the loan commodity may be repaid  
17          under section 1204.

18          (d) EXCEPTION FOR EXTRA LONG STAPLE COT-  
19          TON.—This section shall not apply with respect to extra  
20          long staple cotton.

21          (e) EFFECTIVE DATE FOR PAYMENT RATE DETER-  
22          MINATION.—The Secretary shall determine the amount of  
23          the loan deficiency payment to be made under this section  
24          to the producers on a farm with respect to a quantity of  
25          a loan commodity or commodity referred to in subsection

1 (a)(2) using the payment rate in effect under subsection  
2 (c) as of the date the producers request the payment.

3 **SEC. 1206. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAY-**  
4 **MENTS FOR GRAZED ACREAGE.**

5 (a) ELIGIBLE PRODUCERS.—

6 (1) IN GENERAL.—Effective for the 2008  
7 through 2012 crop years, in the case of a producer  
8 that would be eligible for a loan deficiency payment  
9 under section 1205 for wheat, barley, or oats, but  
10 that elects to use acreage planted to the wheat, bar-  
11 ley, or oats for the grazing of livestock, the Sec-  
12 retary shall make a payment to the producer under  
13 this section if the producer enters into an agreement  
14 with the Secretary to forgo any other harvesting of  
15 the wheat, barley, or oats on that acreage.

16 (2) GRAZING OF TRITICALE ACREAGE.—Effec-  
17 tive for the 2008 through 2012 crop years, with re-  
18 spect to a producer on a farm that uses acreage  
19 planted to triticale for the grazing of livestock, the  
20 Secretary shall make a payment to the producer  
21 under this section if the producer enters into an  
22 agreement with the Secretary to forgo any other  
23 harvesting of triticale on that acreage.

24 (b) PAYMENT AMOUNT.—



1           (1) IN GENERAL.—The amount of a payment  
2           made under this section to a producer on a farm de-  
3           scribed in subsection (a)(1) shall be equal to the  
4           amount determined by multiplying—

5                   (A) the loan deficiency payment rate deter-  
6                   mined under section 1205(c) in effect, as of the  
7                   date of the agreement, for the county in which  
8                   the farm is located; by

9                   (B) the payment quantity determined by  
10                  multiplying—

11                          (i) the quantity of the grazed acreage  
12                          on the farm with respect to which the pro-  
13                          ducer elects to forgo harvesting of wheat,  
14                          barley, or oats; and

15                          (ii) the payment yield in effect for the  
16                          calculation of direct payments under sub-  
17                          title A with respect to that loan commodity  
18                          on the farm or, in the case of a farm with-  
19                          out a payment yield for that loan com-  
20                          modity, an appropriate yield established by  
21                          the Secretary in a manner consistent with  
22                          section 1102 of the Farm Security and  
23                          Rural Investment Act of 2002 (7 U.S.C.  
24                          7912).

1           (2) GRAZING OF TRITICALE ACREAGE.—The  
2           amount of a payment made under this section to a  
3           producer on a farm described in subsection (a)(2)  
4           shall be equal to the amount determined by multi-  
5           plying—

6                   (A) the loan deficiency payment rate deter-  
7                   mined under section 1205(c) in effect for  
8                   wheat, as of the date of the agreement, for the  
9                   county in which the farm is located; by

10                   (B) the payment quantity determined by  
11                   multiplying—

12                           (i) the quantity of the grazed acreage  
13                           on the farm with respect to which the pro-  
14                           ducer elects to forgo harvesting of triticale;  
15                           and

16                           (ii) the payment yield in effect for the  
17                           calculation of direct payments under sub-  
18                           title A with respect to wheat on the farm  
19                           or, in the case of a farm without a pay-  
20                           ment yield for wheat, an appropriate yield  
21                           established by the Secretary in a manner  
22                           consistent with section 1102 of the Farm  
23                           Security and Rural Investment Act of  
24                           2002 (7 U.S.C. 7912).

1 (c) TIME, MANNER, AND AVAILABILITY OF PAY-  
2 MENT.—

3 (1) TIME AND MANNER.—A payment under this  
4 section shall be made at the same time and in the  
5 same manner as loan deficiency payments are made  
6 under section 1205.

7 (2) AVAILABILITY.—

8 (A) IN GENERAL.—The Secretary shall es-  
9 tablish an availability period for the payments  
10 authorized by this section.

11 (B) CERTAIN COMMODITIES.—In the case  
12 of wheat, barley, and oats, the availability pe-  
13 riod shall be consistent with the availability pe-  
14 riod for the commodity established by the Sec-  
15 retary for marketing assistance loans author-  
16 ized by this subtitle.

17 (d) PROHIBITION ON CROP INSURANCE INDEMNITY  
18 OR NONINSURED CROP ASSISTANCE.—A 2008 through  
19 2012 crop of wheat, barley, oats, or triticale planted on  
20 acreage that a producer elects, in the agreement required  
21 by subsection (a), to use for the grazing of livestock in  
22 lieu of any other harvesting of the crop shall not be eligible  
23 for an indemnity under the Federal Crop Insurance Act  
24 (7 U.S.C. 1501 et seq.) or noninsured crop assistance

1 under section 196 of the Federal Agriculture Improvement  
2 and Reform Act of 1996 (7 U.S.C. 7333).

3 **SEC. 1207. SPECIAL MARKETING LOAN PROVISIONS FOR**  
4 **UPLAND COTTON.**

5 (a) SPECIAL IMPORT QUOTA.—

6 (1) DEFINITION OF SPECIAL IMPORT QUOTA.—

7 In this subsection, the term “special import quota”  
8 means a quantity of imports that is not subject to  
9 the over-quota tariff rate of a tariff-rate quota.

10 (2) ESTABLISHMENT.—

11 (A) IN GENERAL.—The President shall  
12 carry out an import quota program during the  
13 period beginning on the date of the enactment  
14 of this Act through July 31, 2013, as provided  
15 in this subsection.

16 (B) PROGRAM REQUIREMENTS.—Whenever  
17 the Secretary determines and announces that  
18 for any consecutive 4-week period, the Friday  
19 through Thursday average price quotation for  
20 the lowest-priced United States growth, as  
21 quoted for Middling (M) 1<sup>3</sup>/<sub>32</sub>-inch cotton, deliv-  
22 ered C.I.F. Northern Europe, adjusted for the  
23 value of any certificate issued under subsection  
24 (a), exceeds the Northern Europe price by more

1           than 1.25 cents per pound, there shall imme-  
2           diately be in effect a special import quota.

3           (C) DELAYED APPLICATION OF THRESH-  
4           OLD.—Through July 31, 2013, the Secretary  
5           shall make the calculation under subparagraph  
6           (B) without regard to the 1.25 cent threshold  
7           provided under that subparagraph.

8           (3) QUANTITY.—The quota shall be equal to 1  
9           week's consumption of upland cotton by domestic  
10          mills at the seasonally adjusted average rate of the  
11          most recent 3 months for which data are available.

12          (4) APPLICATION.—The quota shall apply to  
13          upland cotton purchased not later than 90 days  
14          after the date of the Secretary's announcement  
15          under paragraph (1) and entered into the United  
16          States not later than 180 days after that date.

17          (5) OVERLAP.—A special quota period may be  
18          established that overlaps any existing quota period if  
19          required by paragraph (2), except that a special  
20          quota period may not be established under this sub-  
21          section if a quota period has been established under  
22          subsection (b).

23          (6) PREFERENTIAL TARIFF TREATMENT.—The  
24          quantity under a special import quota shall be con-  
25          sidered to be an in-quota quantity for purposes of—

1 (A) section 213(d) of the Caribbean Basin  
2 Economic Recovery Act (19 U.S.C. 2703(d));

3 (B) section 204 of the Andean Trade Pref-  
4 erence Act (19 U.S.C. 3203);

5 (C) section 503(d) of the Trade Act of  
6 1974 (19 U.S.C. 2463(d)); and

7 (D) General Note 3(a)(iv) to the Har-  
8 monized Tariff Schedule.

9 (7) LIMITATION.—The quantity of cotton en-  
10 tered into the United States during any marketing  
11 year under the special import quota established  
12 under this subsection may not exceed the equivalent  
13 of 5 week’s consumption of upland cotton by domes-  
14 tic mills at the seasonally adjusted average rate of  
15 the 3 months immediately preceding the first special  
16 import quota established in any marketing year.

17 (b) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND  
18 COTTON.—

19 (1) DEFINITIONS.—In this subsection:

20 (A) SUPPLY.—The term “supply” means,  
21 using the latest official data of the Bureau of  
22 the Census, the Department of Agriculture, and  
23 the Department of the Treasury—

24 (i) the carry-over of upland cotton at  
25 the beginning of the marketing year (ad-

1                   justed to 480-pound bales) in which the  
2                   quota is established;

3                   (ii) production of the current crop;  
4                   and

5                   (iii) imports to the latest date avail-  
6                   able during the marketing year.

7                   (B) DEMAND.—The term “demand”  
8                   means—

9                   (i) the average seasonally adjusted an-  
10                  nual rate of domestic mill consumption  
11                  during the most recent 3 months for which  
12                  data are available; and

13                  (ii) the larger of—

14                         (I) average exports of upland cot-  
15                         ton during the preceding 6 marketing  
16                         years; or

17                         (II) cumulative exports of upland  
18                         cotton plus outstanding export sales  
19                         for the marketing year in which the  
20                         quota is established.

21                   (C) LIMITED GLOBAL IMPORT QUOTA.—  
22                   The term “limited global import quota” means  
23                   a quantity of imports that is not subject to the  
24                   over-quota tariff rate of a tariff-rate quota.

1           (2) PROGRAM.—The President shall carry out  
2           an import quota program that provides that when-  
3           ever the Secretary determines and announces that  
4           the average price of the base quality of upland cot-  
5           ton, as determined by the Secretary, in the des-  
6           ignated spot markets for a month exceeded 130 per-  
7           cent of the average price of the quality of cotton in  
8           the markets for the preceding 36 months, notwith-  
9           standing any other provision of law, there shall im-  
10          mediately be in effect a limited global import quota  
11          subject to the following conditions:

12                 (A) QUANTITY.—The quantity of the quota  
13                 shall be equal to 21 days of domestic mill con-  
14                 sumption of upland cotton at the seasonally ad-  
15                 justed average rate of the most recent 3 months  
16                 for which data are available.

17                 (B) QUANTITY IF PRIOR QUOTA.—If a  
18                 quota has been established under this sub-  
19                 section during the preceding 12 months, the  
20                 quantity of the quota next established under  
21                 this subsection shall be the smaller of 21 days  
22                 of domestic mill consumption calculated under  
23                 subparagraph (A) or the quantity required to  
24                 increase the supply to 130 percent of the de-  
25                 mand.



1 (C) PREFERENTIAL TARIFF TREAT-  
2 MENT.—The quantity under a limited global  
3 import quota shall be considered to be an in-  
4 quota quantity for purposes of—

5 (i) section 213(d) of the Caribbean  
6 Basin Economic Recovery Act (19 U.S.C.  
7 2703(d));

8 (ii) section 204 of the Andean Trade  
9 Preference Act (19 U.S.C. 3203);

10 (iii) section 503(d) of the Trade Act  
11 of 1974 (19 U.S.C. 2463(d)); and

12 (iv) General Note 3(a)(iv) to the Har-  
13 monized Tariff Schedule.

14 (D) QUOTA ENTRY PERIOD.—When a  
15 quota is established under this subsection, cot-  
16 ton may be entered under the quota during the  
17 90-day period beginning on the date the quota  
18 is established by the Secretary.

19 (3) NO OVERLAP.—Notwithstanding paragraph  
20 (2), a quota period may not be established that over-  
21 laps an existing quota period or a special quota pe-  
22 riod established under subsection (a).

1 **SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**  
2 **LONG STAPLE COTTON.**

3 (a) **COMPETITIVENESS PROGRAM.**—Notwithstanding  
4 any other provision of law, during the period beginning  
5 on the date of the enactment of this Act through July 31,  
6 2013, the Secretary shall carry out a program—

7 (1) to maintain and expand the domestic use of  
8 extra long staple cotton produced in the United  
9 States;

10 (2) to increase exports of extra long staple cot-  
11 ton produced in the United States; and

12 (3) to ensure that extra long staple cotton pro-  
13 duced in the United States remains competitive in  
14 world markets.

15 (b) **PAYMENTS UNDER PROGRAM; TRIGGER.**—Under  
16 the program, the Secretary shall make payments available  
17 under this section whenever—

18 (1) for a consecutive 4-week period, the world  
19 market price for the lowest priced competing growth  
20 of extra long staple cotton (adjusted to United  
21 States quality and location and for other factors af-  
22 fecting the competitiveness of such cotton), as deter-  
23 mined by the Secretary, is below the prevailing  
24 United States price for a competing growth of extra  
25 long staple cotton; and

1           (2) the lowest priced competing growth of extra  
2           long staple cotton (adjusted to United States quality  
3           and location and for other factors affecting the com-  
4           petitiveness of such cotton), as determined by the  
5           Secretary, is less than 134 percent of the loan rate  
6           for extra long staple cotton.

7           (c) ELIGIBLE RECIPIENTS.—The Secretary shall  
8           make payments available under this section to domestic  
9           users of extra long staple cotton produced in the United  
10          States and exporters of extra long staple cotton produced  
11          in the United States that enter into an agreement with  
12          the Commodity Credit Corporation to participate in the  
13          program under this section.

14          (d) PAYMENT AMOUNT.—Payments under this sec-  
15          tion shall be based on the amount of the difference in the  
16          prices referred to in subsection (b)(1) during the fourth  
17          week of the consecutive 4-week period multiplied by the  
18          amount of documented purchases by domestic users and  
19          sales for export by exporters made in the week following  
20          such a consecutive 4-week period.

21          (e) FORM OF PAYMENT.—Payments under this sec-  
22          tion shall be made through the issuance of cash or mar-  
23          keting certificates, at the option of eligible recipients of  
24          the payments.

1 **SEC. 1209. AVAILABILITY OF RECOURSE LOANS FOR HIGH**  
2 **MOISTURE FEED GRAINS AND SEED COTTON.**

3 (a) HIGH MOISTURE FEED GRAINS.—

4 (1) DEFINITION OF HIGH MOISTURE STATE.—

5 In this subsection, the term “high moisture state”  
6 means corn or grain sorghum having a moisture con-  
7 tent in excess of Commodity Credit Corporation  
8 standards for marketing assistance loans made by  
9 the Secretary under section 1201.

10 (2) RECOURSE LOANS AVAILABLE.—For each of  
11 the 2008 through 2012 crops of corn and grain sor-  
12 ghum, the Secretary shall make available recourse  
13 loans, as determined by the Secretary, to producers  
14 on a farm that—

15 (A) normally harvest all or a portion of  
16 their crop of corn or grain sorghum in a high  
17 moisture state;

18 (B) present—

19 (i) certified scale tickets from an in-  
20 spected, certified commercial scale, includ-  
21 ing a licensed warehouse, feedlot, feed mill,  
22 distillery, or other similar entity approved  
23 by the Secretary, pursuant to regulations  
24 issued by the Secretary; or

25 (ii) field or other physical measure-  
26 ments of the standing or stored crop in re-

1           gions of the United States, as determined  
2           by the Secretary, that do not have certified  
3           commercial scales from which certified  
4           scale tickets may be obtained within rea-  
5           sonable proximity of harvest operation;

6           (C) certify that they were the owners of  
7           the feed grain at the time of delivery to, and  
8           that the quantity to be placed under loan under  
9           this subsection was in fact harvested on the  
10          farm and delivered to, a feedlot, feed mill, or  
11          commercial or on-farm high-moisture storage  
12          facility, or to a facility maintained by the users  
13          of corn and grain sorghum in a high moisture  
14          state; and

15          (D) comply with deadlines established by  
16          the Secretary for harvesting the corn or grain  
17          sorghum and submit applications for loans  
18          under this subsection within deadlines estab-  
19          lished by the Secretary.

20          (3) ELIGIBILITY OF ACQUIRED FEED GRAINS.—  
21          A loan under this subsection shall be made on a  
22          quantity of corn or grain sorghum of the same crop  
23          acquired by the producer equivalent to a quantity  
24          determined by multiplying—

1 (A) the acreage of the corn or grain sor-  
2 ghum in a high moisture state harvested on the  
3 producer's farm; by

4 (B) the lower of the farm program pay-  
5 ment yield used to make counter-cyclical pay-  
6 ments under subtitle A or the actual yield on a  
7 field, as determined by the Secretary, that is  
8 similar to the field from which the corn or grain  
9 sorghum was obtained.

10 (b) RECOURSE LOANS AVAILABLE FOR SEED COT-  
11 TON.—For each of the 2008 through 2012 crops of upland  
12 cotton and extra long staple cotton, the Secretary shall  
13 make available recourse seed cotton loans, as determined  
14 by the Secretary, on any production.

15 (c) REPAYMENT RATES.—Repayment of a recourse  
16 loan made under this section shall be at the loan rate es-  
17 tablished for the commodity by the Secretary, plus interest  
18 (determined in accordance with section 163 of the Federal  
19 Agriculture Improvement and Reform Act of 1996 (7  
20 U.S.C. 7283)).

## 21 **Subtitle F—Administration**

### 22 **SEC. 1601. ADMINISTRATION GENERALLY.**

23 (a) USE OF COMMODITY CREDIT CORPORATION.—  
24 The Secretary shall use the funds, facilities, and authori-

1 ties of the Commodity Credit Corporation to carry out this  
2 title.

3 (b) DETERMINATIONS BY SECRETARY.—A deter-  
4 mination made by the Secretary under this title shall be  
5 final and conclusive.

6 (c) REGULATIONS.—

7 (1) IN GENERAL.—Not later than 90 days after  
8 the date of the enactment of this Act, the Secretary  
9 and the Commodity Credit Corporation, as appro-  
10 priate, shall promulgate such regulations as are nec-  
11 essary to implement this title.

12 (2) PROCEDURE.—The promulgation of the reg-  
13 ulations and administration of this title shall be  
14 made without regard to—

15 (A) chapter 35 of title 44, United States  
16 Code (commonly known as the “Paperwork Re-  
17 duction Act”);

18 (B) the Statement of Policy of the Sec-  
19 retary of Agriculture effective July 24, 1971  
20 (36 Fed. Reg. 13804), relating to notices of  
21 proposed rulemaking and public participation in  
22 rulemaking; and

23 (C) the notice and comment provisions of  
24 section 553 of title 5, United States Code.

1           (3) CONGRESSIONAL REVIEW OF AGENCY RULE-  
2           MAKING.—In carrying out this subsection, the Sec-  
3           retary shall use the authority provided under section  
4           808 of title 5, United States Code.

5           (d) ADJUSTMENT AUTHORITY RELATED TO TRADE  
6           AGREEMENTS COMPLIANCE.—

7           (1) REQUIRED DETERMINATION; ADJUST-  
8           MENT.—If the Secretary determines that expendi-  
9           tures under subtitles A through E that are subject  
10          to the total allowable domestic support levels under  
11          the Uruguay Round Agreements (as defined in sec-  
12          tion 2 of the Uruguay Round Agreements Act (19  
13          U.S.C. 3501)), as in effect on the date of enactment  
14          of this Act, will exceed such allowable levels for any  
15          applicable reporting period, the Secretary shall, to  
16          the maximum extent practicable, make adjustments  
17          in the amount of such expenditures during that pe-  
18          riod to ensure that such expenditures do not exceed  
19          such allowable levels.

20          (2) CONGRESSIONAL NOTIFICATION.—Before  
21          making any adjustment under paragraph (1), the  
22          Secretary shall submit to the Committee on Agri-  
23          culture of the House of Representatives or the Com-  
24          mittee on Agriculture, Nutrition, and Forestry of  
25          the Senate a report describing the determination



1       made under that paragraph and the extent of the  
2       adjustment to be made.

3       **SEC. 1602. SUSPENSION OF PERMANENT PRICE SUPPORT**  
4                                   **AUTHORITY.**

5       (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—  
6       The following provisions of the Agricultural Adjustment  
7       Act of 1938 shall not be applicable to the 2008 through  
8       2012 crops of covered commodities, peanuts, and sugar  
9       and shall not be applicable to milk during the period be-  
10      ginning on the date of enactment of this Act through De-  
11      cember 31, 2012:

12                   (1) Parts II through V of subtitle B of title III  
13                   (7 U.S.C. 1326 et seq.).

14                   (2) In the case of upland cotton, section 377 (7  
15                   U.S.C. 1377).

16                   (3) Subtitle D of title III (7 U.S.C. 1379a et  
17                   seq.).

18                   (4) Title IV (7 U.S.C. 1401 et seq.).

19       (b) AGRICULTURAL ACT OF 1949.—The following  
20       provisions of the Agricultural Act of 1949 shall not be ap-  
21       plicable to the 2008 through 2012 crops of covered com-  
22       modities, peanuts, and sugar and shall not be applicable  
23       to milk during the period beginning on the date of enact-  
24       ment of this Act and through December 31, 2012:

25                   (1) Section 101 (7 U.S.C. 1441).

1 (2) Section 103(a) (7 U.S.C. 1444(a)).

2 (3) Section 105 (7 U.S.C. 1444b).

3 (4) Section 107 (7 U.S.C. 1445a).

4 (5) Section 110 (7 U.S.C. 1445e).

5 (6) Section 112 (7 U.S.C. 1445g).

6 (7) Section 115 (7 U.S.C. 1445k).

7 (8) Section 201 (7 U.S.C. 1446).

8 (9) Title III (7 U.S.C. 1447 et seq.).

9 (10) Title IV (7 U.S.C. 1421 et seq.), other  
10 than sections 404, 412, and 416 (7 U.S.C. 1424,  
11 1429, and 1431).

12 (11) Title V (7 U.S.C. 1461 et seq.).

13 (12) Title VI (7 U.S.C. 1471 et seq.).

14 (c) **SUSPENSION OF CERTAIN QUOTA PROVISIONS.—**

15 The joint resolution entitled “A joint resolution relating  
16 to corn and wheat marketing quotas under the Agricul-  
17 tural Adjustment Act of 1938, as amended”, approved  
18 May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be  
19 applicable to the crops of wheat planted for harvest in the  
20 calendar years 2008 through 2012.

21 **SEC. 1603. PAYMENT LIMITATIONS.**

22 (a) **IN GENERAL.—**Sections 1001 and 1001C(a) of  
23 the Food Security Act of 1985 (7 U.S.C. 1308, 1308–  
24 3(a)) are amended by striking “Farm Security and Rural

1 Investment Act of 2002” each place it appears and insert-  
2 ing “**【2007 Farm Bill】**”.

3 (b) TRANSITION.—Section 1001 of the Food Security  
4 Act of 1985 (7 U.S.C. 1308), as in effect on the day before  
5 the date of the enactment of this Act, shall continue to  
6 apply with respect to the 2007 crop of any covered com-  
7 modity.

8 **SEC. 1604. ADJUSTED GROSS INCOME LIMITATION.**

9 Section 1001D of the Food Security Act of 1985 (7  
10 U.S.C. 1308–3a) is amended—

11 (1) in subsection (b)(2), by striking “Farm Se-  
12 curity and Rural Investment Act of 2002” each  
13 place it appears and inserting “**【2007 Farm Bill】**”;  
14 and

15 (2) in subsection (e), by striking “2007” and  
16 inserting “2012”.

17 **SEC. 1605. ADJUSTMENTS OF LOANS.**

18 Section 162(b) of the Federal Agriculture Improve-  
19 ment and Reform Act of 1996 (7 U.S.C. 7282(b)) is  
20 amended by striking “Farm Security and Rural Invest-  
21 ment Act of 2002” and inserting “**【2007 Farm Bill】**”.

22 **SEC. 1606. PERSONAL LIABILITY OF PRODUCERS FOR DEFICI-  
23 CIENCIES.**

24 Section 164 of the Federal Agriculture Improvement  
25 and Reform Act of 1996 (7 U.S.C. 7284) is amended by

1 striking “Farm Security and Rural Investment Act of  
2 2002” each place it appears and inserting “[2007 Farm  
3 Bill]”.

4 **SEC. 1607. EXTENSION OF EXISTING ADMINISTRATIVE AU-**  
5 **THORITY REGARDING LOANS.**

6 Section 166 of the Federal Agriculture Improvement  
7 and Reform Act of 1996 (7 U.S.C. 7286) is amended in  
8 subsections (a) and (c)(1) by striking “subtitle B and C  
9 of title I of the Farm Security and Rural Investment Act  
10 of 2002” each place it appears and inserting “subtitle B  
11 of title I of the [2007 Farm Bill]”.

12 **SEC. 1608. ASSIGNMENT OF PAYMENTS.**

13 (a) IN GENERAL.—The provisions of section 8(g) of  
14 the Soil Conservation and Domestic Allotment Act (16  
15 U.S.C. 590h(g)), relating to assignment of payments, shall  
16 apply to payments made under the authority of this title.

17 (b) NOTICE.—The producer making the assignment,  
18 or the assignee, shall provide the Secretary with notice,  
19 in such manner as the Secretary may require, of any as-  
20 signment made under this section.

21 **SEC. 1609. TRACKING OF BENEFITS.**

22 As soon as practicable after the date of enactment  
23 of this Act, the Secretary shall establish procedures to  
24 track the benefits provided, directly or indirectly, to indi-

1 viduals and entities under titles I and II and the amend-  
2 ments made by those titles.

3 **SEC. 1610. AVAILABILITY OF INCENTIVE PAYMENTS FOR**  
4 **CERTAIN PRODUCERS.**

5 Section 1616(a) of the Farm Security and Rural In-  
6 vestment Act of 2002 (7 U.S.C. 7999(a)) is amended by  
7 striking “2003 through 2005” and inserting “2008  
8 through 2012”.