

**THE AGRICULTURAL ACT OF 2001;  
RECOGNIZING THE HISTORIC SIGNIFICANCE OF  
THE ANZUS TREATY'S 50TH ANNIVERSARY,  
PAYING TRIBUTE TO THE UNITED STATES-  
AUSTRALIA RELATIONSHIP, AND OTHER ISSUES**

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**MARKUP**  
BEFORE THE  
**COMMITTEE ON  
INTERNATIONAL RELATIONS  
HOUSE OF REPRESENTATIVES**

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

ON

**H.R. 2646 and H. Con. Res. 217**

SEPTEMBER 6, 2001

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**THE AGRICULTURAL ACT OF 2001; RECOGNIZING THE HISTORIC SIGNIFICANCE OF THE ANZUS TREATY'S 50TH ANNIVERSARY, PAYING TRIBUTE TO THE UNITED STATES-AUSTRALIA RELATIONSHIP, AND OTHER ISSUES**

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**THURSDAY, SEPTEMBER 6, 2001**

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.*

The Committee met, pursuant to call, at 2:37 p.m. in Room 2172, Rayburn House Office Building, Hon. Henry J. Hyde (Chairman of the Committee) presiding.

Chairman HYDE. The meeting will come to order.

Pursuant to notice, I now call up the bill H.R. 2646, the Agricultural Act of 2001, for purposes of markup, and move its favorable recommendation to the House.

[The bill, H.R. 2646, follows:]

107TH CONGRESS  
1ST SESSION

# H. R. 2646

To provide for the continuation of agricultural programs through fiscal year 2011.

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IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2001

Mr. COMBEST (for himself and Mr. STENHOLM) introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To provide for the continuation of agricultural programs through fiscal year 2011.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Agricultural Act of 2001”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—COMMODITY PROGRAMS**

Sec. 100. Definitions.

**Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments**

- Sec. 101. Payments to eligible producers.
- Sec. 102. Establishment of payment yield.
- Sec. 103. Establishment of base acres and payment acres for a farm.
- Sec. 104. Availability of fixed, decoupled payments.
- Sec. 105. Availability of counter-cyclical payments.
- Sec. 106. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
- Sec. 107. Planting flexibility.
- Sec. 108. Relation to remaining payment authority under production flexibility contracts.
- Sec. 109. Payment limitations.
- Sec. 110. Period of effectiveness.

**Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments**

- Sec. 121. Availability of nonrecourse marketing assistance loans for covered commodities.
- Sec. 122. Loan rates for nonrecourse marketing assistance loans.
- Sec. 123. Term of loans.
- Sec. 124. Repayment of loans.
- Sec. 125. Loan deficiency payments.
- Sec. 126. Payments in lieu of loan deficiency payments for grazed acreage.
- Sec. 127. Special marketing loan provisions for upland cotton.
- Sec. 128. Special competitive provisions for extra long staple cotton.
- Sec. 129. Availability of recourse loans for high moisture feed grains and seed cotton and other fibers.
- Sec. 130. Availability of nonrecourse marketing assistance loans for wool and mohair.
- Sec. 131. Availability of nonrecourse marketing assistance loans for honey.

**Subtitle C—Other Commodities**

CHAPTER 1—DAIRY

- Sec. 141. Milk price support program.
- Sec. 142. Repeal of recourse loan program for processors.
- Sec. 143. Dairy export incentive program.
- Sec. 144. Fluid milk promotion.
- Sec. 145. Dairy product mandatory reporting.
- Sec. 146. Funding of dairy promotion and research program.

CHAPTER 2—SUGAR

- Sec. 151. Sugar program.
- Sec. 152. Reauthorize provisions of Agricultural Adjustment Act of 1938 regarding sugar.
- Sec. 153. Storage facility loans.

CHAPTER 3—PEANUTS

- Sec. 161. Definitions.
- Sec. 162. Establishment of payment yield, peanut acres, and payment acres for a farm.
- Sec. 163. Availability of fixed, decoupled payments for peanuts.
- Sec. 164. Availability of counter-cyclical payments for peanuts.

- Sec. 165. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
- Sec. 166. Planting flexibility.
- Sec. 167. Marketing assistance loans and loan deficiency payments for peanuts.
- Sec. 168. Quality improvement.
- Sec. 169. Payment limitations.
- Sec. 170. Termination of marketing quota programs for peanuts and compensation to peanut quota holders for loss of quota asset value.

**Subtitle D—Administration**

- Sec. 181. Administration generally.
- Sec. 182. Extension of suspension of permanent price support authority.
- Sec. 183. Limitations.
- Sec. 184. Adjustments of loans.
- Sec. 185. Personal liability of producers for deficiencies.
- Sec. 186. Extension of existing administrative authority regarding loans.
- Sec. 187. Assignment of payments.

**TITLE II—CONSERVATION**

**Subtitle A—Definition**

- Sec. 201. Definition of agricultural commodity.

**Subtitle B—Wetland Conservation Program**

- Sec. 211. Ineligibility for certain loans and payments.

**Subtitle C—Environmental Conservation Acreage Reserve Program**

- Sec. 221. Elimination of general provisions.

**Subtitle D—Conservation Reserve Program**

- Sec. 231. Reauthorization.
- Sec. 232. Enrollment.
- Sec. 233. Duties of owners and operators.
- Sec. 234. Duties of the Secretary.
- Sec. 235. Acceptance of contract offers.
- Sec. 236. Contracts.

**Subtitle E—Wetlands Reserve Program**

- Sec. 241. Enrollment.
- Sec. 242. Easements and agreements.
- Sec. 243. Duties of the Secretary.
- Sec. 244. Payment limitation.
- Sec. 245. Changes in ownership; agreement modification; termination.

**Subtitle F—Environmental Quality Incentives Program**

- Sec. 251. Purposes.
- Sec. 252. Definitions.
- Sec. 253. Establishment and administration.
- Sec. 254. Evaluation of offers and payments.
- Sec. 255. Duties of producers.
- Sec. 256. Environmental Quality Incentives Program plan.



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- Sec. 257. Duties of the Secretary.
- Sec. 258. Limitation on payments.
- Sec. 259. Groundwater conservation.

**Subtitle G—Funding and Administration**

- Sec. 261. Reauthorization.
- Sec. 262. Funding.
- Sec. 263. Allocation for livestock production.
- Sec. 264. Use of other agencies.
- Sec. 265. Administration and technical assistance.

**Subtitle H—Other Programs**

- Sec. 271. Wildlife Habitat Incentives Program.
- Sec. 272. Farmland Protection Program.
- Sec. 273. Resource Conservation and Development Program.
- Sec. 274. Grassland Reserve Program.
- Sec. 275. Farmland Stewardship Program.
- Sec. 276. Small Watershed Rehabilitation Program.

**Subtitle I—Availability of Funds**

- Sec. 281. Availability of funds appropriated pursuant to the Soil Conservation and Domestic Allotment Act.

**Subtitle K—Repeals**

- Sec. 291. Provisions of Food Security Act of 1985.

**TITLE III—TRADE**

- Sec. 301. Market Access Program.
- Sec. 302. Food for Progress.
- Sec. 303. Export Enhancement Program.
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- Sec. 305. Export Credit Guarantee Program.
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- Sec. 307. Emerging markets.
- Sec. 308. Bill Emerson Humanitarian Trust.
- Sec. 309. Technical assistance for specialty crops.

**TITLE IV—NUTRITION PROGRAMS**

**Subtitle A—Food Stamp Program**

- Sec. 401. Simplified definition of income.
- Sec. 402. Standard deduction.
- Sec. 403. Transitional food stamps for families moving from welfare.
- Sec. 404. Quality control systems.
- Sec. 405. Simplified application and eligibility determination systems.
- Sec. 406. Authorization of appropriations.

**Subtitle B—Commodity Distribution**

- Sec. 441. Distribution of surplus commodities to special nutrition projects.
- Sec. 442. Commodity supplemental food program.
- Sec. 443. Emergency food assistance.

**Subtitle C—Miscellaneous Provisions**

- Sec. 461. Hunger fellowship program.
- Sec. 462. General effective date.

**TITLE V—CREDIT**

- Sec. 501. Eligibility of limited liability companies for farm ownership loans, farm operating loans, and emergency loans.
- Sec. 502. Suspension of limitation on period for which borrowers are eligible for guaranteed assistance.
- Sec. 503. Administration of certified lenders and preferred certified lenders programs.
- Sec. 504. Simplified loan guarantee application available for loans of greater amounts.
- Sec. 505. Elimination of requirement that Secretary require county committees to certify in writing that certain loan reviews have been conducted.
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- Sec. 508. Making and servicing of loans by personnel of State, county, or area committees.
- Sec. 509. Eligibility of employees of State, county, or area committee for loans and loan guarantees.
- Sec. 510. Emergency loans in response to an economic emergency resulting from sharply increasing energy costs.
- Sec. 511. Extension of authority to contract for servicing of farmer program loans.
- Sec. 512. Authorization for loans.
- Sec. 513. Reservation of funds for direct operating loans for beginning farmers and ranchers.
- Sec. 514. Extension of Interest Rate Reduction Program.
- Sec. 515. Increase in duration of loans under Down Payment Loan Program.
- Sec. 516. Horse breeder loans.

**TITLE VI—RURAL DEVELOPMENT**

- Sec. 601. Funding for rural local television broadcast signal loan guarantees.
- Sec. 602. Value-added agricultural product market development grants.
- Sec. 603. Agriculture innovation center demonstration program.
- Sec. 604. Funding of community water assistance grant program.
- Sec. 605. Loan guarantees for the financing of the purchase of renewable energy systems.
- Sec. 606. Loans and loan guarantees for renewable energy systems.
- Sec. 607. Rural business opportunity grants.
- Sec. 608. Grants for water systems for rural and native villages in Alaska.
- Sec. 609. Rural cooperative development grants.
- Sec. 610. National reserve account of Rural Development Trust Fund.
- Sec. 611. Rural venture capital demonstration program.
- Sec. 612. Increase in limit on certain loans for rural development.
- Sec. 613. Pilot program for development and implementation of strategic regional development plans.

- Sec. 614. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.
- Sec. 615. National Rural Development Partnership.

## **TITLE VII—RESEARCH AND RELATED MATTERS**

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- Sec. 701. National Rural Information Center Clearinghouse.
- Sec. 702. Grants and fellowships for food and agricultural sciences education.
- Sec. 703. Policy research centers.
- Sec. 704. Human nutrition intervention and health promotion research program.
- Sec. 705. Pilot research program to combine medical and agricultural research.
- Sec. 706. Nutrition education program.
- Sec. 707. Continuing animal health and disease research programs.
- Sec. 708. Appropriations for research on national or regional problems.
- Sec. 709. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
- Sec. 710. National research and training centennial centers at 1890 land-grant institutions.
- Sec. 711. Hispanic-serving institutions.
- Sec. 712. Competitive grants for international agricultural science and education programs.
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- Sec. 714. Extension service.
- Sec. 715. Supplemental and alternative crops.
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- Sec. 718. National genetics resources program.
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- Sec. 736. Biomass research and development.
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- Sec. 742. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
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- Sec. 745. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
- Sec. 746. Biomass research and development.
- Sec. 747. Biotechnology risk assessment research.
- Sec. 748. Competitive, special, and facilities research grants.
- Sec. 749. Matching funds requirement for research and extension activities of 1890 Institutions.
- Sec. 750. Initiative for future agriculture and food systems.
- Sec. 751. Carbon cycle research.
- Sec. 752. Definition of food and agricultural sciences.
- Sec. 753. Federal extension service.

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- Sec. 803. Renewable resources extension activities.
- Sec. 804. Enhanced community fire protection.
- Sec. 805. International forestry program.
- Sec. 806. Long-term forest stewardship contracts for hazardous fuels removal and implementation of National Fire Plan.
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### **Subtitle A—Tree Assistance Program**

- Sec. 901. Eligibility.
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- Sec. 903. Limitation on assistance.
- Sec. 904. Definitions.
- Sec. 905. Duplicative payments.

### **Subtitle B—Other Matters**

- Sec. 911. Hazardous fuel reduction grants to prevent wildfire disasters and transform hazardous fuels to electric energy, useful heat, or transportation fuels.
- Sec. 912. Bioenergy program.
- Sec. 913. Availability of section 32 funds.
- Sec. 914. Seniors farmers' market nutrition program.
- Sec. 915. Federal marketing order for cane berries.

## **TITLE I—COMMODITY PROGRAMS**

### **3 SEC. 100. DEFINITIONS.**

4 In this title (other than chapter 3 of subtitle C):

5 (1) AGRICULTURAL ACT OF 1949.—The term  
6 “Agricultural Act of 1949” means the Agricultural  
7 Act of 1949 (7 U.S.C. 1421 et seq.), as in effect  
8 prior to the suspensions under section 171 of the  
9 Federal Agriculture Improvement and Reform Act of  
10 1996 (7 U.S.C. 7301).

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 103  
14 with respect to the commodity upon the election

1 made by the producers on the farm under subsection  
2 (a) of such section.

3 (3) COUNTER-CYCLICAL PAYMENT.—The term  
4 “counter-cyclical payment” means a payment made  
5 to producers under section 105.

6 (4) COVERED COMMODITY.—The term “covered  
7 commodity” means wheat, corn, grain sorghum, bar-  
8 ley, oats, upland cotton, rice, soybeans, and other  
9 oilseeds.

10 (5) EFFECTIVE PRICE.—The term “effective  
11 price”, with respect to a covered commodity for a  
12 crop year, means the price calculated by the Sec-  
13 retary under section 105 to determine whether  
14 counter-cyclical payments are required to be made  
15 for that crop year.

16 (6) ELIGIBLE PRODUCER.—The term “eligible  
17 producer” means a producer described in section  
18 101(a).

19 (7) FIXED, DECOUPLED PAYMENT.—The term  
20 “fixed, decoupled payment” means a payment made  
21 to producers under section 104.

22 (8) OTHER OILSEED.—The term “other oil-  
23 seed” means a crop of sunflower seed, rapeseed,  
24 canola, safflower, flaxseed, mustard seed, or, if des-  
25 ignating by the Secretary, another oilseed.

1           (9) PAYMENT ACRES.—The term “payment  
2 acres” means 85 percent of the base acres of a cov-  
3 ered commodity on a farm, as established under sec-  
4 tion 103, upon which fixed, decoupled payments and  
5 counter-cyclical payments are to be made.

6           (10) PAYMENT YIELD.—The term “payment  
7 yield” means the yield established under section 102  
8 for a farm for a covered commodity.

9           (11) PRODUCER.—The term “producer” means  
10 an owner, operator, landlord, tenant, or share-  
11 cropper who shares in the risk of producing a crop  
12 and who is entitled to share in the crop available for  
13 marketing from the farm, or would have shared had  
14 the crop been produced. In determining whether a  
15 grower of hybrid seed is a producer, the Secretary  
16 shall not take into consideration the existence of a  
17 hybrid seed contract and shall ensure that program  
18 requirements do not adversely affect the ability of  
19 the grower to receive a payment under this title.

20           (12) SECRETARY.—The term “Secretary”  
21 means the Secretary of Agriculture.

22           (13) STATE.—The term “State” means each of  
23 the several States of the United States, the District  
24 of Columbia, the Commonwealth of Puerto Rico, and

1 any other territory or possession of the United  
2 States.

3 (14) TARGET PRICE.—The term “target price”  
4 means the price per bushel (or other appropriate  
5 unit in the case of upland cotton, rice, and other oil-  
6 seeds) of a covered commodity used to determine the  
7 payment rate for counter-cyclical payments.

8 (15) UNITED STATES.—The term “United  
9 States”, when used in a geographical sense, means  
10 all of the States.

11 **Subtitle A—Fixed Decoupled Pay-**  
12 **ments and Counter-Cyclical**  
13 **Payments**

14 **SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.**

15 (a) PAYMENTS REQUIRED.—Beginning with the  
16 2002 crop of covered commodities, the Secretary shall  
17 make fixed decoupled payments and counter-cyclical pay-  
18 ments under this subtitle—

19 (1) to producers on a farm that were parties to  
20 a production flexibility contract under section 111 of  
21 the Federal Agriculture Improvement and Reform  
22 Act of 1996 (7 U.S.C. 7211) for fiscal year 2002;  
23 and

24 (2) to other producers on farms in the United  
25 States as described in section 103(a).



1 (b) TENANTS AND SHARECROPPERS.—In carrying  
2 out this title, the Secretary shall provide adequate safe-  
3 guards to protect the interests of tenants and share-  
4 croppers.

5 (c) SHARING OF PAYMENTS.—The Secretary shall  
6 provide for the sharing of fixed, decoupled payments and  
7 counter-cyclical payments among the eligible producers on  
8 a farm on a fair and equitable basis.

9 **SEC. 102. ESTABLISHMENT OF PAYMENT YIELD.**

10 (a) ESTABLISHMENT AND PURPOSE.—For the pur-  
11 pose of making fixed decoupled payments and counter-cy-  
12 clical payments under this subtitle, the Secretary shall  
13 provide for the establishment of a payment yield for each  
14 farm for each covered commodity in accordance with this  
15 section.

16 (b) USE OF FARM PROGRAM PAYMENT YIELD.—Ex-  
17 cept as otherwise provided in this section, the payment  
18 yield for each of the 2002 through 2011 crops of a covered  
19 commodity for a farm shall be the farm program payment  
20 yield in effect for the 2002 crop of the covered commodity  
21 under section 505 of the Agricultural Act of 1949 (7  
22 U.S.C. 1465).

23 (c) FARMS WITHOUT FARM PROGRAM PAYMENT  
24 YIELD.—In the case of a farm for which a farm program  
25 payment yield is unavailable for a covered commodity

1 (other than soybeans or other oilseeds), the Secretary shall  
2 establish an appropriate payment yield for the covered  
3 commodity on the farm taking in consideration the farm  
4 program payment yields applicable to the commodity  
5 under subsection (b) for similar farms in the area.

6 (d) PAYMENT YIELDS FOR OILSEEDS.—

7 (1) AVERAGE YIELD.—In the case of soybeans  
8 and each other oilseed, the Secretary shall establish  
9 a payment yield for a farm for the oilseed by first  
10 determining the average yield for the oilseed on the  
11 farm for the 1998 through 2001 crop years, exclud-  
12 ing any crop year in which the yield was zero. If, for  
13 any of these four crop years in which the oilseed was  
14 planted, the farm would have satisfied the eligibility  
15 criteria established to carry out section 1102 of the  
16 Agriculture, Rural Development, Food and Drug  
17 Administration, and Related Agencies Appropria-  
18 tions Act, 1999 (Public Law 105–277; 7 U.S.C.  
19 1421 note), the Secretary shall assign a yield for  
20 that year equal to 65 percent of the county yield.

21 (2) REDUCTION.—The Secretary shall reduce  
22 the average yield determined under paragraph (1)  
23 for the oilseed by a percentage equal to the percent-  
24 age increase in national average yields for the oil-  
25 seed between the following two periods:

1 (A) The 1981 through 1985 crops.

2 (B) The 1998 through 2001 crops.

3 **SEC. 103. ESTABLISHMENT OF BASE ACRES AND PAYMENT**

4 **ACRES FOR A FARM.**

5 (a) ELECTION BY PRODUCERS OF BASE ACRE CAL-  
6 CULATION METHOD.—For the purpose of making fixed  
7 decoupled payments and counter-cyclical payments with  
8 respect to a farm, the Secretary shall give producers on  
9 the farm an opportunity to elect one of the following as  
10 the method by which the base acres of all covered commod-  
11 ities on the farm are to be determined:

12 (1) The four-year average of acreage actually  
13 planted on the farm to a covered commodity for har-  
14 vest, grazing, haying, silage, or other similar pur-  
15 poses during crop years 1998, 1999, 2000, and  
16 2001 and any acreage on the farm that the pro-  
17 ducers were prevented from planting during such  
18 crop years to the covered commodity because of  
19 drought, flood, or other natural disaster, or other  
20 condition beyond the control of the producer, as de-  
21 termined by the Secretary.

22 (2) The contract acreage (as defined in section  
23 102 of the Federal Agriculture Improvement and  
24 Reform Act of 1996 (7 U.S.C. 7202)) used by the  
25 Secretary to calculate the fiscal year 2002 payment

1 that, subject to section 109, would be made under  
2 section 114 of such Act (7 U.S.C. 7214) for the cov-  
3 ered commodity on the farm.

4 (b) SINGLE ELECTION; TIME FOR ELECTION.—The  
5 opportunity to make the election described in subsection  
6 (a) shall be available to producers on a farm only once.  
7 The producers shall notify the Secretary of the election  
8 made by the producers under such subsection not later  
9 than 180 days after the date of the enactment of this Act.

10 (c) EFFECT OF FAILURE TO MAKE ELECTION.—If  
11 the producers on a farm fail to make the election under  
12 subsection (a), or fail to timely notify the Secretary of the  
13 selected option as required by subsection (b), the pro-  
14 ducers shall be deemed to have made the election described  
15 in subsection (a)(2) to determine base acres for all covered  
16 commodities on the farm.

17 (d) APPLICATION OF ELECTION TO ALL COVERED  
18 COMMODITIES.—The election made under subsection (a)  
19 or deemed to be made under subsection (c) with respect  
20 to a farm shall apply to all of the covered commodities  
21 on the farm. Producers may not make the election de-  
22 scribed in subsection (a)(1) for one covered commodity  
23 and the election described in subsection (a)(2) for other  
24 covered commodities on the farm.

1 (e) TREATMENT OF CONSERVATION RESERVE CON-  
2 TRACT ACREAGE.—

3 (1) IN GENERAL.—In the case of producers on  
4 a farm that make the election described in sub-  
5 section (a)(2), the Secretary shall provide for an ad-  
6 justment in the base acres for the farm whenever ei-  
7 ther of the following circumstances occur:

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

12 (B) Cropland is released from coverage  
13 under a conservation reserve contract by the  
14 Secretary.

15 (2) SPECIAL PAYMENT RULES.—For the fiscal  
16 year and crop year in which a base acre adjustment  
17 under paragraph (1) is first made, the producers on  
18 the farm shall elect to receive either fixed decoupled  
19 payments and counter-cyclical payments with respect  
20 to the acreage added to the farm under this sub-  
21 section or a prorated payment under the conserva-  
22 tion reserve contract, but not both.

23 (f) PAYMENTS ACRES.—The payment acres for a cov-  
24 ered commodity on a farm shall be equal to 85 percent  
25 of the base acres for the commodity.

1 (g) PREVENTION OF EXCESS PAYMENT ACRES.—

2 (1) REQUIRED REDUCTION.—If the sum of the  
3 base acres for a farm, together with the acreage de-  
4 scribed in paragraph (2), exceeds the actual crop-  
5 land acreage of the farm, the Secretary shall make  
6 such reductions in the quantity of base acres for the  
7 farm as may be necessary so that the sum of the  
8 base acres and acreage described in paragraph (2)  
9 does not exceed the actual cropland acreage of the  
10 farm.

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

13 (A) Any peanut acreage for the farm under  
14 chapter 3 of subtitle C.

15 (B) Any acreage on the farm enrolled in  
16 the conservation reserve program or wetlands  
17 reserve program under chapter 1 of subtitle D  
18 of title XII of the Food Security Act of 1985  
19 (16 U.S.C. 3830 et seq.).

20 (C) Any other acreage on the farm enrolled  
21 in a conservation program for which payments  
22 are made in exchange for not producing an ag-  
23 ricultural commodity on the acreage.

1 **SEC. 104. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS.**

2 (a) PAYMENT REQUIRED.—For each of the 2002  
3 through 2011 crop years of each covered commodity, the  
4 Secretary shall make fixed, decoupled payments to eligible  
5 producers.

6 (b) PAYMENT RATE.—The payment rates used to  
7 make fixed, decoupled payments with respect to covered  
8 commodities for a crop year are as follows:

- 9 (1) Wheat, \$0.53 per bushel.  
10 (2) Corn, \$0.30 per bushel.  
11 (3) Grain sorghum, \$0.36 per bushel.  
12 (4) Barley, \$0.25 per bushel.  
13 (5) Oats, \$0.025 per bushel.  
14 (6) Upland cotton, \$0.0667 per pound.  
15 (7) Rice, \$2.35 per hundredweight.  
16 (8) Soybeans, \$0.42 per bushel.  
17 (9) Other oilseeds, \$0.0074 per pound.

18 (c) PAYMENT AMOUNT.—The amount of the fixed,  
19 decoupled payment to be paid to the eligible producers on  
20 a farm for a covered commodity for a crop year shall be  
21 equal to the product of the following:

- 22 (1) The payment rate specified in subsection  
23 (b).  
24 (2) The payment acres of the covered com-  
25 modity on the farm.

1           (3) The payment yield for the covered com-  
2       modity for the farm.

3       (d) TIME FOR PAYMENT.—

4           (1) GENERAL RULE.—Fixed, decoupled pay-  
5       ments shall be paid not later than September 30 of  
6       each of fiscal years 2002 through 2011. In the case  
7       of the 2002 crop, payments may begin to be made  
8       on or after December 1, 2001.

9           (2) ADVANCE PAYMENTS.—At the option of an  
10      eligible producer, 50 percent of the fixed, decoupled  
11      payment for a fiscal year shall be paid on a date se-  
12      lected by the producer. The selected date shall be on  
13      or after December 1 of that fiscal year, and the pro-  
14      ducer may change the selected date for a subsequent  
15      fiscal year by providing advance notice to the Sec-  
16      retary.

17          (3) REPAYMENT OF ADVANCE PAYMENTS.—If a  
18      producer that receives an advance fixed, decoupled  
19      payment for a fiscal year ceases to be an eligible  
20      producer before the date the fixed, decoupled pay-  
21      ment would otherwise have been made by the Sec-  
22      retary under paragraph (1), the producer shall be  
23      responsible for repaying the Secretary the full  
24      amount of the advance payment.



1 **SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAY-**  
2 **MENTS.**

3 (a) **PAYMENT REQUIRED.**—The Secretary shall make  
4 counter-cyclical payments with respect to a covered com-  
5 modity whenever the Secretary determines that the effec-  
6 tive price for the commodity is less than the target price  
7 for the commodity.

8 (b) **EFFECTIVE PRICE.**—For purposes of subsection  
9 (a), the effective price for a covered commodity is equal  
10 to the sum of the following:

11 (1) The higher of the following:

12 (A) The national average market price re-  
13 ceived by producers during the 12-month mar-  
14 keting year for the commodity, as determined  
15 by the Secretary.

16 (B) The national average loan rate for a  
17 marketing assistance loan for the covered com-  
18 modity in effect for the same period under sub-  
19 title B.

20 (2) The payment rate in effect for the covered  
21 commodity under section 104 for the purpose of  
22 making fixed, decoupled payments with respect to  
23 the commodity.

24 (c) **TARGET PRICE.**—For purposes of subsection (a),  
25 the target prices for covered commodities are as follows:

26 (1) Wheat, \$4.04 per bushel.

- 1           (2) Corn, \$2.78 per bushel.
- 2           (3) Grain sorghum, \$2.64 per bushel.
- 3           (4) Barley, \$2.39 per bushel.
- 4           (5) Oats, \$1.47 per bushel.
- 5           (6) Upland cotton, \$0.736 per pound.
- 6           (7) Rice, \$10.82 per hundredweight.
- 7           (8) Soybeans, \$5.86 per bushel.
- 8           (9) Other oilseeds, \$0.1036 per pound.

9           (d) PAYMENT RATE.—The payment rate used to  
 10 make counter-cyclical payments with respect to a covered  
 11 commodity for a crop year shall be equal to the difference  
 12 between—

- 13           (1) the target price for the commodity; and
- 14           (2) the effective price determined under sub-  
 15 section (b) for the commodity.

16           (e) PAYMENT AMOUNT.—The amount of the counter-  
 17 cyclical payment to be paid to the eligible producers on  
 18 a farm for a covered commodity for a crop year shall be  
 19 equal to the product of the following:

- 20           (1) The payment rate specified in subsection  
 21 (d).
- 22           (2) The payment acres of the covered com-  
 23 modity on the farm.
- 24           (3) The payment yield for the covered com-  
 25 modity for the farm.

1 (f) TIME FOR PAYMENTS.—

2 (1) GENERAL RULE.—The Secretary shall make  
3 counter-cyclical payments under this section for a  
4 crop of a covered commodity as soon as possible  
5 after determining under subsection (a) that such  
6 payments are required for that crop year.

7 (2) PARTIAL PAYMENT.—The Secretary may  
8 permit, and, if so permitted, an eligible producer  
9 may elect to receive, up to 50 percent of the pro-  
10 jected counter-cyclical payment, as determined by  
11 the Secretary, to be made under this section for a  
12 crop of a covered commodity upon completion of the  
13 first six months of the marketing year for that crop.  
14 The producer shall repay to the Secretary the  
15 amount, if any, by which the partial payment ex-  
16 ceeds the actual counter-cyclical payment to be made  
17 for that marketing year.

18 (g) SPECIAL RULE FOR CURRENTLY UNDESIGNATED  
19 OILSEED.—If the Secretary uses the authority under sec-  
20 tion 100(8) to designate another oilseed as an oilseed for  
21 which counter-cyclical payments may be made, the Sec-  
22 retary may modify the target price specified in subsection  
23 (c)(9) that would otherwise apply to that oilseed as the  
24 Secretary considers appropriate.

1 **SEC. 106. PRODUCER AGREEMENT REQUIRED AS CONDI-**  
2 **TION ON PROVISION OF FIXED, DECOUPLED**  
3 **PAYMENTS AND COUNTER-CYCLICAL PAY-**  
4 **MENTS.**

5 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

6 (1) REQUIREMENTS.—Before the producers on  
7 a farm may receive fixed, decoupled payments or  
8 counter-cyclical payments with respect to the farm,  
9 the producers shall agree, in exchange for the  
10 payments—

11 (A) to comply with applicable conservation  
12 requirements under subtitle B of title XII of  
13 the Food Security Act of 1985 (16 U.S.C. 3811  
14 et seq.);

15 (B) to comply with applicable wetland pro-  
16 tection requirements under subtitle C of title  
17 XII of the Act (16 U.S.C. 3821 et seq.);

18 (C) to comply with the planting flexibility  
19 requirements of section 107; and

20 (D) to use the land on the farm, in an  
21 amount equal to the base acres, for an agricul-  
22 tural or conserving use, and not for a non-  
23 agricultural commercial or industrial use, as de-  
24 termined by the Secretary.

25 (2) COMPLIANCE.—The Secretary may issue  
26 such rules as the Secretary considers necessary to

1 ensure producer compliance with the requirements of  
2 paragraph (1).

3 (b) EFFECT OF FORECLOSURE.—A producer may not  
4 be required to make repayments to the Secretary of fixed,  
5 decoupled payments and counter-cyclical payments if the  
6 farm has been foreclosed on and the Secretary determines  
7 that forgiving the repayments is appropriate to provide  
8 fair and equitable treatment. This subsection shall not  
9 void the responsibilities of the producer under subsection  
10 (a) if the producer continues or resumes operation, or con-  
11 trol, of the farm. On the resumption of operation or con-  
12 trol over the farm by the producer, the requirements of  
13 subsection (a) in effect on the date of the foreclosure shall  
14 apply.

15 (c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

16 (1) TERMINATION.—Except as provided in  
17 paragraph (4), a transfer of (or change in) the inter-  
18 est of a producer in base acres for which fixed, de-  
19 coupled payments or counter-cyclical payments are  
20 made shall result in the termination of the payments  
21 with respect to the base acres, unless the transferee  
22 or owner of the acreage agrees to assume all obliga-  
23 tions under subsection (a). The termination shall be  
24 effective on the date of the transfer or change.

1           (2) TRANSFER OF PAYMENT BASE.—There is  
2 no restriction on the transfer of a farm’s base acres  
3 or payment yield as part of a change in the pro-  
4 ducers on the farm.

5           (3) MODIFICATION.—At the request of the  
6 transferee or owner, the Secretary may modify the  
7 requirements of subsection (a) if the modifications  
8 are consistent with the objectives of such subsection,  
9 as determined by the Secretary.

10          (4) EXCEPTION.—If a producer entitled to a  
11 fixed, decoupled payment or counter-cyclical pay-  
12 ment dies, becomes incompetent, or is otherwise un-  
13 able to receive the payment, the Secretary shall  
14 make the payment, in accordance with regulations  
15 prescribed by the Secretary.

16          (d) ACREAGE REPORTS.—

17           (1) IN GENERAL.—As a condition on the receipt  
18 of any benefits under this subtitle or subtitle B, the  
19 Secretary shall require producers to submit to the  
20 Secretary acreage reports.

21           (2) CONFORMING AMENDMENT.—Section 15 of  
22 the Agricultural Marketing Act (12 U.S.C. 1141j) is  
23 amended by striking subsection (d).

24          (e) REVIEW.—A determination of the Secretary  
25 under this section shall be considered to be an adverse

1 decision for purposes of the availability of administrative  
2 review of the determination.

3 **SEC. 107. PLANTING FLEXIBILITY.**

4 (a) PERMITTED CROPS.—Subject to subsection (b),  
5 any commodity or crop may be planted on base acres on  
6 a farm.

7 (b) LIMITATIONS AND EXCEPTIONS REGARDING  
8 FRUITS AND VEGETABLES.—

9 (1) LIMITATIONS.—The planting of fruits and  
10 vegetables (other than lentils, mung beans, and dry  
11 peas) shall be prohibited on base acres.

12 (2) EXCEPTIONS.—Paragraph (1) shall not  
13 limit the planting of a fruit or vegetable—

14 (A) in any region in which there is a his-  
15 tory of double-cropping of covered commodities  
16 with fruits or vegetables, as determined by the  
17 Secretary, in which case the double-cropping  
18 shall be permitted;

19 (B) on a farm that the Secretary deter-  
20 mines has a history of planting fruits or vegeta-  
21 bles on base acres, except that fixed, decoupled  
22 payments and counter-cyclical payments shall  
23 be reduced by an acre for each acre planted to  
24 the fruit or vegetable; or

1 (C) by a producer who the Secretary deter-  
2 mines has an established planting history of a  
3 specific fruit or vegetable, except that—

4 (i) the quantity planted may not ex-  
5 ceed the producer's average annual plant-  
6 ing history of the fruit or vegetable in the  
7 1991 through 1995 crop years (excluding  
8 any crop year in which no plantings were  
9 made), as determined by the Secretary;  
10 and

11 (ii) fixed, decoupled payments and  
12 counter-cyclical payments shall be reduced  
13 by an acre for each acre planted to the  
14 fruit or vegetable.

15 **SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY**  
16 **UNDER PRODUCTION FLEXIBILITY CON-**  
17 **TRACTS.**

18 (a) **TERMINATION OF SUPERSEDED PAYMENT AU-**  
19 **THORITY.**—Notwithstanding section 113(a)(7) of the Fed-  
20 eral Agriculture Improvement and Reform Act of 1996 (7  
21 U.S.C. 7213(a)(7)) or any other provision of law, the Sec-  
22 retary shall not make payments for fiscal year 2002 after  
23 the date of the enactment of this Act under production  
24 flexibility contracts entered into under section 111 of such  
25 Act (7 U.S.C. 7211).



1 (b) CONTRACT PAYMENTS MADE BEFORE ENACT-  
2 MENT.—If, on or before the date of the enactment of this  
3 Act, a producer receives all or any portion of the payment  
4 authorized for fiscal year 2002 under a production flexi-  
5 bility contract, the Secretary shall reduce the amount of  
6 the fixed, decoupled payment otherwise due the producer  
7 for that same fiscal year by the amount of the fiscal year  
8 2002 payment previously received by the producer.

9 **SEC. 109. PAYMENT LIMITATIONS.**

10 Sections 1001 through 1001C of the Food Security  
11 Act of 1985 (7 U.S.C. 1308 through 1308–3) shall apply  
12 to fixed, decoupled payments and counter-cyclical pay-  
13 ments. A producer eligible to receive a fixed, decoupled  
14 payment or counter-cyclical payment satisfies the require-  
15 ments of section 1001A(b) of such Act.

16 **SEC. 110. PERIOD OF EFFECTIVENESS.**

17 This subtitle shall be effective beginning with the  
18 2002 crop year of each covered commodity through the  
19 2011 crop year.

1 **Subtitle B—Marketing Assistance**  
2 **Loans and Loan Deficiency Pay-**  
3 **ments**

4 **SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING AS-**  
5 **SISTANCE LOANS FOR COVERED COMMOD-**  
6 **ITIES.**

7 (a) NONRECOURSE LOANS AVAILABLE.—

8 (1) AVAILABILITY.—For each of the 2002  
9 through 2011 crops of each covered commodity, the  
10 Secretary shall make available to producers on a  
11 farm nonrecourse marketing assistance loans for  
12 covered commodities produced on the farm. The  
13 loans shall be made under terms and conditions that  
14 are prescribed by the Secretary and at the loan rate  
15 established under section 122 for the covered com-  
16 modity.

17 (2) INCLUSION OF EXTRA LONG STAPLE COT-  
18 TON.—In this subtitle, the term “covered com-  
19 modity” includes extra long staple cotton.

20 (b) ELIGIBLE PRODUCTION.—Any production of a  
21 covered commodity on a farm shall be eligible for a mar-  
22 keting assistance loan under subsection (a).

23 (c) TREATMENT OF CERTAIN COMMINGLED COM-  
24 MODITIES.—In carrying out this subtitle, the Secretary  
25 shall make loans to a producer that is otherwise eligible

1 to obtain a marketing assistance loan, but for the fact the  
2 covered commodity owned by the producer is commingled  
3 with covered commodities of other producers in facilities  
4 unlicensed for the storage of agricultural commodities by  
5 the Secretary or a State licensing authority, if the pro-  
6 ducer obtaining the loan agrees to immediately redeem the  
7 loan collateral in accordance with section 166 of the Fed-  
8 eral Agriculture Improvement and Reform Act of 1996 (7  
9 U.S.C. 7286).

10 (d) COMPLIANCE WITH CONSERVATION AND WET-  
11 LANDS REQUIREMENTS.—As a condition of the receipt of  
12 a marketing assistance loan under subsection (a), the pro-  
13 ducer shall comply with applicable conservation require-  
14 ments under subtitle B of title XII of the Food Security  
15 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-  
16 land protection requirements under subtitle C of title XII  
17 of the Act (16 U.S.C. 3821 et seq.) during the term of  
18 the loan.

19 (e) DEFINITION OF EXTRA LONG STAPLE COT-  
20 TON.—In this subtitle, the term “extra long staple cotton”  
21 means cotton that—

22 (1) is produced from pure strain varieties of the  
23 Barbados species or any hybrid thereof, or other  
24 similar types of extra long staple cotton, designated  
25 by the Secretary, having characteristics needed for

1 various end uses for which United States upland cot-  
 2 ton is not suitable and grown in irrigated cotton-  
 3 growing regions of the United States designated by  
 4 the Secretary or other areas designated by the Sec-  
 5 retary as suitable for the production of the varieties  
 6 or types; and

7 (2) is ginned on a roller-type gin or, if author-  
 8 ized by the Secretary, ginned on another type gin for  
 9 experimental purposes.

10 (e) TERMINATION OF SUPERSEDED LOAN AUTHOR-  
 11 ITY.—Notwithstanding section 131 of the Federal Agri-  
 12 culture Improvement and Reform Act of 1996 (7 U.S.C.  
 13 7231), nonrecourse marketing assistance loans shall not  
 14 be made for the 2002 crop of covered commodities under  
 15 subtitle C of title I of such Act.

16 **SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING AS-**  
 17 **SISTANCE LOANS.**

18 (a) WHEAT.—

19 (1) LOAN RATE.—Subject to paragraph (2), the  
 20 loan rate for a marketing assistance loan under sec-  
 21 tion 121 for wheat shall be—

22 (A) not less than 85 percent of the simple  
 23 average price received by producers of wheat, as  
 24 determined by the Secretary, during the mar-  
 25 keting years for the immediately preceding five

1 crops of wheat, excluding the year in which the  
2 average price was the highest and the year in  
3 which the average price was the lowest in the  
4 period; but

5 (B) not more than \$2.58 per bushel.

6 (2) STOCKS TO USE RATIO ADJUSTMENT.—If  
7 the Secretary estimates for any marketing year that  
8 the ratio of ending stocks of wheat to total use for  
9 the marketing year will be—

10 (A) equal to or greater than 30 percent,  
11 the Secretary may reduce the loan rate for  
12 wheat for the corresponding crop by an amount  
13 not to exceed 10 percent in any year;

14 (B) less than 30 percent but not less than  
15 15 percent, the Secretary may reduce the loan  
16 rate for wheat for the corresponding crop by an  
17 amount not to exceed 5 percent in any year; or

18 (C) less than 15 percent, the Secretary  
19 may not reduce the loan rate for wheat for the  
20 corresponding crop.

21 (b) FEED GRAINS.—

22 (1) LOAN RATE FOR CORN AND GRAIN SOR-  
23 GHUM.—Subject to paragraph (2), the loan rate for  
24 a marketing assistance loan under section 121 for  
25 corn and grain sorghum shall be—

1 (A) not less than 85 percent of the simple  
2 average price received by producers of corn or  
3 grain sorghum, respectively, as determined by  
4 the Secretary, during the marketing years for  
5 the immediately preceding five crops of the cov-  
6 ered commodity, excluding the year in which  
7 the average price was the highest and the year  
8 in which the average price was the lowest in the  
9 period; but

10 (B) not more than \$1.89 per bushel.

11 (2) STOCKS TO USE RATIO ADJUSTMENT.—If  
12 the Secretary estimates for any marketing year that  
13 the ratio of ending stocks of corn or grain sorghum  
14 to total use for the marketing year will be—

15 (A) equal to or greater than 25 percent,  
16 the Secretary may reduce the loan rate for the  
17 covered commodity for the corresponding crop  
18 by an amount not to exceed 10 percent in any  
19 year;

20 (B) less than 25 percent but not less than  
21 12.5 percent, the Secretary may reduce the loan  
22 rate for the covered commodity for the cor-  
23 responding crop by an amount not to exceed 5  
24 percent in any year; or

1 (C) less than 12.5 percent, the Secretary  
2 may not reduce the loan rate for the covered  
3 commodity for the corresponding crop.

4 (3) OTHER FEED GRAINS.—The loan rate for a  
5 marketing assistance loan under section 121 for bar-  
6 ley and oats shall be—

7 (A) established at such level as the Sec-  
8 retary determines is fair and reasonable in rela-  
9 tion to the rate that loans are made available  
10 for corn, taking into consideration the feeding  
11 value of the commodity in relation to corn, but

12 (B) not more than—

13 (i) \$1.65 per bushel for barley; and

14 (ii) \$1.21 per bushel for oats.

15 (c) UPLAND COTTON.—

16 (1) LOAN RATE.—Subject to paragraph (2), the  
17 loan rate for a marketing assistance loan under sec-  
18 tion 121 for upland cotton shall be established by  
19 the Secretary at such loan rate, per pound, as will  
20 reflect for the base quality of upland cotton, as de-  
21 termined by the Secretary, at average locations in  
22 the United States a rate that is not less than the  
23 smaller of—

24 (A) 85 percent of the average price  
25 (weighted by market and month) of the base

1 quality of cotton as quoted in the designated  
2 United States spot markets during three years  
3 of the five-year period ending July 31 of the  
4 year preceding the year in which the crop is  
5 planted, excluding the year in which the average  
6 price was the highest and the year in which the  
7 average price was the lowest in the period; or

8 (B) 90 percent of the average, for the 15-  
9 week period beginning July 1 of the year pre-  
10 ceeding the year in which the crop is planted, of  
11 the five lowest-priced growths of the growths  
12 quoted for Middling 1<sup>3</sup>/<sub>32</sub>-inch cotton C.I.F.  
13 Northern Europe (adjusted downward by the  
14 average difference during the period April 15  
15 through October 15 of the year preceding the  
16 year in which the crop is planted between the  
17 average Northern European price quotation of  
18 such quality of cotton and the market  
19 quotations in the designated United States spot  
20 markets for the base quality of upland cotton),  
21 as determined by the Secretary.

22 (2) LIMITATIONS.—The loan rate for a mar-  
23 keting assistance loan for upland cotton shall not be  
24 less than \$0.50 per pound or more than \$0.5192 per  
25 pound.



1 (d) EXTRA LONG STAPLE COTTON.—The loan rate  
2 for a marketing assistance loan under section 121 for  
3 extra long staple cotton shall be—

4 (1) not less than 85 percent of the simple aver-  
5 age price received by producers of extra long staple  
6 cotton, as determined by the Secretary, during three  
7 years of the five-year period ending July 31 of the  
8 year preceding the year in which the crop is planted,  
9 excluding the year in which the average price was  
10 the highest and the year in which the average price  
11 was the lowest in the period; but

12 (2) not more than \$0.7965 per pound.

13 (e) RICE.—The loan rate for a marketing assistance  
14 loan under section 121 for rice shall be \$6.50 per hun-  
15 dredweight.

16 (f) OILSEEDS.—

17 (1) SOYBEANS.—The loan rate for a marketing  
18 assistance loan under section 121 for soybeans shall  
19 be—

20 (A) not less than 85 percent of the simple  
21 average price received by producers of soybeans,  
22 as determined by the Secretary, during the  
23 marketing years for the immediately preceding  
24 five crops of soybeans, excluding the year in  
25 which the average price was the highest and the

1 year in which the average price was the lowest  
2 in the period; but

3 (B) not more than \$4.92 per bushel.

4 (2) OTHER OILSEEDS.—The loan rate for a  
5 marketing assistance loan under section 121 for  
6 other oilseeds shall be—

7 (A) not less than 85 percent of the simple  
8 average price received by producers of the other  
9 oilseed, as determined by the Secretary, during  
10 the marketing years for the immediately pre-  
11 ceding five crops of the other oilseed, excluding  
12 the year in which the average price was the  
13 highest and the year in which the average price  
14 was the lowest in the period; but

15 (B) not more than \$0.087 per pound.

16 **SEC. 123. TERM OF LOANS.**

17 (a) TERM OF LOAN.—In the case of each covered  
18 commodity (other than upland cotton or extra long staple  
19 cotton), a marketing assistance loan under section 121  
20 shall have a term of nine months beginning on the first  
21 day of the first month after the month in which the loan  
22 is made.

23 (b) SPECIAL RULE FOR COTTON.—A marketing as-  
24 sistance loan for upland cotton or extra long staple cotton

1 shall have a term of 10 months beginning on the first day  
2 of the month in which the loan is made.

3 (c) EXTENSIONS PROHIBITED.—The Secretary may  
4 not extend the term of a marketing assistance loan for  
5 any covered commodity.

6 **SEC. 124. REPAYMENT OF LOANS.**

7 (a) REPAYMENT RATES FOR WHEAT, FEED GRAINS,  
8 AND OILSEEDS.—The Secretary shall permit a producer  
9 to repay a marketing assistance loan under section 121  
10 for wheat, corn, grain sorghum, barley, oats, and oilseeds  
11 at a rate that is the lesser of—

12 (1) the loan rate established for the commodity  
13 under section 122, plus interest (as determined by  
14 the Secretary); or

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

16 (A) minimize potential loan forfeitures;

17 (B) minimize the accumulation of stocks of  
18 the commodity by the Federal Government;

19 (C) minimize the cost incurred by the Fed-  
20 eral Government in storing the commodity; and

21 (D) allow the commodity produced in the  
22 United States to be marketed freely and com-  
23 petitively, both domestically and internationally.

24 (b) REPAYMENT RATES FOR UPLAND COTTON AND  
25 RICE.—The Secretary shall permit producers to repay a

1 marketing assistance loan under section 121 for upland  
2 cotton and rice at a rate that is the lesser of—

3           (1) the loan rate established for the commodity  
4           under section 122, plus interest (as determined by  
5           the Secretary); or

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

9           (c) REPAYMENT RATES FOR EXTRA LONG STAPLE  
10 COTTON.—Repayment of a marketing assistance loan for  
11 extra long staple cotton shall be at the loan rate estab-  
12 lished for the commodity under section 122, plus interest  
13 (as determined by the Secretary).

14           (d) PREVAILING WORLD MARKET PRICE.—For pur-  
15 poses of this section and section 127, the Secretary shall  
16 prescribe by regulation—

17           (1) a formula to determine the prevailing world  
18           market price for each covered commodity, adjusted  
19           to United States quality and location; and

20           (2) a mechanism by which the Secretary shall  
21           announce periodically the prevailing world market  
22           price for each covered commodity.

23           (e) ADJUSTMENT OF PREVAILING WORLD MARKET  
24 PRICE FOR UPLAND COTTON.—

1           (1) IN GENERAL.—During the period beginning  
2           on the date of the enactment of this Act and ending  
3           July 31, 2012, the prevailing world market price for  
4           upland cotton (adjusted to United States quality and  
5           location) established under subsection (d) shall be  
6           further adjusted if—

7                   (A) the adjusted prevailing world market  
8                   price is less than 115 percent of the loan rate  
9                   for upland cotton established under section 122,  
10                  as determined by the Secretary; and

11                  (B) the Friday through Thursday average  
12                  price quotation for the lowest-priced United  
13                  States growth as quoted for Middling (M) 1<sup>3</sup>/<sub>32</sub>-  
14                  inch cotton delivered C.I.F. Northern Europe is  
15                  greater than the Friday through Thursday av-  
16                  erage price of the 5 lowest-priced growths of  
17                  upland cotton, as quoted for Middling (M)  
18                  1<sup>3</sup>/<sub>32</sub>-inch cotton, delivered C.I.F. Northern Eu-  
19                  rope (referred to in this section as the “North-  
20                  ern Europe price”).

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

1 (A) The United States share of world ex-  
2 ports.

3 (B) The current level of cotton export sales  
4 and cotton export shipments.

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

10 (3) LIMITATION ON FURTHER ADJUSTMENT.—  
11 The adjustment under paragraph (2) may not ex-  
12 ceed the difference between—

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

17 (B) the Northern Europe price.

18 **SEC. 125. LOAN DEFICIENCY PAYMENTS.**

19 (a) AVAILABILITY OF LOAN DEFICIENCY PAY-  
20 MENTS.—Except as provided in subsection (d), the Sec-  
21 retary may make loan deficiency payments available to  
22 producers who, although eligible to obtain a marketing as-  
23 sistance loan under section 121 with respect to a covered  
24 commodity, agree to forgo obtaining the loan for the com-  
25 modity in return for payments under this section.

1 (b) COMPUTATION.—A loan deficiency payment  
2 under this section shall be computed by multiplying—

3 (1) the loan payment rate determined under  
4 subsection (c) for the covered commodity; by

5 (2) the quantity of the covered commodity pro-  
6 duced by the eligible producers, excluding any quan-  
7 tity for which the producers obtain a loan under sec-  
8 tion 121.

9 (c) LOAN PAYMENT RATE.—For purposes of this sec-  
10 tion, the loan payment rate shall be the amount by  
11 which—

12 (1) the loan rate established under section 122  
13 for the covered commodity; exceeds

14 (2) the rate at which a loan for the commodity  
15 may be repaid under section 124.

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

19 (e) TIME FOR PAYMENT.—The Secretary shall make  
20 a payment under this section to a producer with respect  
21 to a quantity of a covered commodity as of the earlier of  
22 the following:

23 (1) The date on which the producer marketed  
24 or otherwise lost beneficial interest in the com-  
25 modity, as determined by the Secretary.

1           (2) The date the producer requests the pay-  
2           ment.

3 **SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAY-**  
4 **MENTS FOR GRAZED ACREAGE.**

5           (a) **ELIGIBLE PRODUCERS.**—Effective for the 2002  
6 through 2011 crop years, in the case of a producer that  
7 would be eligible for a loan deficiency payment under sec-  
8 tion 125 for wheat, barley, or oats, but that elects to use  
9 acreage planted to the wheat, barley, or oats for the graz-  
10 ing of livestock, the Secretary shall make a payment to  
11 the producer under this section if the producer enters into  
12 an agreement with the Secretary to forgo any other har-  
13 vesting of the wheat, barley, or oats on that acreage.

14           (b) **PAYMENT AMOUNT.**—The amount of a payment  
15 made to a producer on a farm under this section shall  
16 be equal to the amount determined by multiplying—

17                 (1) the loan deficiency payment rate determined  
18                 under section 125(c) in effect, as of the date of the  
19                 agreement, for the county in which the farm is lo-  
20                 cated; by

21                 (2) the payment quantity determined by  
22                 multiplying—

23                         (A) the quantity of the grazed acreage on  
24                         the farm with respect to which the producer



1 elects to forgo harvesting of wheat, barley, or  
2 oats; and

3 (B) the payment yield for that covered  
4 commodity on the farm.

5 (c) TIME, MANNER, AND AVAILABILITY OF PAY-  
6 MENT.—

7 (1) TIME AND MANNER.—A payment under this  
8 section shall be made at the same time and in the  
9 same manner as loan deficiency payments are made  
10 under section 125.

11 (2) AVAILABILITY.—The Secretary shall estab-  
12 lish an availability period for the payment author-  
13 ized by this section that is consistent with the avail-  
14 ability period for wheat, barley, and oats established  
15 by the Secretary for marketing assistance loans au-  
16 thorized by this subtitle.

17 (d) PROHIBITION ON CROP INSURANCE OR NON-  
18 INSURED CROP ASSISTANCE.—A 2002 through 2011 crop  
19 of wheat, barley, or oats planted on acreage that a pro-  
20 ducer elects, in the agreement required by subsection (a),  
21 to use for the grazing of livestock in lieu of any other har-  
22 vesting of the crop shall not be eligible for insurance under  
23 the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.)  
24 or noninsured crop assistance under section 196 of the

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

3 **SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UP-**

4 **LAND COTTON.**

5 (a) COTTON USER MARKETING CERTIFICATES.—

6 (1) ISSUANCE.—During the period beginning on  
7 the date of the enactment of this Act and ending  
8 July 31, 2012, the Secretary shall issue marketing  
9 certificates or cash payments, at the option of the  
10 recipient, to domestic users and exporters for docu-  
11 mented purchases by domestic users and sales for  
12 export by exporters made in the week following a  
13 consecutive four-week period in which—

14 (A) the Friday through Thursday average  
15 price quotation for the lowest-priced United  
16 States growth, as quoted for Middling (M)  
17 1<sup>3</sup>/<sub>32</sub>-inch cotton, delivered C.I.F. Northern Eu-  
18 rope exceeds the Northern Europe price by  
19 more than 1.25 cents per pound; and

20 (B) the prevailing world market price for  
21 upland cotton (adjusted to United States qual-  
22 ity and location) does not exceed 134 percent of  
23 the loan rate for upland cotton established  
24 under section 122.

## 1 (2) VALUE OF CERTIFICATES OR PAYMENTS.—

2 The value of the marketing certificates or cash pay-  
3 ments shall be based on the amount of the difference  
4 (reduced by 1.25 cents per pound) in the prices dur-  
5 ing the fourth week of the consecutive four-week pe-  
6 riod multiplied by the quantity of upland cotton in-  
7 cluded in the documented sales.

8 (3) ADMINISTRATION OF MARKETING CERTIFI-  
9 CATES.—

10 (A) REDEMPTION, MARKETING, OR EX-  
11 CHANGE.—The Secretary shall establish proce-  
12 dures for redeeming marketing certificates for  
13 cash or marketing or exchange of the certifi-  
14 cates for agricultural commodities owned by the  
15 Commodity Credit Corporation or pledged to  
16 the Commodity Credit Corporation as collateral  
17 for a loan in such manner, and at such price  
18 levels, as the Secretary determines will best ef-  
19 fectuate the purposes of cotton user marketing  
20 certificates, including enhancing the competi-  
21 tiveness and marketability of United States cot-  
22 ton. Any price restrictions that would otherwise  
23 apply to the disposition of agricultural commod-  
24 ities by the Commodity Credit Corporation shall

1 not apply to the redemption of certificates  
2 under this subsection.

3 (B) DESIGNATION OF COMMODITIES AND  
4 PRODUCTS.—To the extent practicable, the Sec-  
5 retary shall permit owners of certificates to des-  
6 ignate the commodities and products, including  
7 storage sites, the owners would prefer to receive  
8 in exchange for certificates.

9 (C) TRANSFERS.—Marketing certificates  
10 issued to domestic users and exporters of up-  
11 land cotton may be transferred to other persons  
12 in accordance with regulations issued by the  
13 Secretary.

14 (b) SPECIAL IMPORT QUOTA.—

15 (1) ESTABLISHMENT.—

16 (A) IN GENERAL.—The President shall  
17 carry out an import quota program during the  
18 period beginning on the date of the enactment  
19 of this Act and ending July 31, 2012, as pro-  
20 vided in this subsection.

21 (B) PROGRAM REQUIREMENTS.—Except as  
22 provided in subparagraph (C), whenever the  
23 Secretary determines and announces that for  
24 any consecutive four-week period, the Friday  
25 through Thursday average price quotation for

1 the lowest-priced United States growth, as  
2 quoted for Middling (M)  $1\frac{3}{32}$ -inch cotton, deliv-  
3 ered C.I.F. Northern Europe, adjusted for the  
4 value of any certificate issued under subsection  
5 (a), exceeds the Northern Europe price by more  
6 than 1.25 cents per pound, there shall imme-  
7 diately be in effect a special import quota.

8 (C) TIGHT DOMESTIC SUPPLY.—During  
9 any month for which the Secretary estimates  
10 the season-ending United States upland cotton  
11 stocks-to-use ratio, as determined under sub-  
12 paragraph (D), to be below 16 percent, the Sec-  
13 retary, in making the determination under sub-  
14 paragraph (B), shall not adjust the Friday  
15 through Thursday average price quotation for  
16 the lowest-priced United States growth, as  
17 quoted for Middling (M)  $1\frac{3}{32}$ -inch cotton, deliv-  
18 ered C.I.F. Northern Europe, for the value of  
19 any certificates issued under subsection (a).

20 (D) SEASON-ENDING UNITED STATES  
21 STOCKS-TO-USE RATIO.—For the purposes of  
22 making estimates under subparagraph (C), the  
23 Secretary shall, on a monthly basis, estimate  
24 and report the season-ending United States up-  
25 land cotton stocks-to-use ratio, excluding pro-

1           jected raw cotton imports but including the  
2           quantity of raw cotton that has been imported  
3           into the United States during the marketing  
4           year.

5           (2) QUANTITY.—The quota shall be equal to  
6           one week’s consumption of upland cotton by domes-  
7           tic mills at the seasonally adjusted average rate of  
8           the most recent three months for which data are  
9           available.

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

15          (4) OVERLAP.—A special quota period may be  
16          established that overlaps any existing quota period if  
17          required by paragraph (1), except that a special  
18          quota period may not be established under this sub-  
19          section if a quota period has been established under  
20          subsection (e).

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

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

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

3 (C) section 503(d) of the Trade Act of  
4 1974 (19 U.S.C. 2463(d)); and

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

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

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

20 (c) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND  
21 COTTON.—

22 (1) IN GENERAL.—The President shall carry  
23 out an import quota program that provides that  
24 whenever the Secretary determines and announces  
25 that the average price of the base quality of upland

1 cotton, as determined by the Secretary, in the des-  
2 ignated spot markets for a month exceeded 130 per-  
3 cent of the average price of such quality of cotton  
4 in the markets for the preceding 36 months, not-  
5 withstanding any other provision of law, there shall  
6 immediately be in effect a limited global import  
7 quota subject to the following conditions:

8 (A) QUANTITY.—The quantity of the quota  
9 shall be equal to 21 days of domestic mill con-  
10 sumption of upland cotton at the seasonally ad-  
11 justed average rate of the most recent three  
12 months for which data are available.

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

22 (C) PREFERENTIAL TARIFF TREAT-  
23 MENT.—The quantity under a limited global  
24 import quota shall be considered to be an in-  
25 quota quantity for purposes of—



1 (i) section 213(d) of the Caribbean  
2 Basin Economic Recovery Act (19 U.S.C.  
3 2703(d));

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

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

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

10 (D) DEFINITIONS.—In this subsection:

11 (i) SUPPLY.—The term “supply”  
12 means, using the latest official data of the  
13 Bureau of the Census, the Department of  
14 Agriculture, and the Department of the  
15 Treasury—

16 (I) the carry-over of upland cot-  
17 ton at the beginning of the marketing  
18 year (adjusted to 480-pound bales) in  
19 which the quota is established;

20 (II) production of the current  
21 crop; and

22 (III) imports to the latest date  
23 available during the marketing year.

24 (ii) DEMAND.—The term “demand”  
25 means—

1 (I) the average seasonally ad-  
2 justed annual rate of domestic mill  
3 consumption during the most recent  
4 three months for which data are avail-  
5 able; and

6 (II) the larger of—

7 (aa) average exports of up-  
8 land cotton during the preceding  
9 six marketing years; or

10 (bb) cumulative exports of  
11 upland cotton plus outstanding  
12 export sales for the marketing  
13 year in which the quota is estab-  
14 lished.

15 (iii) LIMITED GLOBAL IMPORT  
16 QUOTA.—The term “limited global import  
17 quota” means a quantity of imports that is  
18 not subject to the over-quota tariff rate of  
19 a tariff-rate quota.

20 (E) QUOTA ENTRY PERIOD.—When a  
21 quota is established under this subsection, cot-  
22 ton may be entered under the quota during the  
23 90-day period beginning on the date the quota  
24 is established by the Secretary.

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

5 **SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**  
6 **LONG STAPLE COTTON.**

7           (a) COMPETITIVENESS PROGRAM.—Notwithstanding  
8 any other provision of law, during the period beginning  
9 on the date of the enactment of this Act and ending on  
10 July 31, 2012, the Secretary shall carry out a program  
11 to maintain and expand the domestic use of extra long  
12 staple cotton produced in the United States, to increase  
13 exports of extra long staple cotton produced in the United  
14 States, and to ensure that extra long staple cotton pro-  
15 duced in the United States remains competitive in world  
16 markets.

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

20           (1) for a consecutive four-week period, the  
21 world market price for the lowest priced competing  
22 growth of extra long staple cotton (adjusted to  
23 United States quality and location and for other fac-  
24 tors affecting the competitiveness of such cotton), as  
25 determined by the Secretary, is below the prevailing

1 United States price for a competing growth of extra  
2 long staple cotton; and

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

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

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

23 (e) FORM OF PAYMENT.—Payments under this sec-  
24 tion shall be made through the issuance of cash or mar-

1 keting certificates, at the option of eligible recipients of  
2 the payments.

3 **SEC. 129. AVAILABILITY OF RECOURSE LOANS FOR HIGH**  
4 **MOISTURE FEED GRAINS AND SEED COTTON**  
5 **AND OTHER FIBERS.**

6 (a) HIGH MOISTURE FEED GRAINS.—

7 (1) RECOURSE LOANS AVAILABLE.—For each of  
8 the 2002 through 2011 crops of corn and grain sor-  
9 ghum, the Secretary shall make available recourse  
10 loans, as determined by the Secretary, to producers  
11 on a farm who—

12 (A) normally harvest all or a portion of  
13 their crop of corn or grain sorghum in a high  
14 moisture state;

15 (B) present—

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

22 (ii) field or other physical measure-  
23 ments of the standing or stored crop in re-  
24 gions of the United States, as determined  
25 by the Secretary, that do not have certified

1 commercial scales from which certified  
2 scale tickets may be obtained within rea-  
3 sonable proximity of harvest operation;

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

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

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

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

1 (B) the lower of the farm program pay-  
2 ment yield or the actual yield on a field, as de-  
3 termined by the Secretary, that is similar to the  
4 field from which the corn or grain sorghum was  
5 obtained.

6 (3) HIGH MOISTURE STATE DEFINED.—In this  
7 subsection, the term “high moisture state” means  
8 corn or grain sorghum having a moisture content in  
9 excess of Commodity Credit Corporation standards  
10 for marketing assistance loans made by the Sec-  
11 retary under section 121.

12 (b) RECOURSE LOANS AVAILABLE FOR SEED COT-  
13 TON.—For each of the 2002 through 2011 crops of upland  
14 cotton and extra long staple cotton, the Secretary shall  
15 make available recourse seed cotton loans, as determined  
16 by the Secretary, on any production.

17 (c) REPAYMENT RATES.—Repayment of a recourse  
18 loan made under this section shall be at the loan rate es-  
19 tablished for the commodity by the Secretary, plus interest  
20 (as determined by the Secretary).

21 (d) TERMINATION OF SUPERSEDED LOAN AUTHOR-  
22 ITY.—Notwithstanding section 137 of the Federal Agri-  
23 culture Improvement and Reform Act of 1996 (7 U.S.C.  
24 7237), recourse loans shall not be made for the 2002 crop

1 of corn, grain sorghum, and seed cotton under such sec-  
2 tion.

3 **SEC. 130. AVAILABILITY OF NONRECOURSE MARKETING AS-**  
4 **SISTANCE LOANS FOR WOOL AND MOHAIR.**

5 (a) NONRECOURSE LOANS AVAILABLE.—During the  
6 2002 through 2011 marketing years for wool and mohair,  
7 the Secretary shall make available to producers on a farm  
8 nonrecourse marketing assistance loans for wool and mo-  
9 hair produced on the farm during that marketing year.

10 (b) LOAN RATE.—The loan rate for a loan under sub-  
11 section (a) shall be not more than—

12 (1) \$1.00 per pound for graded wool;

13 (2) \$0.40 per pound for nongraded wool; and

14 (3) \$4.20 per pound for mohair.

15 (c) TERM OF LOAN.—A loan under subsection (a)  
16 shall have a term of one year beginning on the first day  
17 of the first month after the month in which the loan is  
18 made.

19 (d) REPAYMENT RATES.—The Secretary shall permit  
20 a producer to repay a marketing assistance loan under  
21 subsection (a) for wool or mohair at a rate that is the  
22 lesser of—

23 (1) the loan rate established for the commodity  
24 under subsection (b), plus interest (as determined by  
25 the Secretary); or



- 1           (2) a rate that the Secretary determines will—  
2                   (A) minimize potential loan forfeitures;  
3                   (B) minimize the accumulation of stocks of  
4           the commodity by the Federal Government;  
5                   (C) minimize the cost incurred by the Fed-  
6           eral Government in storing the commodity; and  
7                   (D) allow the commodity produced in the  
8           United States to be marketed freely and com-  
9           petitively, both domestically and internationally.

10       (e) LOAN DEFICIENCY PAYMENTS.—

11           (1) AVAILABILITY.—The Secretary may make  
12       loan deficiency payments available to producers that,  
13       although eligible to obtain a marketing assistance  
14       loan under this section, agree to forgo obtaining the  
15       loan in return for payments under this section.

16           (2) COMPUTATION.—A loan deficiency payment  
17       under this subsection shall be computed by  
18       multiplying—

19                   (A) the loan payment rate in effect under  
20           paragraph (3) for the commodity; by

21                   (B) the quantity of the commodity pro-  
22           duced by the eligible producers, excluding any  
23           quantity for which the producers obtain a loan  
24           under this subsection.

1           (3) LOAN PAYMENT RATE.—For purposes of  
2 this subsection, the loan payment rate for wool or  
3 mohair shall be the amount by which—

4           (A) the loan rate in effect for the com-  
5 modity under subsection (b); exceeds

6           (B) the rate at which a loan for the com-  
7 modity may be repaid under subsection (d).

8           (4) TIME FOR PAYMENT.—The Secretary shall  
9 make a payment under this subsection to a producer  
10 with respect to a quantity of a wool or mohair as of  
11 the earlier of the following:

12           (A) The date on which the producer mar-  
13 keted or otherwise lost beneficial interest in the  
14 wool or mohair, as determined by the Secretary.

15           (B) The date the producer requests the  
16 payment.

17           (f) LIMITATIONS.—The marketing assistance loan  
18 gains and loan deficiency payments that a person may re-  
19 ceive for wool and mohair under this section shall be sub-  
20 ject to a separate payment limitation, but in the same dol-  
21 lar amount, as the payment limitation that applies to mar-  
22 keting assistance loans and loan deficiency payments re-  
23 ceived by producers of other agricultural commodities in  
24 the same marketing year.

1 **SEC. 131. AVAILABILITY OF NONRECOURSE MARKETING AS-**  
2 **SISTANCE LOANS FOR HONEY.**

3 (a) NONRECOURSE LOANS AVAILABLE.—During the  
4 2002 through 2011 crop years for honey, the Secretary  
5 shall make available to producers on a farm nonrecourse  
6 marketing assistance loans for honey produced on the  
7 farm during that crop year.

8 (b) LOAN RATE.—The loan rate for a marketing as-  
9 sistance loan for honey under subsection (a) shall be equal  
10 to \$0.60 cents per pound.

11 (c) TERM OF LOAN.—A marketing assistance loan  
12 under subsection (a) shall have a term of one year begin-  
13 ning on the first day of the first month after the month  
14 in which the loan is made.

15 (d) REPAYMENT RATES.—The Secretary shall permit  
16 a producer to repay a marketing assistance loan for honey  
17 under subsection (a) at a rate that is the lesser of—

18 (1) the loan rate for honey, plus interest (as de-  
19 termined by the Secretary); or

20 (2) the prevailing domestic market price for  
21 honey, as determined by the Secretary.

22 (e) LOAN DEFICIENCY PAYMENTS.—

23 (1) AVAILABILITY.—The Secretary may make  
24 loan deficiency payments available to any producer  
25 of honey that, although eligible to obtain a mar-  
26 keting assistance loan under subsection (a), agrees

1 to forgo obtaining the loan in return for a payment  
2 under this subsection.

3 (2) COMPUTATION.—A loan deficiency payment  
4 under this subsection shall be determined by  
5 multiplying—

6 (A) the loan payment rate determined  
7 under paragraph (3); by

8 (B) the quantity of honey that the pro-  
9 ducer is eligible to place under loan, but for  
10 which the producer forgoes obtaining the loan  
11 in return for a payment under this subsection.

12 (3) LOAN PAYMENT RATE.—For the purposes  
13 of this subsection, the loan payment rate shall be the  
14 amount by which—

15 (A) the loan rate established under sub-  
16 section (b); exceeds

17 (B) the rate at which a loan may be repaid  
18 under subsection (d).

19 (4) TIME FOR PAYMENT.—The Secretary shall  
20 make a payment under this subsection to a producer  
21 with respect to a quantity of a honey as of the ear-  
22 lier of the following:

23 (A) The date on which the producer mar-  
24 keted or otherwise lost beneficial interest in the  
25 honey, as determined by the Secretary.

1 (B) The date the producer requests the  
2 payment.

3 (f) LIMITATIONS.—The marketing assistance loan  
4 gains and loan deficiency payments that a person may re-  
5 ceive for a crop of honey under this section shall be subject  
6 to a separate payment limitation, but in the same dollar  
7 amount, as the payment limitation that applies to mar-  
8 keting assistance loans and loan deficiency payments re-  
9 ceived by producers of other agricultural commodities in  
10 the same crop year.

11 (g) PREVENTION OF FORFEITURES.—The Secretary  
12 shall carry out this section in such a manner as to mini-  
13 mize forfeitures of honey marketing assistance loans.

## 14 **Subtitle C—Other Commodities**

### 15 **CHAPTER 1—DAIRY**

#### 16 **SEC. 141. MILK PRICE SUPPORT PROGRAM.**

17 (a) SUPPORT ACTIVITIES.—During the period begin-  
18 ning on January 1, 2002, and ending on December 31,  
19 2011, the Secretary of Agriculture shall support the price  
20 of milk produced in the 48 contiguous States through the  
21 purchase of cheese, butter, and nonfat dry milk produced  
22 from the milk.

23 (b) RATE.—During the period specified in subsection  
24 (a), the price of milk shall be supported at a rate equal

1 to \$9.90 per hundredweight for milk containing 3.67 per-  
2 cent butterfat.

3 (c) PURCHASE PRICES.—The support purchase  
4 prices under this section for each of the products of milk  
5 (butter, cheese, and nonfat dry milk) announced by the  
6 Secretary shall be the same for all of that product sold  
7 by persons offering to sell the product to the Secretary.  
8 The purchase prices shall be sufficient to enable plants  
9 of average efficiency to pay producers, on average, a price  
10 that is not less than the rate of price support for milk  
11 in effect under subsection (b).

12 (d) SPECIAL RULE FOR BUTTER AND NONFAT DRY  
13 MILK PURCHASE PRICES.—

14 (1) ALLOCATION OF PURCHASE PRICES.—The  
15 Secretary may allocate the rate of price support be-  
16 tween the purchase prices for nonfat dry milk and  
17 butter in a manner that will result in the lowest level  
18 of expenditures by the Commodity Credit Corpora-  
19 tion or achieve such other objectives as the Secretary  
20 considers appropriate. Not later than 10 days after  
21 making or changing an allocation, the Secretary  
22 shall notify the Committee on Agriculture of the  
23 House of Representatives and the Committee on Ag-  
24 riculture, Nutrition, and Forestry of the Senate of  
25 the allocation. Section 553 of title 5, United States

1 Code, shall not apply with respect to the implemen-  
2 tation of this section.

3 (2) TIMING OF PURCHASE PRICE ADJUST-  
4 MENTS.—The Secretary may make any such adjust-  
5 ments in the purchase prices for nonfat dry milk  
6 and butter the Secretary considers to be necessary  
7 not more than twice in each calendar year.

8 (e) COMMODITY CREDIT CORPORATION.—The Sec-  
9 retary shall carry out the program authorized by this sec-  
10 tion through the Commodity Credit Corporation.

11 **SEC. 142. REPEAL OF RECOURSE LOAN PROGRAM FOR**  
12 **PROCESSORS.**

13 Section 142 of the Federal Agriculture Improvement  
14 and Reform Act of 1996 (7 U.S.C. 7252) is repealed.

15 **SEC. 143. DAIRY EXPORT INCENTIVE PROGRAM.**

16 Section 153(a) of the Food Security Act of 1985 (15  
17 U.S.C. 713a–14(a)) is amended by striking “2002” and  
18 inserting “2011”.

19 **SEC. 144. FLUID MILK PROMOTION.**

20 (a) DEFINITION OF FLUID MILK PRODUCT.—Section  
21 1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C.  
22 6402) is amended by striking paragraph (3) and inserting  
23 the following new paragraph:

24 “(3) FLUID MILK PRODUCT.—The term ‘fluid  
25 milk product’ has the meaning given such term—

1           “(A) in section 1000.15 of title 7, Code of  
2           Federal Regulations, subject to such amend-  
3           ments as may be made from time to time; or

4           “(B) in any successor regulation providing  
5           a definition of such term that is promulgated  
6           pursuant to the Agricultural Adjustment Act (7  
7           U.S.C. 601 et seq.), reenacted with amend-  
8           ments by the Agricultural Marketing Agreement  
9           Act of 1937.”.

10       (b) DEFINITION OF FLUID MILK PROCESSOR.—Sec-  
11       tion 1999C(4) of the Fluid Milk Promotion Act of 1990  
12       (7 U.S.C. 6402(4)) is amended by striking “500,000” and  
13       inserting “3,000,000”.

14       (c) ELIMINATION OF ORDER TERMINATION DATE.—  
15       Section 1999O of the Fluid Milk Promotion Act of 1990  
16       (7 U.S.C. 6414) is amended—

17           (1) by striking subsection (a); and

18           (2) by redesignating subsections (b) and (c) as  
19       subsections (a) and (b), respectively.

20       **SEC. 145. DAIRY PRODUCT MANDATORY REPORTING.**

21       Section 273(b)(1)(B) of the Agricultural Marketing  
22       Act of 1946 (7 U.S.C. 1637b(b)(1)(B)) is amended—

23           (1) by inserting “and substantially identical  
24       products designated by the Secretary” after “dairy  
25       products” the first place it appears; and



1           (2) by inserting “and such substantially iden-  
2           tical products” after “dairy products” the second  
3           place it appears.

4 **SEC. 146. FUNDING OF DAIRY PROMOTION AND RESEARCH**  
5 **PROGRAM.**

6           (a) DEFINITIONS.—Section 111 of the Dairy Produc-  
7           tion Stabilization Act of 1983 (7 U.S.C. 4502) is  
8           amended—

9           (1) in subsection (k), by striking “and” at the  
10          end;

11          (2) in subsection (l), by striking the period at  
12          the end and inserting a semicolon; and

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

14           “(m) the term ‘imported dairy product’ means  
15           any dairy product that is imported into the United  
16           States, including dairy products imported into the  
17           United States in the form of—

18           “(1) milk, cream, and fresh and dried  
19           dairy products;

20           “(2) butter and butterfat mixtures;

21           “(3) cheese; and

22           “(4) casein and mixtures;

23           “(n) the term ‘importer’ means a person that  
24           imports an imported dairy product into the United  
25           States; and

1           “(o) the term ‘Customs’ means the United  
2 States Customs Service.”.

3           (b) REPRESENTATION OF IMPORTERS ON BOARD.—  
4 Section 113(b) of the Dairy Production Stabilization Act  
5 of 1983 (7 U.S.C. 4504(b)) is amended—

6           (1) by inserting “NATIONAL DAIRY PROMOTION  
7 AND RESEARCH BOARD.—” after “(b)”;

8           (2) by designating the first through ninth sen-  
9 tences as paragraphs (1) through (5) and para-  
10 graphs (7) through (10), respectively, and indenting  
11 the paragraphs appropriately;

12           (3) in paragraph (2) (as so designated), by  
13 striking “Members” and inserting “Except as pro-  
14 vided in paragraph (6), the members”; and

15           (4) by inserting after paragraph (5) (as so des-  
16 ignated) the following:

17           “(6) IMPORTERS.—

18           “(A) REPRESENTATION.—The Secretary  
19 shall appoint not more than 2 members who  
20 represent importers of dairy products and are  
21 subject to assessments under the order, to re-  
22 flect the proportion of domestic production and  
23 imports supplying the United States market,  
24 which shall be based on the Secretary’s deter-  
25 mination of the average volume of domestic pro-

1           duction of dairy products proportionate to the  
2           average volume of imports of dairy products in  
3           the United States over the previous three years.

4           “(B) ADDITIONAL MEMBERS; NOMINA-  
5           TIONS.—The members appointed under this  
6           paragraph—

7                   “(i) shall be in addition to the total  
8                   number of members appointed under para-  
9                   graph (2); and

10                   “(ii) shall be appointed from nomina-  
11                   tions submitted by importers under such  
12                   procedures as the Secretary determines to  
13                   be appropriate.”.

14           (c) IMPORTER ASSESSMENT.—Section 113(g) of the  
15           Dairy Production Stabilization Act of 1983 (7 U.S.C.  
16           4504(g)) is amended—

17                   (1) by inserting “ASSESSMENTS.—” after  
18                   “(g)”;

19                   (2) by designating the first through fifth sen-  
20                   tences as paragraphs (1) through (5), respectively,  
21                   and indenting appropriately; and

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

23                   “(6) IMPORTERS.—

24                           “(A) IN GENERAL.—The order shall pro-  
25                           vide that each importer of imported dairy prod-

1           ucts shall pay an assessment to the Board in  
2           the manner prescribed by the order.

3           “(B) TIME FOR PAYMENT.—The assess-  
4           ment on imported dairy products shall be paid  
5           by the importer to Customs at the time of the  
6           entry of the products into the United States  
7           and shall be remitted by Customs to the Board.  
8           For purposes of this subparagraph, entry of the  
9           products into the United States shall be deemed  
10          to have occurred when the products are released  
11          from custody of Customs and introduced into  
12          the stream of commerce within the United  
13          States. Importers include persons who hold title  
14          to foreign-produced dairy products immediately  
15          upon release by Customs, as well as persons  
16          who act on behalf of others, as agents, brokers,  
17          or consignees, to secure the release of dairy  
18          products from Customs and the introduction of  
19          the released dairy products into the stream of  
20          commerce.

21          “(C) RATE.—The rate of assessment on  
22          imported dairy products shall be determined in  
23          the same manner as the rate of assessment per  
24          hundredweight or the equivalent of milk.

1           “(D) VALUE OF PRODUCTS.—For the pur-  
 2           pose of determining the assessment on imported  
 3           dairy products under subparagraph (C), the  
 4           value to be placed on imported dairy products  
 5           shall be established by the Secretary in a fair  
 6           and equitable manner.

7           “(E) USE OF ASSESSMENTS ON IMPORTED  
 8           DAIRY.—Assessments collected on imported  
 9           dairy products shall not be used for foreign  
 10          market promotion.”.

11          (d) RECORDS.—Section 113(k) of the Dairy Produc-  
 12          tion Stabilization Act of 1983 (7 U.S.C. 4504(k)) is  
 13          amended in the first sentence by striking “person receiv-  
 14          ing” and inserting “importer of imported dairy products,  
 15          each person receiving”.

16          (e) IMPORTER ELIGIBILITY TO VOTE IN REF-  
 17          ERENDUM.—Section 116(b) of the Dairy Promotion Sta-  
 18          bilization Act of 1983 (7 U.S.C. 4507(b)) is amended—

19                 (1) in the first sentence—

20                         (A) by inserting after “of producers” the  
 21                         following: “and importers”; and

22                         (B) by inserting after “the producers” the  
 23                         following: “and importers”; and

24                 (2) in the second sentence, by inserting after  
 25                 “commercial use” the following: “and importers vot-

1 ing in the referendum (who have been engaged in  
 2 the importation of dairy products during the same  
 3 representative period, as determined by the Sec-  
 4 retary).”.

5 (f) CONFORMING AMENDMENTS TO REFLECT ADDI-  
 6 TION OF IMPORTERS.—Section 110(b) of the Dairy Pro-  
 7 duction Stabilization Act of 1983 (7 U.S.C. 4501(b)) is  
 8 amended—

9 (1) in the first sentence—

10 (A) by inserting after “commercial use”  
 11 the following: “and on imported dairy prod-  
 12 ucts”; and

13 (B) by striking “products produced in the  
 14 United States.” and inserting “products.”; and

15 (2) in the second sentence, by inserting after  
 16 “produce milk” the following: “or the right of any  
 17 person to import dairy products”.

## 18 **CHAPTER 2—SUGAR**

### 19 **SEC. 151. SUGAR PROGRAM.**

20 (a) CONTINUATION OF PROGRAM.—Subsection (i) of  
 21 section 156 of the Federal Agriculture Improvement and  
 22 Reform Act of 1996 (7 U.S.C. 7251) is amended—

23 (1) by striking “(other than subsection (f))”;  
 24 and

1           (2) by striking “2002 crops” and inserting  
2           “2011 crops”.

3           (b) TERMINATION OF MARKETING ASSESSMENT.—  
4 Effective as of October 1, 2001, subsection (f) of such sec-  
5 tion is repealed.

6           (c) LOAN RATE ADJUSTMENTS.—Subsection (c) of  
7 such section is amended—

8           (1) by striking “REDUCTION IN LOAN RATES”  
9           and inserting “LOAN RATE ADJUSTMENTS”; and

10           (2) in paragraph (1)—

11           (A) by striking “REDUCTION REQUIRED”  
12           and inserting “POSSIBLE REDUCTION”; and

13           (B) by striking “shall” and inserting  
14           “may”.

15           (d) NOTIFICATION.—Subsection (e) of such section is  
16 amended by adding at the end the following new para-  
17 graph:

18           “(3) PREVENTION OF ONEROUS NOTIFICATION  
19 REQUIREMENTS.—The Secretary may not impose or  
20 enforce any prenotification or similar administrative  
21 requirement that has the effect of preventing a proc-  
22 essor from choosing to forfeit the loan collateral  
23 upon the maturity of the loan.”.

1 (e) IN PROCESS SUGAR.—Such section is further  
2 amended by inserting after subsection (e) the following  
3 new subsection (f):

4 “(f) LOANS FOR IN-PROCESS SUGAR.—

5 “(1) AVAILABILITY; RATE.—The Secretary shall  
6 make nonrecourse loans available to processors of  
7 domestically grown sugarcane and sugar beets for  
8 in-process sugars and syrups derived from such  
9 crops. The loan rate shall be equal to 80 percent of  
10 the loan rate applicable to raw cane sugar or refined  
11 beet sugar, depending on the source material for the  
12 in-process sugars and syrups.

13 “(2) FURTHER PROCESSING UPON FOR-  
14 FEITURE.—As a condition on the forfeiture of in-  
15 process sugars and syrups serving as collateral for  
16 a loan under paragraph (1), the processor shall,  
17 within such reasonable time period as the Secretary  
18 may prescribe and at no cost to the Commodity  
19 Credit Corporation, convert the in-process sugars  
20 and syrups into raw cane sugar or refined beet  
21 sugar of acceptable grade and quality for sugars eli-  
22 gible for loans under subsection (a) or (b). Once the  
23 in-process sugars and syrups are fully processed into  
24 raw cane sugar or refined beet sugar, the processor  
25 shall transfer the sugar to the Corporation, which



1 shall make a payment to the processor in an amount  
2 equal to the difference between the loan rate for raw  
3 cane sugar or refined beet sugar, whichever applies,  
4 and the loan rate the processor received under para-  
5 graph (1).

6 “(3) LOAN CONVERSION.—If the processor does  
7 not forfeit the collateral as described in paragraph  
8 (2), but instead further processes the in-process sug-  
9 ars and syrups into raw cane sugar or refined beet  
10 sugar and repays the loan on the in-process sugars  
11 and syrups, the processor may then obtain a loan  
12 under subsection (a) or (b) on the raw cane sugar  
13 or refined beet sugar, as appropriate.

14 “(4) DEFINITION.—In this subsection the term  
15 ‘in-process sugars and syrups’ does not include raw  
16 sugar, liquid sugar, invert sugar, invert syrup, or  
17 other finished products that are otherwise eligible  
18 for loans under subsection (a) or (b).”.

19 (f) ADMINISTRATION OF PROGRAM.—Such section is  
20 further amended by adding at the end the following new  
21 subsection:

22 “(j) AVOIDING FORFEITURES; CORPORATION INVEN-  
23 TORY DISPOSITION.—

24 “(1) NO COST.—To the maximum extent prac-  
25 ticable, the Secretary shall operate the sugar pro-

1 gram established under this section at no cost to the  
2 Federal Government by avoiding the forfeiture of  
3 sugar to the Commodity Credit Corporation.

4 “(2) INVENTORY DISPOSITION.—In support of  
5 the objective specified in paragraph (1), the Com-  
6 modity Credit Corporation may accept bids for com-  
7 modities in the inventory of the Corporation from  
8 (or otherwise make available such commodities, on  
9 appropriate terms and conditions, to) processors of  
10 sugarcane and processors of sugar beets (when the  
11 processors are acting in conjunction with the pro-  
12 ducers of the sugarcane or sugar beets processed by  
13 such processors) in return for the reduction of pro-  
14 duction of raw cane sugar or refined beet sugar, as  
15 appropriate. The authority provided under this para-  
16 graph is in addition to any authority of the Corpora-  
17 tion under any other law.”.

18 (g) INFORMATION REPORTING.—Subsection (h) of  
19 such section is amended—

20 (1) by redesignating paragraphs (2) and (3) as  
21 paragraphs (4) and (5), respectively;

22 (2) by inserting after paragraph (1) the fol-  
23 lowing new paragraphs:

24 “(2) DUTY OF PRODUCERS TO REPORT.—

1           “(A) PROPORTIONATE SHARE STATES.—  
2           The Secretary shall require a producer of sug-  
3           arcane located in a State (other than Puerto  
4           Rico) in which there are in excess of 250 sugarcane  
5           producers to report, in the manner pre-  
6           scribed by the Secretary, the producer’s sugarcane  
7           yields and acres planted to sugarcane.

8           “(B) OTHER STATES.—The Secretary may  
9           require producers of sugarcane or sugar beets  
10          not covered by paragraph (1) to report, in the  
11          manner prescribed by the Secretary, each pro-  
12          ducer’s sugarcane or sugar beet yields and  
13          acres planted to sugarcane or sugar beets, re-  
14          spectively.

15          “(3) DUTY OF IMPORTERS TO REPORT.—The  
16          Secretary shall require an importer of sugars, syrups  
17          or molasses to be used for human consumption or to  
18          be used for the extraction of sugar for human con-  
19          sumption, except such sugars, syrups, or molasses  
20          that are within the quantities of tariff-rate quotas  
21          that are at the lower rate of duties, to report, in the  
22          manner prescribed by the Secretary, the quantities  
23          of such products imported and the sugar content or  
24          equivalent of such products.”; and

1           (3) in paragraph (5), as so redesignated, by  
2       striking “paragraph (1)” and inserting “this sub-  
3       section”.

4       (h) INTEREST RATE.—Section 163 of the Federal  
5       Agriculture Improvement and Reform Act of 1996 (7  
6       U.S.C. 7283) is amended by adding at the end the fol-  
7       lowing new sentence: “For purposes of this section, raw  
8       cane sugar, refined beet sugar, and in process sugar eligi-  
9       ble for a loan under section 156 shall not be considered  
10      an agricultural commodity.”.

11   **SEC. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL**  
12                   **ADJUSTMENT ACT OF 1938 REGARDING**  
13                   **SUGAR.**

14       (a) INFORMATION REPORTING.—Section 359a of the  
15       Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa)  
16       is repealed.

17       (b) ESTIMATES.—Section 359b of the Agricultural  
18       Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended:

19           (1) in the section heading—

20               (A) by inserting “**FLEXIBLE**” before  
21               “**MARKETING**”; and

22               (B) by striking “**AND CRYSTALLINE**  
23               **FRUCTOSE**”;

24           (2) in subsection (a)—

25               (A) in paragraph (1)—

- 1 (i) by striking “Before” and inserting  
2 “Not later than August 1 before”;
- 3 (ii) by striking “1992 through 1998”  
4 and inserting “2002 through 2011”;
- 5 (iii) in subparagraph (A), by striking  
6 “(other than sugar” and all that follows  
7 through “stocks”;
- 8 (iv) by redesignating subparagraphs  
9 (B) and (C) as subparagraphs (C) and  
10 (E), respectively;
- 11 (v) by inserting after subparagraph  
12 (A) the following:  
13 “(B) the quantity of sugar that would pro-  
14 vide for reasonable carryover stocks;”;
- 15 (vi) in subparagraph (C), as so  
16 redesignated—
- 17 (I) by striking “or” through  
18 “beets”; and
- 19 (II) by striking the “and” fol-  
20 lowing the semicolon;
- 21 (vii) by inserting after subparagraph  
22 (C), as so redesignated, the following:  
23 “(D) the quantity of sugar that will be  
24 available from the domestic processing of sugar-  
25 cane and sugar beets; and”;

1 (viii) in subparagraph (E), as so  
2 redesignated—

3 (I) by striking “quantity of  
4 sugar” and inserting “quantity of  
5 sugars, syrups, and molasses”;

6 (II) by inserting “human” after  
7 “imported for”;

8 (III) by inserting after “con-  
9 sumption” the following: “or to be  
10 used for the extraction of sugar for  
11 human consumption”;

12 (IV) by striking “year” and in-  
13 serting “year, whether such articles  
14 are under a tariff-rate quota or are in  
15 excess or outside of a tariff rate  
16 quota”; and

17 (V) by striking “in (other than  
18 sugar” and all that follows through  
19 “carry-in stocks”;

20 (B) by redesignating paragraph (2) as  
21 paragraph (3);

22 (C) by inserting after paragraph (1) the  
23 following new paragraph:

24 “(2) EXCLUSION.—The estimates in this sec-  
25 tion shall not include sugar imported for the produc-

1 tion of polyhydric alcohol or to be refined and re-ex-  
2 ported in refined form or in sugar containing prod-  
3 ucts.”;

4 (D) in paragraph (3), as so redesignated—

5 (i) by amending the heading to read  
6 “REESTIMATES”; and

7 (ii) by inserting “as necessary, but”  
8 after “a fiscal year”;

9 (3) in subsection (b)—

10 (A) by striking paragraph (1) and insert-  
11 ing the following new paragraph:

12 “(1) IN GENERAL.—By the beginning of each  
13 fiscal year, the Secretary shall establish for that fis-  
14 cal year appropriate allotments under section 359c  
15 for the marketing by processors of sugar processed  
16 from sugar beets and from domestically-produced  
17 sugarcane at a level that the Secretary estimates will  
18 result in no forfeitures of sugar to the Commodity  
19 Credit Corporation under the loan program for  
20 sugar.”; and

21 (B) in paragraph (2), by striking “or crys-  
22 talline fructose”;

23 (4) by striking subsection (c);

24 (5) by redesignating subsection (d) as sub-  
25 section (e); and

- 1 (6) in subsection (c), as so redesignated—  
 2 (A) by striking paragraph (2);  
 3 (B) by redesignating paragraphs (3) and  
 4 (4) as paragraphs (2) and (3), respectively; and  
 5 (C) in paragraph (2), as so redesignated—  
 6 (i) by striking “or manufacturer”  
 7 through “(2)”; and  
 8 (ii) by striking “or crystalline fruc-  
 9 tose”.

10 (c) ESTABLISHMENT.—Section 359c of the Agricul-  
 11 tural Adjustment Act of 1938 (7 U.S.C. 1359cc) is  
 12 amended—

- 13 (1) in the section heading by inserting “**FLEXI-**  
 14 **BLE**” after “**OF**”;  
 15 (2) in subsection (a), by inserting “flexible”  
 16 after “establish”;  
 17 (3) in subsection (b)—  
 18 (A) in paragraph (1)(A), by striking  
 19 “1,250,000” and inserting “1,532,000”; and  
 20 (B) in paragraph (2), by striking “to the  
 21 maximum extent practicable”;  
 22 (4) by striking subsection (c) and inserting the  
 23 following new subsection:

24 “(c) MARKETING ALLOTMENT FOR SUGAR DERIVED  
 25 FROM SUGAR BEETS AND MARKETING ALLOTMENT FOR



1 SUGAR DERIVED FROM SUGARCANE.—The overall allot-  
2 ment quantity for the fiscal year shall be allotted among—

3 “(1) sugar derived from sugarbeets by estab-  
4 lishing a marketing allotment for a fiscal year at a  
5 quantity equal to the product of multiplying the  
6 overall allotment quantity for the fiscal year by the  
7 percentage of 54.35; and

8 “(2) sugar derived from sugarcane by estab-  
9 lishing a marketing allotment for a fiscal year at a  
10 quantity equal to the product of multiplying the  
11 overall allotment quantity for the fiscal year by the  
12 percentage of 45.65.”;

13 (5) by amending subsection (d) to read as fol-  
14 lows:

15 “(d) FILLING CANE SUGAR AND BEET SUGAR AL-  
16 LOTMENTS.—Each marketing allotment for cane sugar es-  
17 tablished under this section may only be filled with sugar  
18 processed from domestically grown sugarcane, and each  
19 marketing allotment for beet sugar established under this  
20 section may only be filled with sugar domestically proc-  
21 essed from sugar beets.”;

22 (6) by striking subsection (e);

23 (7) by redesignating subsection (f) as sub-  
24 section (e);

25 (8) in subsection (e), as so redesignated—

1 (A) by inserting “(1) IN GENERAL.—” be-  
2 fore “The allotment for sugar” and indenting  
3 such paragraph appropriately;

4 (B) in such paragraph (1)—

5 (i) by striking “the 5” and inserting  
6 “the”;

7 (ii) by inserting after “sugarcane is  
8 produced,” the following: “after a hearing,  
9 if requested by the affected sugar cane  
10 processors and growers, and on such notice  
11 as the Secretary by regulation may pre-  
12 scribe,”;

13 (iii) by striking “on the basis of past  
14 marketings” and all that follows through  
15 “allotments”, and inserting “as provided in  
16 this subsection and section  
17 359(d)(a)(2)(A)(iv)”;

18 (C) by inserting after paragraph (1) the  
19 following new paragraphs:

20 “(2) OFFSHORE ALLOTMENT.—

21 “(A) COLLECTIVELY.—Prior to the allot-  
22 ment of sugar derived from sugarcane to any  
23 other State, 325,000 short tons, raw value shall  
24 be allotted to the offshore States.

1           “(B) INDIVIDUALLY.—The collective off-  
2           shore State allotment provided for under sub-  
3           paragraph (A) shall be further allotted among  
4           the offshore States in which sugarcane is pro-  
5           duced, after a hearing if requested by the af-  
6           fected sugar cane processors and growers, and  
7           on such notice as the Secretary by regulation  
8           may prescribe, in a fair and equitable manner  
9           on the basis of—

10                   “(i) past marketings of sugar, based  
11                   on the average of the 2 highest years of  
12                   production of raw cane sugar from the  
13                   1996 through 2000 crops;

14                   “(ii) the ability of processors to mar-  
15                   ket the sugar covered under the allotments  
16                   for the crop year; and

17                   “(iii) past processings of sugar from  
18                   sugarcane based on the 3 year average of  
19                   the crop years 1998 through 2000.

20           “(3) MAINLAND ALLOTMENT.—The allotment  
21           for sugar derived from sugarcane, less the amount  
22           provided for under paragraph (2), shall be allotted  
23           among the mainland States in the United States in  
24           which sugarcane is produced, after a hearing if re-  
25           quested by the affected sugar cane processors and

1 growers, and on such notice as the Secretary by reg-  
 2 ulation may prescribe, in a fair and equitable man-  
 3 ner on the basis of—

4 “(A) past marketings of sugar, based on  
 5 the average of the 2 highest years of production  
 6 of raw cane sugar from the 1996 through 2000  
 7 crops;

8 “(B) the ability of processors to market  
 9 the sugar covered under the allotments for the  
 10 crop year; and

11 “(C) past processings of sugar from sugar-  
 12 cane, based on the 3 crop years with the great-  
 13 est processings (in the mainland States collec-  
 14 tively) during the 1991 through 2000 crop  
 15 years.”;

16 (9) by inserting after subsection (e), as so re-  
 17 designated, the following new subsection (f):

18 “(f) FILLING CANE SUGAR ALLOTMENTS.—Except  
 19 as otherwise provided in section 359e, a State cane sugar  
 20 allotment established under subsection (e) for a fiscal year  
 21 may be filled only with sugar processed from sugarcane  
 22 grown in the State covered by the allotment.”;

23 (10) in subsection (g)—

24 (A) in paragraph (1), by striking  
 25 “359b(a)(2)—” through the end of subpara-

1 graph (C) and inserting “359b(a)(3), adjust up-  
2 ward or downward marketing allotments in a  
3 fair and equitable manner”;

4 (B) in paragraph (2) by striking “359f(b)”  
5 and inserting “359f(e)”; and

6 (C) in paragraph (3)—

7 (i) by striking “REDUCTIONS” and in-  
8 serting “CARRY-OVER OF REDUCTIONS”;

9 (ii) by inserting after “this subsection,  
10 if” the following: “at the time of the reduc-  
11 tion”;

12 (iii) by striking “price support” and  
13 inserting “nonrecourse”;

14 (iv) by striking “206” through “the  
15 allotment” and inserting “156 of the Agri-  
16 cultural Market Transition Act (7 U.S.C.  
17 7272),”; and

18 (v) by striking “, if any,”; and

19 (11) by amending subsection (h) to read as fol-  
20 lows:

21 “(h) SUSPENSION OF ALLOTMENTS.—Whenever the  
22 Secretary estimates, or reestimates, under section  
23 359b(a), or has reason to believe that imports of sugars,  
24 syrups or molasses for human consumption or to be used  
25 for the extraction of sugar for human consumption, wheth-

1 er under a tariff-rate quota or in excess or outside of a  
2 tariff-rate quota, will exceed 1.532 million short tons, raw  
3 value equivalent, and that such imports would lead to a  
4 reduction of the overall allotment quantity, the Secretary  
5 shall suspend the marketing allotments until such time as  
6 such imports have been restricted, eliminated, or otherwise  
7 reduced to or below the level of 1.532 million tons.”.

8 (d) ALLOCATION.—Section 359d of the Agricultural  
9 Adjustment Act of 1938 (7 U.S.C. 1359dd) is amended—

10 (1) in subsection (a)(2)(A)—

11 (A) by inserting “(i) IN GENERAL.—” be-  
12 fore “The Secretary shall” and indenting such  
13 clause appropriately;

14 (B) in clause (i), as so designated—

15 (ii) by striking “interested parties”  
16 and inserting “the affected sugar cane  
17 processors and growers”;

18 (iii) by striking “by taking” through  
19 “allotment allocated.” and inserting “with  
20 this subparagraph.”; and

21 (iv) by inserting at the end the fol-  
22 lowing new sentence: “Each such allocation  
23 shall be subject to adjustment under sec-  
24 tion 359c(g).”;

1 (C) by inserting after clause (i) the fol-  
2 lowing new clause:

3 “(ii) MULTIPLE PROCESSOR  
4 STATES.—Except as provided in clause  
5 (iii), the Secretary shall allocate the allot-  
6 ment for cane sugar among multiple cane  
7 sugar processors in a single State based  
8 upon—

9 “(I) past marketings of sugar,  
10 based on the average of the 2 highest  
11 years of production of raw cane sugar  
12 from among the 1996 through 2000  
13 crops;

14 “(II) the ability of processors to  
15 market sugar covered by that portion  
16 of the allotment allocated for the crop  
17 year;

18 “(III) past processings of sugar  
19 from sugarcane, based on the average  
20 of the 3 highest years from among  
21 crop years 1996 through 2000; and

22 “(IV) however, only with respect  
23 to allotments under subclauses (I),  
24 (II), and (III) attributable to the  
25 former operations of the Talisman

1 processing facility, shall be allocated  
2 among processors in the State coinci-  
3 dent with the provisions of the agree-  
4 ments of March 25 and March 26,  
5 1999, between the affected processors  
6 and the Department of the Interior.

7 “(iii) PROPORTIONATE SHARE  
8 STATES.—In the case of States subject to  
9 section 359f(c), the Secretary shall allocate  
10 the allotment for cane sugar among mul-  
11 tiple cane sugar processors in a single  
12 state based upon—

13 “(I) past marketings of sugar,  
14 based on the average of the two high-  
15 est years of production of raw cane  
16 sugar from among the 1997 through  
17 2001 crop years;

18 “(II) the ability of processors to  
19 market sugar covered by that portion  
20 of the allotments allocated for the  
21 crop year; and

22 “(III) past processings of sugar  
23 from sugarcane, based on the average  
24 of the two highest crop years from the  
25 five crop years 1997 through 2001.



1           “(iv) NEW ENTRANTS.—Notwith-  
2           standing clauses (ii) and (iii), the Sec-  
3           retary, on application of any processor that  
4           begins processing sugarcane on or after the  
5           date of enactment of this clause, and after  
6           a hearing if requested by the affected sug-  
7           arcane processors and growers, and on  
8           such notice as the Secretary by regulation  
9           may prescribe, may provide such processor  
10          with an allocation which provides a fair, ef-  
11          ficient and equitable distribution of the al-  
12          locations from the allotment for the State  
13          in which the processor is located and, in  
14          the case of proportionate share States,  
15          shall establish proportionate shares in an  
16          amount sufficient to produce the sugarcane  
17          required to satisfy such allocations. How-  
18          ever, the allotment for a new processor  
19          under this clause shall not exceed 50,000  
20          short tons, raw value.

21          “(v) TRANSFER OF OWNERSHIP.—Except as other-  
22          wise provided in section 359f(c)(8), in the event that a  
23          sugarcane processor is sold or otherwise transferred to an-  
24          other owner, or closed as part of an affiliated corporate  
25          group processing consolidation, the Secretary shall trans-

1 fer the allotment allocation for the processor to the pur-  
2 chaser, new owner, or successor in interest, as applicable,  
3 of the processor.”; and

4 (2) in subsection (a)(2)(B)—

5 (A) by striking “interested parties” and in-  
6 serting “the affected sugar beet processors and  
7 growers”; and

8 (B) by striking “processing capacity”  
9 through “allotment allocated” and inserting the  
10 following: “the marketings of sugar processed  
11 from sugar beets of any or all of the 1996  
12 through 2000 crops, and such other factors as  
13 the Secretary may deem appropriate after con-  
14 sultation with the affected sugar beet pro-  
15 cessors and growers. However, in the case of any  
16 processor which has started processing sugar  
17 beets after January 1, 1996, the Secretary shall  
18 provide such processor with an allocation which  
19 provides a fair, efficient and equitable distribu-  
20 tion of the allocations.”.

21 (e) REASSIGNMENT.—Section 359e(b) of the Agricul-  
22 tural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is  
23 amended—

24 (1) in paragraph (1)—

1 (A) in subparagraph (B) by striking the  
2 “and” after the semicolon;

3 (B) by redesignating subparagraph (C) as  
4 subparagraph (D);

5 (C) by inserting after subparagraph (B)  
6 the following new subparagraph:

7 “(C) if after the reassignments, the deficit  
8 cannot be completely eliminated, the Secretary  
9 shall reassign the estimated quantity of the def-  
10 icit to the sale of any inventories of sugar held  
11 by the Commodity Credit Corporation; and”;  
12 and

13 (D) in subparagraph (D), as so redesign-  
14 ated, by inserting “and sales” after “reassign-  
15 ments”; and

16 (2) in paragraph (2)—

17 (A) in subparagraph (A) by striking the  
18 “and” after the semicolon;

19 (B) in subparagraph (B), by striking “re-  
20 assign the remainder to imports.” and inserting  
21 “use the estimated quantity of the deficit for  
22 the sale of any inventories of sugar held by the  
23 Commodity Credit Corporation; and”;

24 (C) by inserting after subparagraph (B)  
25 the following new subparagraph:

1           “(C) if after such reassignments and sales,  
2           the deficit cannot be completely eliminated, the  
3           Secretary shall reassign the remainder to im-  
4           ports.”.

5           (f) PRODUCER PROVISIONS.—Section 359f of the Ag-  
6           ricultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is  
7           amended—

8           (1) in subsection (a)—

9           (A) by striking “processor’s allocation” in  
10          the second sentence and inserting “allocation to  
11          the processor”; and

12          (B) by inserting after “request of either  
13          party” the following: “, and such arbitration  
14          should be completed within 45 days, but not  
15          more than 60 days, of the request”;

16          (2) by redesignating subsection (b) as sub-  
17          section (c);

18          (3) by inserting after subsection (a) the fol-  
19          lowing new subsection:

20          “(b) SUGAR BEET PROCESSING FACILITY CLO-  
21          SURES.— In the event that a sugar beet processing facility  
22          is closed and the sugar beet growers who previously deliv-  
23          ered beets to such facility desire to deliver their beets to  
24          another processing company:

1           “(1) Such growers may petition the Secretary  
2           to modify existing allocations to accommodate such  
3           a transition; and

4           “(2) The Secretary may increase the allocation  
5           to the processing company to which the growers de-  
6           sire to deliver their sugar beets, and which the proc-  
7           essing company agrees to accept, not to exceed its  
8           processing capacity, to accommodate the change in  
9           deliveries.

10          “(3) Such increased allocation shall be deducted  
11          from the allocation to the company that owned the  
12          processing facility that has been closed and the re-  
13          maining allocation will be unaffected.

14          “(4) The Secretary’s determination on the  
15          issues raised by the petition shall be made within 60  
16          days of the filing of the petition.”;

17          (4) in subsection (c), as so redesignated—

18                 (A) in paragraph (3)(A), by striking “the  
19                 preceding five years” and inserting “the two  
20                 highest years from among the years 1999,  
21                 2000, and 2001”;

22                 (B) in paragraph (4), subparagraph (A),  
23                 by striking “each” through “in effect” and in-  
24                 serting “the two highest of the three (3) crop  
25                 years 1999, 2000, and 2001”; and

1 (C) by inserting after paragraph (7) the  
2 following new paragraph:

3 “(8) PROCESSING FACILITY CLOSURES.—In the  
4 event that a sugarcane processing facility subject to  
5 this subsection is closed and the sugarcane growers  
6 who previously delivered sugarcane to such facility  
7 desire to deliver their sugarcane to another proc-  
8 essing company—

9 (A) such growers may petition the Sec-  
10 retary to modify existing allocations to accom-  
11 modate such a transition;

12 (B) the Secretary may increase the allo-  
13 cation to the processing company to which the  
14 growers desire to deliver the sugarcane, and  
15 which the processing company agrees to accept,  
16 not to exceed its processing capacity, to accom-  
17 modate the change in deliveries;

18 (C) such increased allocation shall be de-  
19 ducted from the allocation to the company that  
20 owned the processing facility that has been  
21 closed and the remaining allocation will be un-  
22 affected; and

23 (D) the Secretary’s determination on the  
24 issues raised by the petition shall be made with-  
25 in 60 days of the filing of the petition.”.

1 (g) CONFORMING AMENDMENTS.—(1) The heading  
2 of part VII of subtitle B of Title III of the Agricultural  
3 Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is  
4 amended to read as follows:

5 **“PART VII—FLEXIBLE MARKETING ALLOTMENTS**  
6 **FOR SUGAR”.**

7 (2) Section 359g of the Agricultural Adjustment Act  
8 of 1938 (7 U.S.C. 1359gg) is amended—

9 (A) by striking “359f” each place it appears  
10 and inserting “359f(c);

11 (B) in subsection (b), by striking “3 consecu-  
12 tive” and inserting “5 consecutive”; and

13 (C) in subsection (c), by inserting “or adjusted”  
14 after “share established”.

15 (3) Section 359j(e) of the Agricultural Adjustment  
16 Act of 1938 (7 U.S.C. 1359jj) is amended—

17 (2) by amending the heading to read “DEFINI-  
18 TIONS.—”;

19 (B) by striking “Notwithstanding” and in-  
20 serting the following:

21 “(1) UNITED STATES AND STATE.—Notwith-  
22 standing”; and

23 (C) by inserting after such paragraph (1)  
24 the following new paragraph:

1           “(2) OFFSHORE STATES.—For purposes of this  
2       part, the term ‘offshore States’ means the sugarcane  
3       producing States located outside of the continental  
4       United States.”.

5       (h) LIFTING OF SUSPENSION.—Section 171(a)(1)(E)  
6       of the Federal Agriculture Improvement and Reform Act  
7       of 1996 (7 U.S.C. 7301(a)(1)(E)) is amended by inserting  
8       before the period at the end the following: “, but only with  
9       respect to sugar marketings through fiscal year 2002”.

10   **SEC. 153. STORAGE FACILITY LOANS.**

11       (a) STORAGE FACILITY LOAN PROGRAM.—Notwith-  
12       standing any other provision of law and as soon as prac-  
13       ticable after the date of enactment of this section, the  
14       Commodity Credit Corporation shall amend part 1436 of  
15       title 7, Code of Federal Regulations, to establish a sugar  
16       storage facility loan program to provide financing for pro-  
17       cessors of domestically-produced sugarcane and sugar beets  
18       to build or upgrade storage and handling facilities for raw  
19       sugars and refined sugars.

20       (b) ELIGIBLE PROCESSORS.—Storage facility loans  
21       shall be made available to any processor of domestically  
22       produced sugarcane or sugar beets that has a satisfactory  
23       credit history, determines a need for increased storage ca-  
24       pacity (taking into account the effects of marketing allot-  
25       ments), and demonstrates an ability to repay the loan.



1 (c) TERM OF LOANS.—Storage facility loans shall be  
 2 for a minimum of seven years, and shall be in such  
 3 amounts and on such terms and conditions (including  
 4 down payment, security requirements, and eligible equip-  
 5 ment) as are normal, customary, and appropriate for the  
 6 size and commercial nature of the borrower.

7 (d) ADMINISTRATION.—The sugar storage facility  
 8 loan program shall be administered using the services, fa-  
 9 cilities, funds, and authorities of the Commodity Credit  
 10 Corporation.

### 11 **CHAPTER 3—PEANUTS**

#### 12 **SEC. 161. DEFINITIONS.**

13 In this chapter:

14 (1) COUNTER-CYCLICAL PAYMENT.—The term  
 15 “counter-cyclical payment” means a payment made  
 16 to producers under section 164.

17 (2) EFFECTIVE PRICE.—The term “effective  
 18 price” means the price calculated by the Secretary  
 19 under section 164 for peanuts to determine whether  
 20 counter-cyclical payments are required to be made  
 21 under such section for a crop year.

22 (3) ELIGIBLE PEANUT PRODUCER.—The term  
 23 “eligible producer” means a producer on a farm in  
 24 the United States that produced or attempted to

1 produce peanuts during any or all of crop years  
2 1998, 1999, 2000, and 2001.

3 (4) FIXED, DECOUPLED PAYMENT.—The term  
4 “fixed, decoupled payment” means a payment made  
5 to producers under section 163.

6 (5) PAYMENT ACRES.—The term “payment  
7 acres” means 85 percent of the peanut acres on a  
8 farm, as established under section 162, upon which  
9 fixed, decoupled payments and counter-cyclical pay-  
10 ments are to be made.

11 (6) PEANUT ACRES.—The term “peanut acres”  
12 means the number of acres planted and prevented  
13 from being planted to peanuts for harvest on the  
14 farm over a certain number of crop years, as estab-  
15 lished under section 162.

16 (7) PAYMENT YIELD.—The term “payment  
17 yield” means the yield established under section 162  
18 for a farm for peanuts.

19 (8) PRODUCER.—The term “producer” means  
20 an owner, operator, landlord, tenant, or share-  
21 cropper who shares in the risk of producing a crop  
22 of peanuts and who is entitled to share in the crop  
23 available for marketing from the farm, or would  
24 have shared had the crop been produced.

1           (9) SECRETARY.—The term “Secretary” means  
2 the Secretary of Agriculture.

3           (10) STATE.—The term “State” means each of  
4 the several States of the United States, the District  
5 of Columbia, the Commonwealth of Puerto Rico, and  
6 any other territory or possession of the United  
7 States.

8           (11) TARGET PRICE.—The term “target price”  
9 means the price per ton of peanuts used to deter-  
10 mine the payment rate for counter-cyclical pay-  
11 ments.

12           (12) UNITED STATES.—The term “United  
13 States”, when used in a geographical sense, means  
14 all of the States.

15 **SEC. 162. ESTABLISHMENT OF PAYMENT YIELD, PEANUT**  
16 **ACRES, AND PAYMENT ACRES FOR A FARM.**

17 (a) ESTABLISHMENT OF PAYMENT YIELD.—

18           (1) ESTABLISHMENT AND PURPOSE.—For the  
19 purpose of making fixed decoupled payments and  
20 counter-cyclical payments to eligible peanut pro-  
21 ducers under this chapter, the Secretary shall pro-  
22 vide for the establishment of a payment yield for  
23 each peanut farm in accordance with this subsection.

24           (2) AVERAGE YIELD.—The Secretary shall es-  
25 tablish a payment yield for peanuts on a farm by

1 first determining the average yield for peanuts on  
2 the farm for the 1998 through 2001 crop years, ex-  
3 cluding any crop year in which the yield was zero.  
4 If, for any of these four crop years in which peanuts  
5 were planted, the farm would have satisfied the eligi-  
6 bility criteria established to carry out section 1102  
7 of the Agriculture, Rural Development, Food and  
8 Drug Administration, and Related Agencies Approp-  
9 riations Act, 1999 (7 U.S.C. 1421 note; Public  
10 Law 105-277), the Secretary shall assign a yield for  
11 that year equal to 65 percent of the county yield, as  
12 determined by the Secretary.

13 (b) PEANUTS ACRES.—The peanut acres for a farm  
14 shall be equal to the four-year average of acreage actually  
15 planted on the farm in peanuts for harvest during crop  
16 years 1998, 1999, 2000, and 2001 and any acreage on  
17 the farm that the producers were prevented from planting  
18 to peanuts during such crop years because of drought,  
19 flood, or other natural disaster, or other condition beyond  
20 the control of the producer, as determined by the Sec-  
21 retary.

22 (c) PAYMENTS ACRES.—The payment acres for pea-  
23 nuts on a farm shall be equal to 85 percent of the peanut  
24 acres for the farm.

25 (d) PREVENTION OF EXCESS PAYMENT ACRES.—

1           (1) REQUIRED REDUCTION.—If the sum of the  
2           peanut acres for a farm, together with the acreage  
3           described in paragraph (2), exceeds the actual crop-  
4           land acreage of the farm, the Secretary shall make  
5           such reductions in the quantity of peanut acres for  
6           the farm as may be necessary so that the sum of the  
7           peanut acres and acreage described in paragraph (2)  
8           does not exceed the actual cropland acreage of the  
9           farm.

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

12                 (A) Any base acres for the farm under  
13                 subtitle A.

14                 (B) 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                 (C) Any other acreage on the farm enrolled  
20                 in a conservation program for which payments  
21                 are made in exchange for not producing an ag-  
22                 ricultural commodity on the acreage.

1 **SEC. 163. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS**  
2 **FOR PEANUTS.**

3 (a) **PAYMENT REQUIRED.**—For each of the 2002  
4 through 2011 crop years, the Secretary shall make fixed,  
5 decoupled payments to eligible peanut producers on a  
6 farm.

7 (b) **PAYMENT RATE.**—The payment rate used to  
8 make fixed, decoupled payments with respect to peanuts  
9 for a crop year shall be equal to \$36 per ton.

10 (c) **PAYMENT AMOUNT.**—The amount of the fixed,  
11 decoupled payment to be paid to the eligible peanut pro-  
12 ducers on a farm for a covered commodity for a crop year  
13 shall be equal to the product of the following:

14 (1) The payment rate specified in subsection

15 (b).

16 (2) The payment acres on the farm.

17 (3) The payment yield for the farm.

18 (d) **TIME FOR PAYMENT.**—

19 (1) **GENERAL RULE.**—Fixed, decoupled pay-  
20 ments shall be paid not later than September 30 of  
21 each of fiscal years 2002 through 2011. In the case  
22 of the 2002 crop, payments may begin to be made  
23 on or after December 1, 2001.

24 (2) **ADVANCE PAYMENTS.**—At the option of an  
25 eligible peanut producer, 50 percent of the fixed, de-  
26 coupled payment for a fiscal year shall be paid on

1 a date selected by the producer. The selected date  
2 shall be on or after December 1 of that fiscal year,  
3 and the producer may change the selected date for  
4 a subsequent fiscal year by providing advance notice  
5 to the Secretary.

6 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a  
7 producer that receives an advance fixed, decoupled  
8 payment for a fiscal year ceases to be an eligible  
9 peanut producer before the date the fixed, decoupled  
10 payment would otherwise have been made by the  
11 Secretary under paragraph (1), the producer shall be  
12 responsible for repaying the Secretary the full  
13 amount of the advance payment.

14 **SEC. 164. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS**  
15 **FOR PEANUTS.**

16 (a) PAYMENT REQUIRED.—During the 2002 through  
17 2011 crop years for peanuts, the Secretary shall make  
18 counter-cyclical payments with respect to peanuts when-  
19 ever the Secretary determines that the effective price for  
20 peanuts is less than the target price.

21 (b) EFFECTIVE PRICE.—For purposes of subsection  
22 (a), the effective price for peanuts is equal to the sum  
23 of the following:

24 (1) The higher of the following:

1           (A) The national average market price re-  
2           ceived by producers during the 12-month mar-  
3           keting year for peanuts, as determined by the  
4           Secretary.

5           (B) The national average loan rate for a  
6           marketing assistance loan for peanuts in effect  
7           for the same period under this chapter.

8           (2) The payment rate in effect under section  
9           163 for the purpose of making fixed, decoupled pay-  
10          ments.

11          (c) TARGET PRICE.—For purposes of subsection (a),  
12          the target price for peanuts shall be equal to \$480 per  
13          ton.

14          (d) PAYMENT RATE.—The payment rate used to  
15          make counter-cyclical payments for a crop year shall be  
16          equal to the difference between—

17               (1) the target price; and

18               (2) the effective price determined under sub-  
19          section (b).

20          (e) PAYMENT AMOUNT.—The amount of the counter-  
21          cyclical payment to be paid to the eligible peanut pro-  
22          ducers on a farm for a crop year shall be equal to the  
23          product of the following:

24               (1) The payment rate specified in subsection  
25          (d).



1 (2) The payment acres on the farm.

2 (3) The payment yield for the farm.

3 (f) TIME FOR PAYMENTS.—

4 (1) GENERAL RULE.—The Secretary shall make  
5 counter-cyclical payments under this section for a  
6 peanut crop as soon as possible after determining  
7 under subsection (a) that such payments are re-  
8 quired for that crop year.

9 (2) PARTIAL PAYMENT.—The Secretary may  
10 permit, and, if so permitted, an eligible peanut pro-  
11 ducer may elect to receive, up to 50 percent of the  
12 projected counter-cyclical payment, as determined by  
13 the Secretary, to be made under this section for a  
14 peanut crop upon completion of the first six months  
15 of the marketing year for that crop. The producer  
16 shall repay to the Secretary the amount, if any, by  
17 which the partial payment exceeds the actual  
18 counter-cyclical payment to be made for that crop.

19 **SEC. 165. PRODUCER AGREEMENT REQUIRED AS CONDI-**  
20 **TION ON PROVISION OF FIXED, DECOUPLED**  
21 **PAYMENTS AND COUNTER-CYCLICAL PAY-**  
22 **MENTS.**

23 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

24 (1) REQUIREMENTS.—Before the producers on  
25 a farm may receive fixed, decoupled payments or

1 counter-cyclical payments with respect to the farm,  
2 the producers shall agree, in exchange for the  
3 payments—

4 (A) to comply with applicable conservation  
5 requirements under subtitle B of title XII of  
6 the Food Security Act of 1985 (16 U.S.C. 3811  
7 et seq.);

8 (B) to comply with applicable wetland pro-  
9 tection requirements under subtitle C of title  
10 XII of the Act (16 U.S.C. 3821 et seq.);

11 (C) to comply with the planting flexibility  
12 requirements of section 166; and

13 (D) to use the land on the farm, in an  
14 amount equal to the peanut acres, for an agri-  
15 cultural or conserving use, and not for a non-  
16 agricultural commercial or industrial use, as de-  
17 termined 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 (b) EFFECT OF FORECLOSURE.—A producer may not  
23 be required to make repayments to the Secretary of fixed,  
24 decoupled payments and counter-cyclical payments if the  
25 farm has been foreclosed on and the Secretary determines

1 that forgiving the repayments is appropriate to provide  
2 fair and equitable treatment. This subsection shall not  
3 void the responsibilities of the producer under subsection  
4 (a) if the producer continues or resumes operation, or con-  
5 trol, of the farm. On the resumption of operation or con-  
6 trol over the farm by the producer, the requirements of  
7 subsection (a) in effect on the date of the foreclosure shall  
8 apply.

9 (c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

10 (1) TERMINATION.—Except as provided in  
11 paragraph (4), a transfer of (or change in) the inter-  
12 est of a producer in peanut acres for which fixed, de-  
13 coupled payments or counter-cyclical payments are  
14 made shall result in the termination of the payments  
15 with respect to the peanut acres, unless the trans-  
16 feree or owner of the acreage agrees to assume all  
17 obligations under subsection (a). The termination  
18 shall be effective on the date of the transfer or  
19 change.

20 (2) TRANSFER OF PAYMENT BASE.—There is  
21 no restriction on the transfer of a farm's peanut  
22 acres or payment yield as part of a change in the  
23 producers on the farm.

24 (3) MODIFICATION.—At the request of the  
25 transferee or owner, the Secretary may modify the

1 requirements of subsection (a) if the modifications  
2 are consistent with the objectives of such subsection,  
3 as determined by the Secretary.

4 (4) EXCEPTION.—If a producer entitled to a  
5 fixed, decoupled payment or counter-cyclical pay-  
6 ment dies, becomes incompetent, or is otherwise un-  
7 able to receive the payment, the Secretary shall  
8 make the payment, in accordance with regulations  
9 prescribed by the Secretary.

10 (d) ACREAGE REPORTS.—As a condition on the re-  
11 ceipt of any benefits under this chapter, the Secretary  
12 shall require producers to submit to the Secretary acreage  
13 reports.

14 (e) TENANTS AND SHARECROPPERS.—In carrying  
15 out this chapter, the Secretary shall provide adequate  
16 safeguards to protect the interests of tenants and share-  
17 croppers.

18 (f) SHARING OF PAYMENTS.—The Secretary shall  
19 provide for the sharing of fixed, decoupled payments and  
20 counter-cyclical payments among the eligible peanut pro-  
21 ducers on a farm on a fair and equitable basis.

22 **SEC. 166. PLANTING FLEXIBILITY.**

23 (a) PERMITTED CROPS.—Subject to subsection (b),  
24 any commodity or crop may be planted on peanut acres  
25 on a farm.

1 (b) LIMITATIONS AND EXCEPTIONS REGARDING  
2 FRUITS AND VEGETABLES.—

3 (1) LIMITATIONS.—The planting of fruits and  
4 vegetables (other than lentils, mung beans, and dry  
5 peas) shall be prohibited on peanut acres.

6 (2) EXCEPTIONS.—Paragraph (1) shall not  
7 limit the planting of a fruit or vegetable—

8 (A) in any region in which there is a his-  
9 tory of double-cropping of peanuts with fruits  
10 or vegetables, as determined by the Secretary,  
11 in which case the double-cropping shall be per-  
12 mitted;

13 (B) on a farm that the Secretary deter-  
14 mines has a history of planting fruits or vegeta-  
15 bles on peanut acres, except that fixed, decou-  
16 pled payments and counter-cyclical payments  
17 shall be reduced by an acre for each acre plant-  
18 ed to the fruit or vegetable; or

19 (C) by a producer who the Secretary deter-  
20 mines has an established planting history of a  
21 specific fruit or vegetable, except that—

22 (i) the quantity planted may not ex-  
23 ceed the producer's average annual plant-  
24 ing history of the fruit or vegetable in the  
25 1991 through 1995 crop years (excluding

1 any crop year in which no plantings were  
 2 made), as determined by the Secretary;  
 3 and

4 (ii) fixed, decoupled payments and  
 5 counter-cyclical payments shall be reduced  
 6 by an acre for each acre planted to the  
 7 fruit or vegetable.

8 **SEC. 167. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.**  
 9

10 (a) NONRECOURSE LOANS AVAILABLE.—

11 (1) AVAILABILITY.—For each of the 2002  
 12 through 2011 crops of peanuts, the Secretary shall  
 13 make available to producers on a farm nonrecourse  
 14 marketing assistance loans for peanuts produced on  
 15 the farm. The loans shall be made under terms and  
 16 conditions that are prescribed by the Secretary and  
 17 at the loan rate established under subsection (b).

18 (2) ELIGIBLE PRODUCTION.—Any production of  
 19 peanuts on a farm shall be eligible for a marketing  
 20 assistance loan under this subsection.

21 (3) TREATMENT OF CERTAIN COMMINGLED  
 22 COMMODITIES.—In carrying out this subsection, the  
 23 Secretary shall make loans to a producer that is oth-  
 24 erwise eligible to obtain a marketing assistance loan,  
 25 but for the fact the peanuts owned by the producer

1 are commingled with other peanuts in facilities unli-  
2 censed for the storage of agricultural commodities  
3 by the Secretary or a State licensing authority, if  
4 the producer obtaining the loan agrees to imme-  
5 diately redeem the loan collateral in accordance with  
6 section 166 of the Federal Agriculture Improvement  
7 and Reform Act of 1996 (7 U.S.C. 7286).

8 (4) OPTIONS FOR OBTAINING LOAN.—A mar-  
9 keting assistance loan under this subsection, and  
10 loan deficiency payments under subsection (e), may  
11 be obtained at the option of the producer through—

12 (A) a designated marketing association of  
13 peanut producers that is approved by the Sec-  
14 retary;

15 (B) a loan servicing agent approved by the  
16 Secretary; or

17 (C) the Farm Service Agency.

18 (5) LOAN SERVICING AGENT.—As a condition  
19 of the Secretary's approval of an entity to serve as  
20 a loan servicing agent or to handle or store peanuts  
21 for producers that receive any marketing loan bene-  
22 fits, the entity shall agree to provide adequate stor-  
23 age (if available) and handling of peanuts at the  
24 commercial rate to other approved loan servicing  
25 agents and marketing associations.

1 (b) LOAN RATE.—The loan rate for a marketing as-  
2 sistance loan under for peanuts subsection (a) shall be  
3 equal to \$350 per ton.

4 (c) TERM OF LOAN.—

5 (1) IN GENERAL.—A marketing assistance loan  
6 for peanuts under subsection (a) shall have a term  
7 of nine months beginning on the first day of the  
8 first month after the month in which the loan is  
9 made.

10 (2) EXTENSIONS PROHIBITED.—The Secretary  
11 may not extend the term of a marketing assistance  
12 loan under subsection (a).

13 (d) REPAYMENT RATE.—The Secretary shall permit  
14 producers to repay a marketing assistance loan for pea-  
15 nuts under subsection (a) at a rate that is the lesser of—

16 (1) the loan rate established for the commodity  
17 under subsection (b), plus interest (as determined by  
18 the Secretary); or

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

20 (A) minimize potential loan forfeitures;

21 (B) minimize the accumulation of stocks of  
22 peanuts by the Federal Government;

23 (C) minimize the cost incurred by the Fed-  
24 eral Government in storing peanuts; and



1 (D) allow peanuts produced in the United  
2 States to be marketed freely and competitively,  
3 both domestically and internationally.

4 (e) LOAN DEFICIENCY PAYMENTS.—

5 (1) AVAILABILITY.—The Secretary may make  
6 loan deficiency payments available to producers who,  
7 although eligible to obtain a marketing assistance  
8 loan for peanuts under subsection (a), agree to forgo  
9 obtaining the loan for the peanuts in return for pay-  
10 ments under this subsection.

11 (2) COMPUTATION.—A loan deficiency payment  
12 under this subsection shall be computed by  
13 multiplying—

14 (A) the loan payment rate determined  
15 under paragraph (3) for peanuts; by

16 (B) the quantity of the peanuts produced  
17 by the eligible producers, excluding any quan-  
18 tity for which the producers obtain a loan under  
19 subsection (a).

20 (3) LOAN PAYMENT RATE.—For purposes of  
21 this subsection, the loan payment rate shall be the  
22 amount by which—

23 (A) the loan rate established under sub-  
24 section (b); exceeds

1 (B) the rate at which a loan may be repaid  
2 under subsection (d).

3 (4) TIME FOR PAYMENT.—The Secretary shall  
4 make a payment under this subsection to a producer  
5 with respect to a quantity of peanuts as of the ear-  
6 lier of the following:

7 (A) The date on which the producer mar-  
8 keted or otherwise lost beneficial interest in the  
9 peanuts, as determined by the Secretary.

10 (B) The date the producer requests the  
11 payment.

12 (f) COMPLIANCE WITH CONSERVATION AND WET-  
13 LANDS REQUIREMENTS.—As a condition of the receipt of  
14 a marketing assistance loan under subsection (a), the pro-  
15 ducer shall comply with applicable conservation require-  
16 ments under subtitle B of title XII of the Food Security  
17 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-  
18 land protection requirements under subtitle C of title XII  
19 of the Act (16 U.S.C. 3821 et seq.) during the term of  
20 the loan.

21 (g) REIMBURSABLE AGREEMENTS AND PAYMENT OF  
22 EXPENSES.—To the extent practicable, the Secretary  
23 shall implement any reimbursable agreements or provide  
24 for the payment of expenses under this chapter in a man-

1 ner that is consistent with such activities in regard to  
2 other commodities.

3 (h) TERMINATION OF SUPERSEDED PRICE SUPPORT  
4 AUTHORITY.—

5 (1) REPEAL.—Section 155 of the Federal Agri-  
6 culture Improvement and Reform Act of 1996 (7  
7 U.S.C. 7271) is repealed.

8 (2) CONFORMING AMENDMENTS.—The Agricul-  
9 tural Act of 1949 (7 U.S.C. 1441 et seq.) is  
10 amended—

11 (A) in section 101(b) (7 U.S.C. 1441(b)),  
12 by striking “and peanuts”; and

13 (B) in section 408(c) (7 U.S.C. 1428(c)),  
14 by striking “peanuts,”.

15 **SEC. 168. QUALITY IMPROVEMENT.**

16 (a) OFFICIAL INSPECTION.—

17 (1) MANDATORY INSPECTION.—All peanuts  
18 placed under a marketing assistance loan under sec-  
19 tion 167 shall be officially inspected and graded by  
20 Federal or State inspectors.

21 (2) OPTIONAL INSPECTION.—Peanuts not  
22 placed under a marketing assistance loan may be  
23 graded at the option of the producer.

24 (b) TERMINATION OF PEANUT ADMINISTRATIVE  
25 COMMITTEE.—The Peanut Administrative Committee es-

1 tablished under Marketing Agreement No. 1436, which  
2 regulates the quality of domestically produced peanuts  
3 under the Agricultural Adjustment Act (7 U.S.C. 601 et  
4 seq.), reenacted with amendments by the Agricultural  
5 Marketing Agreement Act of 1937, is terminated.

6 (c) ESTABLISHMENT OF PEANUT STANDARDS  
7 BOARD.—The Secretary shall establish a Peanut Stand-  
8 ards Board for the purpose of assisting in the establish-  
9 ment of quality standards with respect to peanuts. The  
10 authority of the Board is limited to assisting in the estab-  
11 lishment of quality standards for peanuts. The members  
12 of the Board should fairly reflect all segments of the pea-  
13 nut industry.

14 (d) EFFECTIVE DATE.—This section shall take effect  
15 with the 2002 crop of peanuts.

16 **SEC. 169. PAYMENT LIMITATIONS.**

17 For purposes of sections 1001 through 1001C of the  
18 Food Security Act of 1985 (7 U.S.C. 1308 through 1308–  
19 3), separate payment limitations shall apply to peanuts  
20 with respect to—

- 21 (1) fixed, decoupled payments;
- 22 (2) counter-cyclical payments; and
- 23 (3) limitations on marketing loan gains and  
24 loan deficiency payments.

1 **SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS**  
2 **FOR PEANUTS AND COMPENSATION TO PEA-**  
3 **NUT QUOTA HOLDERS FOR LOSS OF QUOTA**  
4 **ASSET VALUE.**

5 (a) REPEAL OF MARKETING QUOTA.—Part VI of  
6 subtitle B of title III of the Agricultural Adjustment Act  
7 of 1938 (7 U.S.C. 1357–1359a), relating to peanuts, is  
8 repealed.

9 (b) COMPENSATION REQUIRED.—During fiscal years  
10 2002 through 2006, the Secretary shall make payments  
11 under this section to eligible peanut quota holders to com-  
12 pensate them for the lost value of the quota on account  
13 of the repeal of the marketing quota program for peanuts  
14 under subsection (a).

15 (c) TIME FOR PAYMENT.—The payments required by  
16 this section shall be provided in five equal installments not  
17 later than September 30 of each of fiscal years 2002  
18 through 2006.

19 (d) PAYMENT AMOUNT.—The amount of the pay-  
20 ment for a fiscal year to a peanut quota holder under this  
21 section shall be equal to the product obtained by  
22 multiplying—

23 (1) \$0.10 per pound; by

24 (2) the actual farm poundage quota (excluding  
25 seed and experimental peanuts) established for the  
26 peanut quota holder's farm under section 358–1(b)

1 of the Agricultural Adjustment Act of 1938 (7  
2 U.S.C. 1358–1(b)) for the 2001 marketing year.

3 (e) ASSIGNMENT OF PAYMENTS.—The provisions of  
4 section 8(g) of the Soil Conservation and Domestic Allot-  
5 ment Act (16 U.S.C. 590h(g)), relating to assignment of  
6 payments, shall apply to the payments made to peanut  
7 quota holders under this section. The peanut quota holder  
8 making the assignment, or the assignee, shall provide the  
9 Secretary with notice, in such manner as the Secretary  
10 may require, of any assignment made under this sub-  
11 section.

12 (f) PEANUT QUOTA HOLDER DEFINED.—In this sec-  
13 tion, the term “peanut quota holder” means a person or  
14 enterprise that owns a farm that—

15 (1) was eligible, immediately before the date of  
16 the enactment of this Act, to have a peanut quota  
17 established upon it;

18 (2) if there are not quotas currently established,  
19 would be eligible to have a quota established upon  
20 it for the succeeding crop year, in the absence of the  
21 amendment made by subsection (a); or

22 (3) is otherwise a farm that was eligible for  
23 such a quota at the time the general quota establish-  
24 ment authority was repealed.

1 The Secretary shall apply this definition without regard  
2 to temporary leases or transfers or quotas for seed or ex-  
3 perimental purposes.

#### 4 **Subtitle D—Administration**

##### 5 **SEC. 181. ADMINISTRATION GENERALLY.**

6 (a) USE OF COMMODITY CREDIT CORPORATION.—  
7 The Secretary shall carry out this title through the Com-  
8 modity Credit Corporation.

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

12 (c) REGULATIONS.—Not later than 90 days after the  
13 date of the enactment of this Act, the Secretary and the  
14 Commodity Credit Corporation, as appropriate, shall issue  
15 such regulations as are necessary to implement this title.  
16 The issuance of the regulations shall be made without re-  
17 gard to—

18 (1) the notice and comment provisions of sec-  
19 tion 553 of title 5, United States Code;

20 (2) the Statement of Policy of the Secretary of  
21 Agriculture effective July 24, 1971 (36 Fed. Reg.  
22 13804) relating to notices of proposed rulemaking  
23 and public participation in rulemaking; and

1 (3) chapter 35 of title 44, United States Code  
2 (commonly know as the “Paperwork Reduction  
3 Act”).

4 (d) PROTECTION OF PRODUCERS.—The protection  
5 afforded producers that elect the option to accelerate the  
6 receipt of any payment under a production flexibility con-  
7 tract payable under the Federal Agriculture Improvement  
8 and Reform Act of 1996 (7 U.S.C. 7212 note) shall also  
9 apply to the advance payment of fixed, decoupled pay-  
10 ments and counter-cyclical payments.

11 **SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT**  
12 **PRICE SUPPORT AUTHORITY.**

13 (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—  
14 Section 171(a)(1) of the Federal Agriculture Improvement  
15 and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amend-  
16 ed by striking “2002” both places it appears and inserting  
17 “2011”.

18 (b) AGRICULTURAL ACT OF 1949.—Section  
19 171(b)(1) of the Federal Agriculture Improvement and  
20 Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended  
21 by striking “2002” both places it appears and inserting  
22 “2011”.

23 (c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—  
24 Section 171(c) of the Federal Agriculture Improvement



1 and Reform Act of 1996 (7 U.S.C. 7301(c)) is amended  
2 by striking “2002” and inserting “2011”.

3 **SEC. 183. LIMITATIONS.**

4 (a) **LIMITATION ON AMOUNTS RECEIVED.**—Section  
5 1001 of the Food Security Act of 1985 (7 U.S.C. 1308)  
6 is amended—

7 (1) in paragraph (1)—

8 (A) by striking “PAYMENTS UNDER PRO-  
9 DUCATION FLEXIBILITY CONTRACTS” and insert-  
10 ing “FIXED, DECOUPLED PAYMENTS”;

11 (B) by striking “contract payments made  
12 under the Agricultural Market Transition Act  
13 to a person under 1 or more production flexi-  
14 bility contracts” and inserting “fixed, decoupled  
15 payments made to a person”;

16 (C) by striking “4” and inserting “5”;

17 (2) in paragraphs (2) and (3)—

18 (A) by striking “payments specified” and  
19 all that follows through “and oilseeds” and in-  
20 sserting “following payments that a person shall  
21 be entitled to receive”;

22 (B) by striking the period at the end of  
23 paragraph (2) and all that follows through “the  
24 following” in paragraph (3);

1 (C) by striking “section 131” and all that  
2 follows through “section 132” and inserting  
3 “section 121 of the Agricultural Act of 2001  
4 for a crop of any covered commodity at a lower  
5 level than the original loan rate established for  
6 the commodity under section 122”; and

7 (D) by striking “section 135” and insert-  
8 ing “section 125”; and

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

11 “(3) LIMITATION ON COUNTER-CYCLICAL PAY-  
12 MENTS.—The amount specified in paragraph (2) is  
13 the limit on the total amount of counter-cyclical pay-  
14 ments that a person may receive during any crop  
15 year.”.

16 (b) DEFINITIONS.—Paragraph (4) of section 1001 of  
17 the Food Security Act of 1985 (7 U.S.C. 1308) is amend-  
18 ed to read as follows:

19 “(4) DEFINITIONS.—In this title, the terms  
20 ‘covered commodity’, ‘counter-cyclical payment’, and  
21 ‘fixed, decoupled payment’ have the meaning given  
22 those terms in section 100 of the Agricultural Act  
23 of 2001.”.

24 (c) TRANSITION.—Section 1001 of the Food Security  
25 Act of 1985 (7 U.S.C. 1308), as in effect on the day before

1 the date of the enactment of this Act, shall continue to  
2 apply with respect to fiscal year 2001 and the 2001 crop  
3 of any covered commodity.

4 **SEC. 184. ADJUSTMENTS OF LOANS.**

5 Section 162(b) of the Federal Agriculture Improve-  
6 ment and Reform Act of 1996 (7 U.S.C. 7282(b)) is  
7 amended by striking “this title” and inserting “this title  
8 and title I of the Agricultural Act of 2001”.

9 **SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**

10 Section 164 of the Federal Agriculture Improvement  
11 and Reform Act of 1996 (7 U.S.C. 7284) is amended by  
12 striking “this title” both places it appears and inserting  
13 “this title and title I of the Agricultural Act of 2001”.

14 **SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.**

15 Section 166 of the Federal Agriculture Improvement  
16 and Reform Act of 1996 (7 U.S.C. 7286) is amended by  
17 striking “subtitle C” both places it appears and inserting  
18 “subtitle C of this title and title I of the Agricultural Act  
19 of 2001”.

20 **SEC. 187. ASSIGNMENT OF PAYMENTS.**

21 The provisions of section 8(g) of the Soil Conserva-  
22 tion and Domestic Allotment Act (16 U.S.C. 590h(g)), re-  
23 lating to assignment of payments, shall apply to payments  
24  
25

1 made under the authority of this Act. The producer mak-  
2 ing the assignment, or the assignee, shall provide the Sec-  
3 retary with notice, in such manner as the Secretary may  
4 require, of any assignment made under this section.

## 5 **TITLE II—CONSERVATION**

### 6 **Subtitle A—Definition**

#### 7 **SEC. 201. DEFINITION OF AGRICULTURAL COMMODITY.**

8 Section 1201(a)(1) of the Food Security Act of 1985  
9 (16 U.S.C. 3801(a)(1)) is amended to read as follows:

10 “(1) AGRICULTURAL COMMODITY.—The term ‘agri-  
11 cultural commodity’ means any agricultural commodity  
12 planted or produced in a State.”.

### 13 **Subtitle B—Wetland Conservation**

#### 14 **Program**

#### 15 **SEC. 211. INELIGIBILITY FOR CERTAIN LOANS AND PAY-** 16 **MENTS.**

17 Section 1221(b) of the Food Security Act of 1985  
18 (16 U.S.C. 3821(b)) is amended by inserting “relating to  
19 any commodity produced during that crop year by such  
20 person” before “for which the person”.

1 **Subtitle C—Environmental Con-**  
2 **servation Acreage Reserve Pro-**  
3 **gram**

4 **SEC. 221. ELIMINATION OF GENERAL PROVISIONS.**

5 Chapter 1 of subtitle D of title XII of the Food Secu-  
6 rity Act of 1985 is amended—

7 (1) by striking the heading for subchapter A;

8 (2) by striking section 1230 (16 U.S.C. 3830);

9 (3) in section 1230A (16 U.S.C. 3830a), by  
10 striking “chapter” each place it appears and insert-  
11 ing “title”;

12 (4) by redesignating section 1230A as section  
13 1244; and

14 (5) by transferring section 1244 (as so redesign-  
15 ated) to the end of subtitle E.

16 **Subtitle D—Conservation Reserve**  
17 **Program**

18 **SEC. 231. REAUTHORIZATION.**

19 Section 1231 of the Food Security Act of 1985 (16  
20 U.S.C. 3831) is amended in each of subsections (a),  
21 (b)(3), and (d), by striking “2002” and inserting “2011”.

22 **SEC. 232. ENROLLMENT.**

23 (a) **ELIGIBILITY.**—Section 1231(b) of the Food Secu-  
24 rity Act of 1985 (16 U.S.C. 3831(b)) is amended—

1 (1) by striking paragraphs (2) and (3) and in-  
2 serting the following:

3 “(2) marginal pasturelands devoted to natural  
4 vegetation in or near riparian areas or for similar  
5 water quality purposes;”;

6 (2) in paragraph (4)—

7 (A) by striking subparagraph (A) and in-  
8 serting the following:

9 “(A) if the Secretary determines that—

10 “(i) the lands contribute to the deg-  
11 radation of soil, water, or air quality, or  
12 would pose an on-site or off-site environ-  
13 mental threat to soil, water, or air quality  
14 if permitted to remain in agricultural pro-  
15 duction; and

16 “(ii) soil, water, and air quality objec-  
17 tives with respect to the land cannot be  
18 achieved under the environmental quality  
19 incentives program established under chap-  
20 ter 4;”;

21 (B) by striking “or” at the end of subpara-  
22 graph (C);

23 (C) by striking the period at the end of  
24 subparagraph (D) and inserting “; or”; and

25 (D) by adding at the end the following:

1           “(E) if the Secretary determines that en-  
2           rollment of such lands would contribute to con-  
3           servation of ground or surface water.”; and  
4           (3) by redesignating paragraph (4) as para-  
5           graph (3).

6           (b) INCREASE IN MAXIMUM ENROLLMENT.—Section  
7           1231(d) of such Act (16 U.S.C. 3831(d)) is amended by  
8           striking “36,400,000” and inserting “40,000,000”.

9           (c) ELIGIBILITY ON CONTRACT EXPIRATION.—Sec-  
10          tion 1231(f) of such Act (16 U.S.C. 3831(f)) is amended  
11          to read as follows:

12          “(f) ELIGIBILITY ON CONTRACT EXPIRATION.—On  
13          the expiration of a contract entered into under this sub-  
14          chapter, the land subject to the contract shall be eligible  
15          to be re-enrolled in the conservation reserve.”.

16          (d) BALANCE AMONG CONTRACTS AWARDED.—

17                 (1) IN GENERAL.—Section 1231 of such Act  
18                 (16 U.S.C. 3831) is amended by adding at the end  
19                 the following:

20                 “(i) BALANCE AMONG CONTRACTS AWARDED.—In  
21                 determining the acceptability of contract offers under this  
22                 subchapter, the Secretary shall balance conservation inter-  
23                 ests in soil erosion, water quality, and wildlife habitat.”.

24                 (2) REGULATIONS.—Not later than 180 days  
25                 after the date of the enactment of this Act, the Sec-

1       retary of Agriculture shall issue final regulations im-  
2       plementing section 1231(i) of the Food Security Act  
3       of 1985, as added by paragraph (1) of this sub-  
4       section.

5       **SEC. 233. DUTIES OF OWNERS AND OPERATORS.**

6       Section 1232 of the Food Security Act of 1985 (16  
7       U.S.C. 3832) is amended—

8               (1) in subsection (a)—

9                       (A) in paragraph (3), by inserting “as de-  
10                      scribed in section 1232(a)(7) or for other pur-  
11                      poses” before “as permitted”;

12                     (B) in paragraph (4), by inserting “where  
13                      practicable, or maintain existing cover” before  
14                      “on such land”; and

15                     (C) in paragraph (7), by striking “Sec-  
16                      retary—” and all that follows and inserting  
17                      “Secretary may permit—

18                      “(A) managed grazing and limited haying,  
19                      in which case the Secretary shall reduce the  
20                      rental payment otherwise payable under the  
21                      contract by an amount commensurate with the  
22                      economic value of the activity;

23                      “(B) wind turbines for the provision of  
24                      wind energy, whether or not commercial in na-  
25                      ture; and



1           “(C) land subject to the contract to be  
 2           harvested for recovery of biomass used in en-  
 3           ergy production, in which case the Secretary  
 4           shall reduce the rental payment otherwise pay-  
 5           able under the contract by an amount commensurate with the economic value of such activity;” and

8           (2) by striking subsections (c) and (d) and re-designating subsection (e) as subsection (c).

10 **SEC. 234. DUTIES OF THE SECRETARY.**

11           Section 1233 of the Food Security Act of 1985 (16  
 12 U.S.C. 3833) is amended—

13           (1) in paragraph (1), by adding “and” at the  
 14           end;

15           (2) in paragraph (2), by striking “; and” and  
 16           inserting a period; and

17           (3) striking paragraph (3).

18 **SEC. 235. ACCEPTANCE OF CONTRACT OFFERS.**

19           Section 1234(c) of the Food Security Act of 1985 (16  
 20 U.S.C. 3834(c)) is amended by striking paragraph (3).

21 **SEC. 236. CONTRACTS.**

22           (a) IN GENERAL.—Section 1235 of the Food Security  
 23 Act of 1985 (16 U.S.C. 3835) is amended—

24           (1) in subsection (a)(1)—

1 (A) in subparagraph (A), by adding “or”  
 2 at the end;

3 (B) by striking subparagraphs (B) and  
 4 (C); and

5 (C) by redesignating subparagraph (D)  
 6 and subparagraph (B).

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

8 “(f) RESTORATION OF BASE.—On the expiration of  
 9 a contract entered into under this subchapter, the Sec-  
 10 retary shall restore the base, contract acreage, quota, or  
 11 allotment history applicable to the land when the contract  
 12 was entered into.”.

13 (b) CONSERVATION RESERVE PAYMENT.—Sub-  
 14 chapter B of chapter 1 of subtitle D of title XII of such  
 15 Act (16 U.S.C. 3831–3836) is amended by striking “rent-  
 16 al payment” each place it appears and inserting “con-  
 17 servation reserve payment”.

18 **Subtitle E—Wetlands Reserve**  
 19 **Program**

20 **SEC. 241. ENROLLMENT.**

21 (a) MAXIMUM.—Section 1237(b) of the Food Secu-  
 22 rity Act of 1985 (16 U.S.C. 3837(b)) is amended by strik-  
 23 ing paragraph (1) and inserting the following:

24 “(1) ANNUAL ENROLLMENT.—In addition to  
 25 any acres enrolled in the wetlands reserve program

1 as of the end of a calendar year, the Secretary may  
2 in the succeeding calendar year enroll in the pro-  
3 gram a number of additional acres equal to—

4 “(A) if the succeeding calendar year is cal-  
5 endar year 2002, 150,000;

6 “(B) if the succeeding calendar year is a  
7 calendar year after calendar year 2002—

8 “(i) 150,000; plus

9 “(ii) the amount (if any) by which  
10 150,000, multiplied by the number of cal-  
11 endar years in the period that begins with  
12 calendar year 2002 and ends with the cal-  
13 endar year preceding such succeeding cal-  
14 endar year, exceeds the total number of  
15 acres added to the reserve during the pe-  
16 riod.”.

17 (b) METHODS.—Section 1237(b)(2) of such Act (16  
18 U.S.C. 3837(b)(2)) is amended to read as follows:

19 “(2) METHODS OF ENROLLMENT.—The Sec-  
20 retary shall enroll acreage into the wetlands reserve  
21 program through the use of easements, restoration  
22 cost share agreements, or both.”.

23 (c) ELIGIBILITY.—Section 1237 of such Act (16  
24 U.S.C. 3837) is amended by striking subsections (c), (d),  
25 and (e) and inserting the following:

1       “(c) PRIORITY.—For purposes of enrolling acreage in  
2 the wetlands reserve program, the Secretary shall give pri-  
3 ority to land that maximizes wetland functions and values.

4       “(d) INELIGIBLE LAND.—The Secretary may not ac-  
5 quire an easement under this chapter on land which is—

6               “(1) enrolled in the conservation reserve pro-  
7 gram established under subchapter B; or

8               “(2) subject to a contract under the environ-  
9 mental quality incentives program established by  
10 chapter 4.”.

11       (d) CONFORMING AMENDMENTS.—Section 1237 of  
12 such Act (16 U.S.C. 3837) is amended—

13               (1) by redesignating subsection (f) as sub-  
14 section (e); and

15               (2) by striking subsection (g).

16 **SEC. 242. EASEMENTS AND AGREEMENTS.**

17       Section 1237A of the Food Security Act of 1985 (16  
18 U.S.C. 3837a) is amended—

19               (1) in subsection (b), by striking paragraph (2)  
20 and inserting the following:

21               “(2) prohibits the alteration of wildlife habitat  
22 and other natural features of such land, unless spe-  
23 cifically permitted by the plan;”;

24               (2) in subsection (e), by striking paragraph (2)  
25 and inserting the following:

1           “(2) shall be consistent with applicable State  
2 law.”;

3           (3) by striking subsections (c) and (h) and re-  
4 designating subsections (d) through (g) as sub-  
5 sections (e) through (f), respectively.

6 **SEC. 243. DUTIES OF THE SECRETARY.**

7           Section 1237C of the Food Security Act of 1985 (16  
8 U.S.C. 3837c) is amended—

9           (1) in subsection (a)—

10                   (A) by striking “shall—” and all that fol-  
11 lows through “(1)” and inserting “shall”; and

12                   (B) by striking “interest;” and all that fol-  
13 lows and inserting “interest.”; and

14           (2) by striking subsection (d).

15 **SEC. 244. PAYMENT LIMITATION.**

16           Section 1237D(e)(1) of the Food Security Act of  
17 1985 (16 U.S.C. 3837d(e)(1)) is amended by striking  
18 “easement payments” and inserting “payments”.

19 **SEC. 245. CHANGES IN OWNERSHIP; AGREEMENT MODI-  
20 FICATION; TERMINATION.**

21           Section 1237E(a) of the Food Security Act of 1985  
22 (16 U.S.C. 3837e(a)) is amended to read as follows:

23           “(a) LIMITATIONS.—No easement shall be created  
24 under this subchapter on land that has changed ownership  
25 in the preceding 12 months unless—

1           “(1) the new ownership was acquired by will or  
2           succession as a result of the death of the previous  
3           owner; or

4           “(2) the ownership change occurred due to fore-  
5           closure on the land and the owner of the land imme-  
6           diately before the foreclosure exercises a right of re-  
7           demption from the mortgage holder in accordance  
8           with State law.”.

9           **Subtitle F—Environmental Quality**  
10           **Incentives Program**

11           **SEC. 251. PURPOSES.**

12           Section 1240 of the Food Security Act of 1985 (16  
13           U.S.C. 3839aa) is amended—

14           (1) by striking “to—” and all that follows  
15           through “provides—” and inserting “provide—”;

16           (2) by striking “that face the most serious  
17           threats to” and inserting “to address environmental  
18           needs and provide benefits to air,”;

19           (3) by redesignating the subparagraphs (A)  
20           through (D) that follow the matter amended by  
21           paragraph (2) of this section as paragraphs (1)  
22           through (4), respectively;

23           (4) by moving each of such redesignated  
24           provisions 2 ems to the left; and

1           (5) by striking “farmers and ranchers”  
 2           each place it appears and inserting “pro-  
 3           ducers”.

4 **SEC. 252. DEFINITIONS.**

5       Section 1240A of the Food Security Act of 1985 (16  
 6 U.S.C. 3839aa-1) is amended—

7           (1) in paragraph (1)—

8               (A) by inserting “non-industrial private  
 9               forest land,” before “and other land”; and

10              (B) by striking “poses a serious threat”  
 11              and all that follows and inserting “provides in-  
 12              creased environmental benefits to air, soil,  
 13              water, or related resources.”;

14           (2) in paragraph (4), by inserting “, including  
 15           non-industrial private forestry” before the period;  
 16           and

17           (3) in paragraph (5), by striking “permanent  
 18           wildlife habitat.”.

19 **SEC. 253. ESTABLISHMENT AND ADMINISTRATION.**

20       (a) REAUTHORIZATION.—Section 1240B(a)(1) of the  
 21 Food Security Act of 1985 (16 U.S.C. 3839aa-2(a)(1))  
 22 is amended by striking “2002” and inserting “2011”.

23       (b) TERM OF CONTRACTS.—Section 1240B(b)(2) of  
 24 such Act (16 U.S.C. 3839aa-2(b)(2)) is amended by strik-

1 ing “not less than 5, nor more than 10, years” and insert-  
2 ing “not less than 1 year, nor more than 10 years”.

3 (c) STRUCTURAL PRACTICES.—Section  
4 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa-  
5 2(c)(1)(B)) is amended to read as follows:

6 “(B) achieving the purposes established  
7 under this subtitle.”.

8 (d) ELIMINATION OF CERTAIN LIMITATIONS ON ELI-  
9 GIBILITY FOR COST-SHARE PAYMENTS.—Section  
10 1240B(e)(1) of such Act (16 U.S.C. 3839aa-2(e)(1)) is  
11 amended—

12 (1) by striking subparagraph (B) and redesign-  
13 ating subparagraph (C) as subparagraph (B); and

14 (2) in subparagraph (B) (as so redesignated),  
15 by striking “or 3”.

16 (e) INCENTIVE PAYMENTS.—Section 1240B of such  
17 Act (16 U.S.C. 3839aa-2) is amended—

18 (1) in subsection (e)—

19 (A) in the subsection heading, by striking  
20 “, INCENTIVE PAYMENTS,”; and

21 (B) by striking paragraph (2); and

22 (2) by redesignating subsection (f) as sub-  
23 section (g) and inserting after subsection (e) the fol-  
24 lowing:



1       “(f) FARMLAND CONSERVATION INCENTIVE PAY-  
2 MENTS.—

3               “(1) IN GENERAL.—The Secretary may make  
4 incentive payments in an amount and at a rate de-  
5 termined by the Secretary to be necessary to encour-  
6 age a producer to perform multiple land manage-  
7 ment practices and to promote the enhancement of  
8 soil, water, air, and related resources.

9               “(2) SPECIAL RULE.—In determining the  
10 amount and rate of incentive payments, the Sec-  
11 retary may accord great weight to those practices  
12 that include residue, nutrient, pest, invasive species,  
13 and air quality management.”.

14 **SEC. 254. EVALUATION OF OFFERS AND PAYMENTS.**

15       Section 1240C of the Food Security Act of 1985 (16  
16 U.S.C. 3839aa-3) is amended by striking paragraphs (1)  
17 through (3) and inserting the following:

18               “(1) aid farmers and ranchers in complying  
19 with this title and Federal and State environmental  
20 laws, and encourage environmental enhancement and  
21 conservation; and

22               “(2) maximize the beneficial usage of animal  
23 manure and other similar soil amendments which  
24 improve soil health, tilth, and water-holding capac-  
25 ity.”.

1 **SEC. 255. DUTIES OF PRODUCERS.**

2 Section 1240D of the Food Security Act of 1985 (16  
3 U.S.C. 3839aa-4) is amended by striking paragraph (2)  
4 and redesignating paragraphs (3) through (6) as para-  
5 graphs (2) through (5), respectively.

6 **SEC. 256. ENVIRONMENTAL QUALITY INCENTIVES PRO-**  
7 **GRAM PLAN.**

8 Section 1240E(a) of the Food Security Act of 1985  
9 (16 U.S.C. 3839aa-5(a)) is amended by striking “that in-  
10 corporates such conservation practices” and all that fol-  
11 lows and inserting “that provides or will continue to pro-  
12 vide increased environmental benefits to air, soil, water,  
13 or related resources.”.

14 **SEC. 257. DUTIES OF THE SECRETARY.**

15 Section 1240F of the Food Security Act of 1985 (16  
16 U.S.C. 3839aa-6) is amended by striking paragraphs (2)  
17 and (3) and redesignating paragraphs (4) and (5) as para-  
18 graphs (2) and (3), respectively.

19 **SEC. 258. LIMITATION ON PAYMENTS.**

20 Section 1240G of the Food Security Act of 1985 (16  
21 U.S.C. 3839aa-7) is amended—

22 (1) in subsection (a)—

23 (A) in paragraph (1), by striking  
24 “\$10,000” and inserting “\$50,000”; and

25 (B) in paragraph (2), by striking  
26 “\$50,000” and inserting “\$200,000”;

1 (2) in subsection (b), by striking “the maxi-  
2 mization of environmental benefits per dollar ex-  
3 pended and”; and

4 (3) by striking subsection (c).

5 **SEC. 259. GROUNDWATER CONSERVATION.**

6 Section 1240H of the Food Security Act of 1985 (16  
7 U.S.C. 3839aa–8) is amended to read as follows:

8 **“SEC. 1240H. GROUNDWATER CONSERVATION.**

9 “The Secretary may use \$67,500,000 of the funds  
10 of the Commodity Credit Corporation in each of fiscal  
11 years 2002 through 2011 to provide cost-share payments  
12 and low-interest loans to encourage groundwater conserva-  
13 tion, including irrigation system improvement, and to pro-  
14 vide incentive payments for capping wells, reducing use  
15 of water for irrigation, and switching from irrigation to  
16 dryland farming.”.

17 **Subtitle G—Funding and**  
18 **Administration**

19 **SEC. 261. REAUTHORIZATION.**

20 Section 1241(a) of the Food Security Act of 1985  
21 (16 U.S.C. 3841(a)) is amended by striking “2002” and  
22 inserting “2011”.

23 **SEC. 262. FUNDING.**

24 Section 1241(b)(1) of the Food Security Act of 1985  
25 (16 U.S.C. 3841(b)(1)) is amended—

1 (1) by striking “and” the 1st place it appears;  
2 (2) by striking “\$130,000,000” and all that fol-  
3 lows through “2002” and inserting “\$200,000,000  
4 for fiscal year 2001, and \$1,200,000,000 for each of  
5 fiscal years 2002 through 2011”.

6 **SEC. 263. ALLOCATION FOR LIVESTOCK PRODUCTION.**

7 Section 1241(b)(2) of the Food Security Act of 1985  
8 (16 U.S.C. 3841(b)(2)) is amended by striking “2002”  
9 and inserting “2011”.

10 **SEC. 264. USE OF OTHER AGENCIES.**

11 Section 1242(a) of the Food Security Act of 1985  
12 (16 U.S.C. 3842(a)) is amended to read as follows:

13 “(a) PRINCIPAL AGENCY.—The Secretary shall use  
14 the Farm Service Agency in carrying out subtitles B and  
15 C, and subchapter B of chapter 1, and chapters 2 and  
16 4, of subtitle D.”.

17 **SEC. 265. ADMINISTRATION AND TECHNICAL ASSISTANCE.**

18 (a) BROADENING OF EXCEPTION TO ACREAGE LIM-  
19 ITATION.—Section 1243(b)(2) of the Food Security Act of  
20 1985 (16 U.S.C. 3843(b)(2)) is amended by striking  
21 “that—” and all that follows and inserting “that the ac-  
22 tion would not adversely affect the local economy of the  
23 county.”.

24 (b) RULES GOVERNING PROVISION OF TECHNICAL  
25 ASSISTANCE.—Section 1243(d) of the Food Security Act

1 of 1985 (16 U.S.C. 3843(d)) is amended to read as fol-  
2 lows:

3 “(d) RULES GOVERNING PROVISION OF TECHNICAL  
4 ASSISTANCE.—

5 “(1) IN GENERAL.—The Secretary shall provide  
6 technical assistance under this title to a producer el-  
7 igible for such assistance, by providing the assist-  
8 ance directly or, at the option of the producer,  
9 through an approved third party if available.

10 “(2) AMOUNT.—The Secretary shall determine  
11 the amount of technical assistance to be provided to  
12 a producer under this title, and on making the de-  
13 termination, shall make the amount available to—

14 “(A) if the producer has selected an ap-  
15 proved third party to provide the assistance,  
16 such approved third party; or

17 “(B) otherwise, the Natural Resources  
18 Conservation Service.

19 “(3) FUNDING SOURCE; LIMITATION.—

20 “(A) USE OF CCC FUNDS.—Subject to sub-  
21 paragraph (B), the Secretary may use not more  
22 than \$100,000,000 of funds of the Commodity  
23 Credit Corporation for each of fiscal years 2002  
24 through 2011 to carry out this subsection.

1           “(B) LIMITATION.—The total amount ex-  
2           pended under this subsection for fiscal years  
3           2002 through 2011 may not exceed  
4           \$850,000,000.

5           “(4) CERTIFICATION OF THIRD-PARTY PRO-  
6           VIDERS.—

7           “(A) IN GENERAL.—Not later than 6  
8           months after the date of the enactment of this  
9           Act, the Secretary of Agriculture shall, by regu-  
10          lation, establish a system for approving persons  
11          to provide technical assistance pursuant to this  
12          title. In the system, the Secretary shall give pri-  
13          ority to a person who has a memorandum of  
14          understanding regarding the provision of tech-  
15          nical assistance in place with the Secretary be-  
16          fore the date of the enactment of this sub-  
17          section.

18          “(B) EXPERTISE REQUIRED.—In pre-  
19          scribing such regulations, the Secretary shall  
20          ensure that persons with expertise in the tech-  
21          nical aspects of conservation planning, water-  
22          shed planning, environmental engineering, in-  
23          cluding commercial entities, nonprofit entities,  
24          State or local governments or agencies, and  
25          other Federal agencies, are eligible to become

1 approved providers of such technical assist-  
2 ance.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) HIGHLY ERODIBLE LAND CONSERVATION.—  
5 Section 1213(e) of such Act (16 U.S.C. 3812a(e)) is  
6 amended to read as follows:

7 “(e) TECHNICAL ASSISTANCE.—A producer who is  
8 receiving a benefit under this subtitle shall be eligible to  
9 receive technical assistance in accordance with section  
10 1243(d) throughout the development, revision, and appli-  
11 cation of the conservation plan and any conservation sys-  
12 tem of the producer.”.

13 (2) CONSERVATION RESERVE PROGRAM.—Sec-  
14 tion 1233 of such Act (16 U.S.C. 3833) is  
15 amended—

16 (A) by inserting “(a) IN GENERAL.—” be-  
17 fore “In return”;

18 (B) by adding “and” at the end of para-  
19 graph (1);

20 (C) by striking “; and” at the end of para-  
21 graph (2)(B) and inserting a period;

22 (D) by striking paragraph (3); and

23 (E) by adding after and below the end the  
24 following:

1       “(b) TECHNICAL ASSISTANCE.—An owner or oper-  
2 ator who is receiving a benefit under this subtitle shall  
3 be eligible to receive technical assistance in accordance  
4 with section 1243(d) to assist the owner or operator in  
5 carrying out a contract entered into under section 1232.”.

6           (3) WETLANDS RESERVE PROGRAM.—Section  
7 1237C(b) of such Act (16 U.S.C. 3837c(b)) is  
8 amended—

9           (A) in the subsection heading, by striking  
10 “AND TECHNICAL ASSISTANCE”; and

11           (B) by striking paragraph (3) and insert-  
12 ing the following:

13           “(2) TECHNICAL ASSISTANCE.—A producer who  
14 is receiving a benefit under this subtitle shall be eli-  
15 gible to receive technical assistance in accordance  
16 with section 1243(d) to assist the producer in com-  
17 plying with the terms of easements and restoration  
18 cost share agreements under this subchapter.”.

19           (4) ENVIRONMENTAL QUALITY INCENTIVES  
20 PROGRAM.—

21           (A) IN GENERAL.—Section 1240B of such  
22 Act (16 U.S.C. 3839aa-2) is amended—

23           (i) in subsection (a)(1), by striking  
24 “technical assistance,”; and

25           (ii) in subsection (e)—



1 (I) in the subsection heading, by  
2 striking “AND TECHNICAL ASSIST-  
3 ANCE”; and

4 (II) by striking paragraph (3)  
5 and inserting the following:

6 “(2) TECHNICAL ASSISTANCE.—A producer who  
7 is receiving a benefit under this subtitle shall be eli-  
8 gible to receive technical assistance in accordance  
9 with section 1243(d) to assist the producer in writ-  
10 ing and developing proposals and plans for contracts  
11 under this chapter, and in the implementation of  
12 structural practices and land management practices  
13 covered by such contracts.”.

14 (B) CONFORMING AMENDMENTS.—Section  
15 1241(b) of such Act (16 U.S.C. 3841(b)) is  
16 amended—

17 (i) in paragraph (1), by striking  
18 “technical assistance,”; and

19 (ii) in paragraph (2), by striking  
20 “technical assistance” and all that follows  
21 through “education” and inserting “cost-  
22 share payments and incentive payments”.

1           **Subtitle H—Other Programs**

2   **SEC. 271. WILDLIFE HABITAT INCENTIVES PROGRAM.**

3           Section 387(c) of the Federal Agriculture Improve-  
4   ment and Reform Act of 1996 (16 U.S.C. 3836a(c)) is  
5   amended to read as follows:

6           “(c) FUNDING.—To carry out this section, there shall  
7   be made available \$25,000,000 for each of fiscal years  
8   2002 through 2011, from funds made available from the  
9   Commodity Credit Corporation.”.

10   **SEC. 272. FARMLAND PROTECTION PROGRAM.**

11           Section 388 of the Federal Agriculture Improvement  
12   and Reform Act of 1996 (16 U.S.C. 3830 note) is amend-  
13   ed to read as follows:

14           “(c) FUNDING.—The Secretary shall use not more  
15   than \$50,000,000 of the funds of the Commodity Credit  
16   Corporation in each of fiscal years 2002 through 2011 to  
17   carry out this section.”.

18   **SEC. 273. RESOURCE CONSERVATION AND DEVELOPMENT**  
19           **PROGRAM.**

20           (a) PURPOSE.—Section 1528 of the Agriculture and  
21   Food Act of 1981 (16 U.S.C. 3451) is amended—

22                   (1) by striking the section heading and all that  
23           follows through “SEC. 1528. It is the purpose” and  
24           inserting the following:

1 **“SEC. 1528. STATEMENT OF PURPOSE.**

2 “It is the purpose”; and

3 (2) by inserting “through designated RC&D  
4 councils” before “in rural areas”.

5 (b) DEFINITIONS.—Section 1529 of such Act (16  
6 U.S.C. 3452) is amended—

7 (1) by striking the section heading and all that  
8 follows through “SEC. 1529. As used in this sub-  
9 title—” and inserting the following:

10 **“SEC. 1529. DEFINITIONS.**

11 “In this title:”;

12 (2) in paragraph (1)—

13 (A) in the matter preceding subparagraph  
14 (A), by inserting “RC&D council” before “area  
15 plan”;

16 (B) in subparagraph (B), by striking  
17 “through control of nonpoint sources of pollu-  
18 tion”;

19 (C) in subparagraph (C)—

20 (i) by striking “natural resources  
21 based” and inserting “resource-based”;

22 (ii) by striking “development of aqua-  
23 culture,”;

24 (iii) by striking “and satisfaction”  
25 and inserting “satisfaction”; and

1 (iv) by inserting “food security, eco-  
2 nomic development, and education” before  
3 the semicolon; and

4 (D) in subparagraph (D), by striking  
5 “other” and inserting “land management”;

6 (3) in paragraph (3), by striking “any State,  
7 local unit of government, or local nonprofit organiza-  
8 tion” and inserting “the designated RC&D council”;

9 (4) by striking paragraphs (4) through (6) and  
10 inserting the following:

11 “(4)(A) The term ‘financial assistance’ means  
12 the Secretary may—

13 “(i) provide funds directly to RC&D coun-  
14 cils or associations of RC&D councils through  
15 grants, cooperative agreements, and interagency  
16 agreements that directly implement RC&D area  
17 plans; and

18 “(ii) may join with other federal agencies  
19 through interagency agreements and other ar-  
20 rangements as needed to carry out the pro-  
21 gram’s purpose.

22 “(B) Funds may be used for such things as—

23 “(i) technical assistance;

1           “(ii) financial assistance in the form of  
2           grants for planning, analysis and feasibility  
3           studies, and business plans;

4           “(iii) training and education; and

5           “(iv) all costs associated with making such  
6           services available to RC&D councils or RC&D  
7           associations.

8           “(5) The term ‘RC&D council’ means the re-  
9           sponsible leadership of the RC&D area. RC&D coun-  
10          cils and associations are non-profit entities whose  
11          members are volunteers and include local civic and  
12          elected officials. Affiliations of RC&D councils are  
13          formed in states and regions.”;

14          (5) in paragraph (8), by inserting “and feder-  
15          ally recognized Indian tribes” before the period;

16          (6) in paragraph (9), by striking “works of im-  
17          provement” and inserting “projects”;

18          (7) by redesignating paragraphs (7) through  
19          (9) as paragraphs (6) through (8), respectively; and

20          (8) by striking paragraph (10) and inserting  
21          the following:

22          “(9) The term ‘project’ means any action taken  
23          by a designated RC&D council that achieves any of  
24          the elements identified under paragraph (1).”.

1 (c) ESTABLISHMENT AND SCOPE.—Section 1530 of  
2 such Act (16 U.S.C. 3453) is amended—

3 (1) by striking the section heading and all that  
4 follows through “SEC. 1530. The Secretary” and in-  
5 serting the following:

6 **“SEC. 1530. ESTABLISHMENT AND SCOPE.**

7 “The Secretary”; and

8 (2) by striking “the technical and financial as-  
9 sistance necessary to permit such States, local units  
10 of government, and local nonprofit organizations”  
11 and inserting “through designated RC&D councils  
12 the technical and financial assistance necessary to  
13 permit such RC&D Councils”.

14 (d) SELECTION OF DESIGNATED AREAS.—Section  
15 1531 of such Act (16 U.S.C. 3454) is amended by striking  
16 the section heading and all that follows through “SEC.  
17 1531. The Secretary” and inserting the following:

18 **“SEC. 1531. SELECTION OF DESIGNATED AREAS.**

19 “The Secretary”.

20 (e) AUTHORITY OF SECRETARY.—Section 1532 of  
21 such Act (16 U.S.C. 3455) is amended—

22 (1) by striking the section heading and all that  
23 follows through “SEC. 1532. In carrying” and in-  
24 serting the following:

1 **“SEC. 1532. AUTHORITY OF SECRETARY.**

2 “In carrying”;

3 (2) in each of paragraphs (1) and (3)—

4 (A) by striking “State, local unit of gov-  
5 ernment, or local nonprofit organization” and  
6 inserting “RC&D council”; and

7 (B) by inserting “RC&D council” before  
8 “area plan”;

9 (3) in paragraph (2), by inserting “RC&D  
10 council” before “area plans”; and

11 (4) in paragraph (4), by striking “States, local  
12 units of government, and local nonprofit organiza-  
13 tions” and inserting “RC&D councils or affiliations  
14 of RC&D councils”.

15 (f) TECHNICAL AND FINANCIAL ASSISTANCE.—Sec-  
16 tion 1533 of such Act (16 U.S.C. 3456) is amended—

17 (1) by striking the section heading and all that  
18 follows through “SEC. 1533. (a) Technical” and in-  
19 serting the following:

20 **“SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.**

21 “(a) Technical”;

22 (2) in subsection (a)—

23 (A) by striking “State, local unit of gov-  
24 ernment, or local nonprofit organization to as-  
25 sist in carrying out works of improvement spec-  
26 ified in an” and inserting “RC&D councils or

1 affiliations of RC&D councils to assist in car-  
2 rying out a project specified in a RC&D coun-  
3 cil”;

4 (B) in paragraph (1)—

5 (i) by striking “State, local unit of  
6 government, or local nonprofit organiza-  
7 tion” and inserting “RC&D council or af-  
8 filiate”; and

9 (ii) by striking “works of improve-  
10 ment” each place it appears and inserting  
11 “project”;

12 (C) in paragraph (2)—

13 (i) by striking “works of improve-  
14 ment” and inserting “project”; and

15 (ii) by striking “State, local unit of  
16 government, or local nonprofit organiza-  
17 tion” and inserting “RC&D council”;

18 (D) in paragraph (3), by striking “works  
19 of improvement” and all that follows and in-  
20 sserting “project concerned is necessary to ac-  
21 complish and RC&D council area plan objec-  
22 tive”;

23 (E) in paragraph (4), by striking “the  
24 works of improvement provided for in the” and



1 inserting “the project provided for in the RC&D  
2 council”;

3 (F) in paragraph (5), by inserting “feder-  
4 ally recognized Indian tribe” before “or local”  
5 each place it appears; and

6 (G) in paragraph (6), by inserting “RC&D  
7 council” before “area plan”;

8 (3) in subsection (b), by striking “works of im-  
9 provement” and inserting “project”; and

10 (4) in subsection (c), by striking “any State,  
11 local unit of government, or local nonprofit organiza-  
12 tion to carry out any” and inserting “RC&D council  
13 to carry out any RC&D council”.

14 (g) RESOURCE CONSERVATION AND DEVELOPMENT  
15 POLICY BOARD.—Section 1534(b) of such Act (16 U.S.C.  
16 3457(b)) is amended—

17 (1) by striking the section heading and all that  
18 follows through “SEC. 1534. (a) The Secretary” and  
19 inserting the following:

20 **“SEC. 1534. RESOURCE CONSERVATION AND DEVELOP-**  
21 **MENT POLICY BOARD.**

22 “(a) The Secretary”; and

23 (2) by striking “seven”.

24 (h) PROGRAM EVALUATION.—Section 1535 of such  
25 Act (16 U.S.C. 3458) is amended—

1 (1) by striking the section heading and all that  
2 follows through “SEC. 1535. The Secretary” and in-  
3 serting the following:

4 **“SEC. 1535. PROGRAM EVALUATION.**

5 “The Secretary”;

6 (2) by inserting “with assistance from RC&D  
7 councils” before “provided”;

8 (3) by inserting “federally recognized Indian  
9 tribes,” before “local units”; and

10 (4) by striking “1986” and inserting “2007”.

11 (i) **LIMITATION ON ASSISTANCE.**—Section 1536 of  
12 such Act (16 U.S.C. 3458) is amended by striking the sec-  
13 tion heading and all that follows through “SEC. 1536. The  
14 program” and inserting the following:

15 **“SEC. 1536. LIMITATION ON ASSISTANCE.**

16 “The program”.

17 (j) **SUPPLEMENTAL AUTHORITY OF THE SEC-**  
18 **RETARY.**—Section 1537 of such Act (16 U.S.C. 3460) is  
19 amended—

20 (1) by striking the section heading and all that  
21 follows through “SEC. 1537. The authority” and in-  
22 serting the following:

23 **“SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.**

24 “The authority”; and

1           (2) by striking “States, local units of govern-  
2           ment, and local nonprofit organizations” and insert-  
3           ing “RC&D councils”.

4           (k) AUTHORIZATION OF APPROPRIATIONS.—Section  
5 1538 of such Act (16 U.S.C. 3461) is amended—

6           (1) by striking the section heading and all that  
7           follows through “SEC. 1538. There are” and insert-  
8           ing the following:

9           **“SEC. 1537. AUTHORIZATION OF APPROPRIATIONS.**

10          “There are”; and

11          (2) by striking “for each of the fiscal years  
12          1996 through 2002”.

13          **SEC. 274. GRASSLAND RESERVE PROGRAM.**

14          Chapter 1 of subtitle D of title XII of the Food Secu-  
15          rity Act of 1985 (16 U.S.C. 3830–3837f) is amended by  
16          adding at the end the following:

17          **“Subchapter D—Grassland Reserve Program**

18          **“SEC. 1238. GRASSLAND RESERVE PROGRAM.**

19          “(a) ESTABLISHMENT.—The Secretary, acting  
20          through the Farm Service Agency, shall establish a grass-  
21          land reserve program (referred to in this subchapter as  
22          the ‘program’) to assist owners in restoring and con-  
23          serving eligible land described in subsection (c).

24          “(b) ENROLLMENT CONDITIONS.—

1           “(1) MAXIMUM ENROLLMENT.—The total num-  
2 ber of acres enrolled in the program shall not exceed  
3 2,000,000 acres, not more than 1,000,000 of which  
4 shall be restored grassland, and not more than  
5 1,000,000 of which shall be virgin (never cultivated)  
6 grassland.

7           “(2) METHODS OF ENROLLMENT.—The Sec-  
8 retary shall enroll in the program for a willing owner  
9 not less than 100 contiguous acres of land west of  
10 the 90th meridian or not less than 50 contiguous  
11 acres of land east of the 90th meridian through 10-  
12 year, 15-year, or 20-year contracts.

13          “(c) ELIGIBLE LAND.—Land shall be eligible to be  
14 enrolled in the program if the Secretary determines that—

15           “(1) the land is natural grass or shrubland; or

16           “(2) the land—

17               “(A) is located in an area that has been  
18 historically dominated by natural grass or  
19 shrubland; and

20               “(B) has potential to serve as habitat for  
21 animal or plant populations of significant eco-  
22 logical value if the land is restored to natural  
23 grass or shrubland.

1 **“SEC. 1238A. CONTRACTS AND AGREEMENTS.**

2       “(a) REQUIREMENTS OF LANDOWNER.—To be eligi-  
3 ble to enroll land in the program, the owner of the land  
4 shall—

5               “(1) agree to comply with the terms of the con-  
6 tract and related restoration agreements; and

7               “(2) agree to the suspension of any existing  
8 cropland base and allotment history for the land  
9 under any program administered by the Secretary.

10       “(b) TERMS OF CONTRACT.—A contract under sub-  
11 section (a) shall—

12               “(1) permit—

13                       “(A) common grazing practices on the land  
14 in a manner that is consistent with maintaining  
15 the viability of natural grass and shrub species  
16 indigenous to that locality;

17                       “(B) haying, mowing, or haying for seed  
18 production, except that such uses shall not be  
19 permitted until after the end of the nesting sea-  
20 son for birds in the local area which are in sig-  
21 nificant decline or are conserved pursuant to  
22 State or Federal law, as determined by the Nat-  
23 ural Resources Conservation Service State con-  
24 servationist; and

1           “(C) construction of fire breaks and  
2 fences, including placement of the posts necessary for fences;  
3

4           “(2) prohibit—

5           “(A) the production of row-crops, fruit  
6 trees, vineyards, or any other agricultural commodity that requires breaking the soil surface;  
7  
8 and

9           “(B) the conduct of any other activities  
10 that would disturb the surface of the land covered by the contract, including—

11                   “(i) plowing; and

12                   “(ii) disking; and

13           “(3) include such additional provisions as the  
14 Secretary determines are appropriate to carry out or  
15 facilitate the administration of this subchapter.

16           “(c) RANKING CONTRACT APPLICATIONS.—

17           “(1) ESTABLISHMENT OF CRITERIA.—The Secretary shall establish criteria to evaluate and rank  
18 applications for contracts under this subchapter.  
19

20           “(2) EMPHASIS.—In establishing the criteria,  
21 the Secretary shall emphasize support for native  
22 grass and shrubland, grazing operations, and plant  
23 and animal biodiversity.  
24

1       “(d) RESTORATION AGREEMENTS.—The Secretary  
2 shall prescribe the terms by which grassland that is sub-  
3 ject to a contract under the program shall be restored.  
4 The agreement shall include duties of the land owner and  
5 the Secretary, including the Federal share of restoration  
6 payments and technical assistance.

7       “(e) VIOLATIONS.—On the violation of the terms or  
8 conditions of a contract or restoration agreement entered  
9 into under this section—

10               “(1) the contract shall remain in force; and

11               “(2) the Secretary may require the owner to re-  
12 fund all or part of any payments received by the  
13 owner under this subchapter, with interest on the  
14 payments as determined appropriate by the Sec-  
15 retary.

16 **“SEC. 1238B. DUTIES OF SECRETARY.**

17       “(a) IN GENERAL.—In return for the granting of a  
18 contract by an owner under this subchapter, the Secretary  
19 shall make contract payments and payments of the Fed-  
20 eral share of restoration and provide technical assistance  
21 to the owner in accordance with this section.

22       “(b) CONTRACT PAYMENTS.—In return for the  
23 granting of contract by an owner under this subchapter,  
24 the Secretary shall make annual contract payments to the

1 owner in an amount that is not more than 75 percent of  
2 the grazing value of the land.

3 “(c) FEDERAL SHARE OF RESTORATION.—The Sec-  
4 retary shall make payments to the owner of not more  
5 than—

6 “(1) in the case of virgin (never cultivated)  
7 grassland, 90 percent of the costs of carrying out  
8 measures and practices necessary to restore grass-  
9 land functions and values; or

10 “(2) in the case of restored grassland, 75 per-  
11 cent of such costs.

12 “(d) TECHNICAL ASSISTANCE.—A landowner who is  
13 receiving a benefit under this subchapter shall be eligible  
14 to receive technical assistance in accordance with section  
15 1243(d) to assist the owner or operator in carrying out  
16 a contract entered into under this subchapter.

17 “(e) PAYMENTS TO OTHERS.—If an owner who is en-  
18 titled to a payment under this subchapter dies, becomes  
19 incompetent, is otherwise unable to receive the payment,  
20 or is succeeded by another person who renders or com-  
21 pletes the required performance, the Secretary shall make  
22 the payment, in accordance with regulations promulgated  
23 by the Secretary and without regard to any other provision  
24 of law, in such manner as the Secretary determines is fair  
25 and reasonable in light of all the circumstances.”.



1 **SEC. 275. FARMLAND STEWARDSHIP PROGRAM.**

2 Subtitle D of title XII of the Food Security Act of  
3 1985 (16 U.S.C. 3830–3839bb) is amended by inserting  
4 after chapter 1 (and the matter added by section 274 of  
5 this Act) the following:

6 **“CHAPTER 2—FARMLAND STEWARDSHIP**  
7 **PROGRAM**

8 **“SEC. 1239. DEFINITIONS.**

9 “In this chapter:

10 “(1) AGREEMENT.—The terms ‘farmland stew-  
11 arldship agreement’ and ‘agreement’ mean a stew-  
12 arldship contract authorized by this chapter.

13 “(2) CONTRACTING AGENCY.—The term ‘con-  
14 tracting agency’ means a local conservation district,  
15 resource conservation and development district, local  
16 office of the Department of Agriculture, other par-  
17 ticipating government agency, or other nongovern-  
18 mental organization that is designated by the Sec-  
19 retary to enter into farmland stewardship agree-  
20 ments on behalf of the Secretary.

21 “(3) ELIGIBLE AGRICULTURAL LANDS.—The  
22 term ‘eligible agricultural lands’ means private lands  
23 that are in primarily native or natural condition or  
24 are classified as cropland, pastureland, grazing  
25 lands, timberlands, or other lands as specified by the  
26 Secretary that—

1           “(A) contain wildlife habitat, wetlands, or  
2 other natural resources; or

3           “(B) provide benefits to the public at  
4 large, such as—

5                 “(i) conservation of soil, water, and  
6 related resources;

7                 “(ii) water quality protection or im-  
8 provement;

9                 “(iii) control of invasive and exotic  
10 species;

11                 “(iv) wetland restoration, protection,  
12 and creation; and

13                 “(v) wildlife habitat development and  
14 protection;

15                 “(vi) preservation of open spaces, or  
16 prime, unique, or other productive farm  
17 lands; and

18                 “(vii) and other similar conservation  
19 purposes.

20           “(4) FARMLAND STEWARDSHIP PROGRAM; PRO-  
21 GRAM.—The terms ‘Farmland Stewardship Pro-  
22 gram’ and ‘Program’ mean the conservation pro-  
23 gram of the Department of Agriculture established  
24 by this chapter.

1 **“SEC. 1239A. ESTABLISHMENT AND PURPOSE OF PROGRAM.**

2       “(a) ESTABLISHMENT.—The Secretary shall estab-  
3 lish a conservation program of the Department of Agri-  
4 culture, to be known as the Farmland Stewardship Pro-  
5 gram, that is designed to more precisely tailor and target  
6 existing conservation programs to the specific conservation  
7 needs and opportunities presented by individual parcels of  
8 eligible agricultural lands.

9       “(b) RELATION TO OTHER CONSERVATION PRO-  
10 GRAMS.—Under the Farmland Stewardship Program, the  
11 Secretary may implement, or combine together, the fea-  
12 tures of—

- 13               “(1) the Wetlands Reserve Program;  
14               “(2) the Wildlife Habitat Incentives Program;  
15               “(3) the Forest Land Enhancement Program;  
16               “(4) the Farmland Protection Program; or  
17               “(5) other conservation programs administered  
18 by other Federal agencies and State and local gov-  
19 ernment entities, where feasible and with the con-  
20 sent of the administering agency or government.

21       “(c) FUNDING SOURCES.—

22               “(1) IN GENERAL.—The Farmland Stewardship  
23 Program and agreements under the Program shall  
24 be funded by the Secretary using—

25                       “(A) the funding authorities of the con-  
26 servation programs that are implemented in

1 whole, or in part, through the use of agree-  
2 ments or easements; and

3 “(B) such funds as are provided to carry  
4 out the programs specified in paragraphs (1)  
5 through (4) of subsection (b).

6 “(2) COST-SHARING.—It shall be a requirement  
7 of the Farmland Stewardship Program that the ma-  
8 jority of the funds to carry out the Program must  
9 come from other existing conservation programs,  
10 which may be Federal, State, regional, local, or pri-  
11 vate, that are combined into and made a part of an  
12 agreement, or from matching funding contributions  
13 made by State, regional, or local agencies and divi-  
14 sions of government or from private funding sources.

15 “(d) PERSONNEL COSTS.—The Secretary may use  
16 the Natural Resources Conservation Service to carry out  
17 the Farmland Stewardship Program.

18 “(e) TECHNICAL ASSISTANCE.—An owner or oper-  
19 ator who is receiving a benefit under this chapter shall  
20 be eligible to receive technical assistance in accordance  
21 with section 1243(d) to assist the owner or operator in  
22 carrying out a contract entered into under this chapter.

1 **“SEC. 1239B. USE OF FARMLAND STEWARDSHIP AGREE-**  
2 **MENTS.**

3 “(a) AGREEMENTS AUTHORIZED.—The Secretary  
4 shall carry out the Farmland Stewardship Program by en-  
5 tering into stewardship contracts as determined by the  
6 Secretary, to be known as farmland stewardship agree-  
7 ments, with the owners or operators of eligible agricultural  
8 lands to maintain and protect for the natural and agricul-  
9 tural resources on the lands.

10 “(b) BASIC PURPOSES.—An agreement with the  
11 owner or operator of eligible agricultural lands shall be  
12 used—

13 “(1) to negotiate a mutually agreeable set of  
14 guidelines, practices, and procedures under which  
15 conservation practices will be provided by the owner  
16 or operator to protect, maintain, and, where pos-  
17 sible, improve, the natural resources on the lands  
18 covered by the agreement in return for annual pay-  
19 ments to the owner or operator;

20 “(2) to implement a conservation program or  
21 series of programs where there is no such program  
22 or to implement conservation management activities  
23 where there is no such activity; and

24 “(3) to expand conservation practices and re-  
25 source management activities to a property where it  
26 is not possible at the present time to negotiate or

1 reach agreement on a public purchase of a fee-sim-  
2 ple or less-than-fee interest in the property for con-  
3 servation purposes.

4 “(c) MODIFICATION OF OTHER CONSERVATION PRO-  
5 GRAM ELEMENTS.—If most, but not all, of the limitations,  
6 conditions, and requirements of a conservation program  
7 that is implemented in whole, or in part, through the  
8 Farmland Stewardship Program are met with respect to  
9 a parcel of eligible agricultural lands, and the purposes  
10 to be achieved by the agreement to be entered into for  
11 such lands are consistent with the purposes of the con-  
12 servation program, then the Secretary may waive any re-  
13 maining limitations, conditions, or requirements of the  
14 conservation program that would otherwise prohibit or  
15 limit the agreement.

16 “(d) STATE AND LOCAL CONSERVATION PRIOR-  
17 ITIES.—To the maximum extent practicable, agreements  
18 shall address the conservation priorities established by the  
19 State and locality in which the eligible agricultural lands  
20 are located.

21 “(e) WATERSHED ENHANCEMENT.—To the extent  
22 practicable, the Secretary shall encourage the development  
23 of Farmland Stewardship Program applications on a wa-  
24 tershed basis.

1 **“SEC. 1239C. PARTNERSHIP APPROACH TO PROGRAM.**

2       “(a) AUTHORITY OF SECRETARY EXERCISED  
3 THROUGH PARTNERSHIPS.—The Secretary may admin-  
4 ister agreements under the Farmland Stewardship Pro-  
5 gram in partnership with other Federal, State, and local  
6 agencies whose programs are incorporated into the Pro-  
7 gram under section 1239A.

8       “(b) DESIGNATION AND USE OF CONTRACTING  
9 AGENCIES.—Subject to subsection (c), the Secretary may  
10 authorize a local conservation district, resource conserva-  
11 tion & development district, nonprofit organization, or  
12 local office of the Department of Agriculture or other par-  
13 ticipating government agency to enter into and administer  
14 agreements under the Program as a contracting agency  
15 on behalf of the Secretary.

16       “(c) CONDITIONS ON DESIGNATION.—The Secretary  
17 may designate an eligible district or office as a contracting  
18 agency under subsection (b) only if the district or office—

19               “(1) submits a written request for such des-  
20 igation to the Secretary;

21               “(2) affirms that it is willing to follow all guide-  
22 lines for executing and administering an agreement,  
23 as promulgated by the Secretary;

24               “(3) demonstrates to the satisfaction of the  
25 Secretary that it has established working relation-  
26 ships with owners and operators of eligible agricul-

1 tural lands, and based on the history of these work-  
2 ing relationships, demonstrates that it has the abil-  
3 ity to work with owners and operators of eligible ag-  
4 ricultural lands in a cooperative manner;

5 “(4) affirms its responsibility for preparing all  
6 documentation for the agreement, negotiating its  
7 terms with an owner or operator, monitoring compli-  
8 ance, making annual reports to the Secretary, and  
9 administering the agreement throughout its full  
10 term; and

11 “(5) demonstrates to the satisfaction of the  
12 Secretary that it has or will have the necessary staff  
13 resources and expertise to carry out its responsibil-  
14 ities under paragraphs (3) and (4).

15 **“SEC. 1239D. PARTICIPATION OF OWNERS AND OPERATORS**  
16 **OF ELIGIBLE AGRICULTURAL LANDS.**

17 “(a) APPLICATION AND APPROVAL PROCESS.—To  
18 participate in the Farmland Stewardship Program, an  
19 owner or operator of eligible agricultural lands shall—

20 “(1) submit to the Secretary an application in-  
21 dicating interest in the Program and describing the  
22 owner’s or operator’s property, its resources, and  
23 their ecological and agricultural values;



1           “(2) submit to the Secretary a list of services  
2           to be provided, a management plan to be imple-  
3           mented, or both, under the proposed agreement;

4           “(3) if the application and list are accepted by  
5           the Secretary, enter into an agreement that details  
6           the services to be provided, management plan to be  
7           implemented, or both, and requires compliance with  
8           the other terms of the agreement.

9           “(b) APPLICATION ON BEHALF OF AN OWNER OR  
10          OPERATOR.—A designated contracting agency may sub-  
11          mit the application required by subsection (a) on behalf  
12          of an owner or operator if the contracting agency has se-  
13          cured the consent of the owner or operator to enter into  
14          an agreement.”.

15          **SEC. 276. SMALL WATERSHED REHABILITATION PROGRAM.**

16          Section 14(h) of the Watershed Protection and Flood  
17          Prevention Act (16 U.S.C. 1012(h)) is amended—

18                 (1) by adding “and” at the end of paragraph  
19                 (1); and

20                 (2) by striking all that follows paragraph (1)  
21                 and inserting the following:

22                 “(2) \$15,000,000 for fiscal year 2002 and each  
23                 succeeding fiscal year.”.

1 **Subtitle I—Availability of Funds**

2 **SEC. 281. AVAILABILITY OF FUNDS APPROPRIATED PURSU-**  
 3 **ANT TO THE SOIL CONSERVATION AND DO-**  
 4 **MESTIC ALLOTMENT ACT.**

5 Section 6 of the Soil Conservation and Domestic Al-  
 6 lotment Act (16 U.S.C. 590f) is amended—

7 (1) in the 1st undesignated paragraph, by in-  
 8 serting “(a)” before “There”;

9 (2) in the 2nd undesignated paragraph, by in-  
 10 serting “(b)” before “Appropriations”; and

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

12 “(c) Funds made available to carry out the purposes  
 13 of this Act may be used, to the extent determined by the  
 14 Secretary of Agriculture to be necessary, by the agency  
 15 of the Department of Agriculture to which the funds are  
 16 appropriated, to provide technical assistance to owners  
 17 and operators of land to achieve the objectives of any con-  
 18 servation program administered by the Secretary of Agri-  
 19 culture.”.

20 **Subtitle K—Repeals**

21 **SEC. 291. PROVISIONS OF FOOD SECURITY ACT OF 1985.**

22 (a) WETLANDS MITIGATION BANKING PROGRAM.—  
 23 Section 1222 of the Food Security Act of 1985 (16 U.S.C.  
 24 3822) is amended by striking subsection (k).

1 (b) PAYMENT LIMITATIONS UNDER THE CONSERVA-  
2 TION RESERVE PROGRAM.—Section 1234(f) of such Act  
3 (16 U.S.C. 3837d(c)) is amended by striking paragraph  
4 (3).

5 (c) BASE HISTORY PROVISION.—

6 (1) REPEAL.—Section 1236 of such Act (16  
7 U.S.C. 3836) is repealed.

8 (2) CONFORMING AMENDMENT.—Section  
9 1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is  
10 amended by striking “in addition to the remedies  
11 provided under section 1236(d),”.

12 (d) PAYMENT LIMITATIONS UNDER THE WETLANDS  
13 RESERVE PROGRAM.—Section 1237D(c) of such Act (16  
14 U.S.C. 3837d(c)) is amended by striking paragraph (3).

15 (e) ENVIRONMENTAL EASEMENT PROGRAM.—

16 (1) REPEAL.—Chapter 3 of subtitle D of title  
17 XII of such Act (16 U.S.C. 3839–3839d) is re-  
18 pealed.

19 (2) CONFORMING AMENDMENT.—Section  
20 1243(a)(3) of such Act (16 U.S.C. 3843(a)(3)) is  
21 amended by striking “or 3”.

22 (f) CONSERVATION FARM OPTION.—Chapter 5 of  
23 subtitle D of title XII of such Act (16 U.S.C. 3839bb)  
24 is repealed.

1 (g) TREE PLANTING INITIATIVE.—Section 1256 of  
2 such Act (16 U.S.C. 2101 note) is repealed.

3 **TITLE III—TRADE**

4 **SEC. 301. MARKET ACCESS PROGRAM.**

5 Section 211(c)(1) of the Agricultural Trade Act of  
6 1978 (7 U.S.C. 5641(c)(1)) is amended—

7 (1) by striking “and not more” and inserting  
8 “not more”;

9 (2) by inserting “and not more than  
10 \$200,000,000 for each of fiscal years 2002 through  
11 2011,” after “2002”; and

12 (3) by striking “2002” and inserting “2001”.

13 **SEC. 302. FOOD FOR PROGRESS.**

14 (a) IN GENERAL.—Subsections (f)(3), (g), (k), and  
15 (l)(1) of section 1110 of the Food Security Act of 1985  
16 (7 U.S.C. 1736o) are each amended by striking “2002”  
17 and inserting “2011”.

18 (b) INCREASE IN FUNDING.—Section 1110(l)(1) of  
19 the Food Security Act of 1985 (7 U.S.C. 1736o(l)(1)) is  
20 amended by striking “fiscal year 1999” and inserting “fis-  
21 cal years 2002 through 2011”.

22 (c) EXCLUSION FROM LIMITATION.—Section  
23 1110(e)(2) of the Food Security Act of 1985 (7 U.S.C.  
24 1736o(e)(2)) is amended by inserting “, and subsection  
25 (g) does not apply to such commodities furnished on a

1 grant basis or on credit terms under title I of the Agricul-  
2 tural Trade Development Act of 1954” before the final  
3 period.

4 (d) TRANSPORTATION COSTS.—Section 1110(f)(3) of  
5 the Food Security Act of 1985 (7 U.S.C. 1736o) is amend-  
6 ed by striking “\$30,000,000” and inserting  
7 “\$35,000,000”.

8 (e) MULTIYEAR BASIS.—Section 1110(j) of the Food  
9 Security Act of 1985 (7 U.S.C. 17360(j)) is amended—

10 (1) by striking “may” and inserting “is encour-  
11 aged”; and

12 (2) by inserting “to” before “approved”.

13 (f) NEW PROVISIONS.—Section 1110 of the Food Se-  
14 curity Act of 1985 (7 U.S.C. 17360) is amended by adding  
15 at the end the following:

16 “(p) The Secretary is encouraged to finalize program  
17 agreements and resource requests for programs under this  
18 section before the beginning of the relevant fiscal year.  
19 By November 1 of the relevant fiscal year, the Secretary  
20 shall provide to the Committee on Agriculture of the  
21 House of Representatives, and the Committee on Agri-  
22 culture, Nutrition, and Forestry of the Senate a list of  
23 approved programs, countries, and commodities, and the  
24 total amounts of funds approved for transportation and  
25 administrative costs, under this section.”.

1 **SEC. 303. EXPORT ENHANCEMENT PROGRAM.**

2 Section 301(e)(1)(G) of the Agricultural Trade Act  
3 of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting  
4 “and for each fiscal year thereafter through fiscal year  
5 2011” after “2002”.

6 **SEC. 304. FOREIGN MARKET DEVELOPMENT COOPERATOR**  
7 **PROGRAM.**

8 Section 703 of the Agricultural Trade Act of 1978  
9 (7 U.S.C. 5723) is amended—

10 (1) by inserting “(a) PRIOR YEARS.—”;

11 (2) by striking “2002” and inserting “2001”;

12 and

13 (3) by adding at the end the following new sub-  
14 section:

15 “(b) FISCAL 2002 AND LATER.—For each of fiscal  
16 years 2002 through 2011 there are authorized to be ap-  
17 propriated such sums as may be necessary to carry out  
18 this title, and, in addition to any sums so appropriated,  
19 the Secretary shall use \$35,000,000 of the funds of, or  
20 an equal value of the commodities of, the Commodity  
21 Credit Corporation to carry out this title.

22 **SEC. 305. EXPORT CREDIT GUARANTEE PROGRAM.**

23 (a) REAUTHORIZATION.—Section 211(b)(1) of the  
24 Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is  
25 amended by striking “2002” and inserting “2011”.

1 (b) PROCESSED AND HIGH VALUE PRODUCTS.—Sec-  
2 tion 202(k)(1) of the Agricultural Trade Act of 1978 (7  
3 U.S.C. 5622(k)(1)) is amended by striking “, 2001, and  
4 2002” and inserting “through 2011”.

5 **SEC. 306. PL 480.**

6 The Agricultural Trade Development and Assistance  
7 Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

8 (1) in section 204(a), by striking “2002” each  
9 place it appears and inserting “2011”;

10 (2) in section 208(f), by striking “2002” and  
11 inserting “2011”;

12 (3) in section 407(e)(4), by striking “2001 and  
13 2002” and inserting “2001 through 2011”;

14 (4) in section 408, by striking “2002” and in-  
15 serting “2011”; and

16 (5) in section 501(e), by striking “2002” and  
17 inserting “2011”.

18 **SEC. 307. EMERGING MARKETS.**

19 Section 1542 of the Food, Agriculture, Conservation,  
20 and Trade Act of 1990 (7 U.S.C. 5622n) is amended in  
21 subsections (a) and (d)(1)(A)(i), by striking “2002” and  
22 inserting “2011”.

23 **SEC. 308. BILL EMERSON HUMANITARIAN TRUST.**

24 Subsections (b)(2)(i), (h)(1), and (h)(2) of section  
25 302 of the Bill Emerson Humanitarian Trust Act (7

1 U.S.C. 1736f-1) are each amended by striking “2002”  
2 and inserting “2011”.

3 **SEC. 309. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

4 (a) ESTABLISHMENT.—The Secretary of Agriculture  
5 shall establish an export assistance program (referred to  
6 in this section as the “program”) to address unique bar-  
7 riers that prohibit or threaten the export of United States  
8 specialty crops.

9 (b) PURPOSE.—The program shall provide direct as-  
10 sistance through public and private sector projects and  
11 technical assistance to remove, resolve, or mitigate sani-  
12 tary and phytosanitary and related barriers to trade.

13 (c) PRIORITY.—The program shall address time sen-  
14 sitive and strategic market access projects based on—

15 (1) trade effect on market retention, market ac-  
16 cess, and market expansion; and

17 (2) trade impact.

18 (d) FUNDING.—The Secretary shall make available  
19 \$3,000,000 for each of fiscal years 2002 through 2011  
20 of the funds of, or an equal value of commodities owned  
21 by, the Commodity Credit Corporation.



1                   **TITLE IV—NUTRITION**  
2                   **PROGRAMS**  
3           **Subtitle A—Food Stamp Program**

4   **SEC. 401. SIMPLIFIED DEFINITION OF INCOME.**

5           Section 5(d) of the Food Stamp Act of 1977 (7  
6 U.S.C. 2014(d)) is amended—

7                   (1) in paragraph (3)—

8                           (A) by striking “and (C)” and inserting  
9                           “(C)”; and

10                   (B) by inserting after “premiums,” the fol-  
11                   lowing:

12           “(D) to the extent that any other educational loans on  
13           which payment is deferred, grants, scholarships, fellow-  
14           ships, veterans’ educational benefits, and the like, are re-  
15           quired to be excluded under title XIX of the Social Secu-  
16           rity Act, the state agency may exclude it under this sub-  
17           section,”;

18                   (2) by striking “and (15)” and inserting  
19                   “(15)”;

20                   (3) by inserting before the period at the end the  
21                   following:

22           “; (16) any state complementary assistance program pay-  
23           ments that are excluded pursuant to subsections (a) and  
24           (b) of section 1931 of title XIX of the Social Security Act;  
25           and (17) at the option of the State agency, any types of

1 income that the State agency does not consider when de-  
2 termining eligibility for cash assistance under a program  
3 funded under part A of title IV of the Social Security Act  
4 (42 U.S.C. 601 et seq.) or medical assistance under sec-  
5 tion 1931 of the Social Security Act (42 U.S.C. 1396u-  
6 1), except that this paragraph shall not authorize a State  
7 agency to exclude earned income, payments under title I,  
8 II, IV, X, XIV, or XVI of the Social Security Act, or such  
9 other types of income whose consideration the Secretary  
10 determines essential to equitable determinations of eligi-  
11 bility and benefit levels except to the extent that those  
12 types of income may be excluded under other paragraphs  
13 of this subsection”.

14 **SEC. 402. STANDARD DEDUCTION.**

15 Section 5(e)(1) of the Food Stamp Act of 1977 (7  
16 U.S.C. 2014(e)(1)) is amended—

17 (1) by striking “of \$134, \$229, \$189, \$269,  
18 and \$118” and inserting “equal to 9.7 percent of  
19 the eligibility limit established under section 5(c)(1)  
20 for fiscal year 2002 but not more than 9.25 percent  
21 of the eligibility limit established under section  
22 5(c)(1) for a household of six nor less than \$134,  
23 \$229, \$189, \$269, and \$118”; and

24 (2) by inserting before the period at the end the  
25 following:

1 “, except that the standard deduction for Guam  
2 shall be determined with reference to 2 times the eli-  
3 gibility limits under section 5(c)(1) for the 48 con-  
4 tiguous states and the District of Columbia”.

5 **SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES**  
6 **MOVING FROM WELFARE.**

7 (a) IN GENERAL.—Section 11 of the Food Stamp Act  
8 of 1977 (7 U.S.C. 2020) is amended by adding at the end  
9 the following:

10 “(s) TRANSITIONAL BENEFITS OPTION.—

11 “(1) IN GENERAL.—A State may provide tran-  
12 sitional food stamp benefits to a household that is  
13 no longer eligible to receive cash assistance under a  
14 State program funded under part A of title IV of the  
15 Social Security Act (42 U.S.C. 601 et seq.).

16 “(2) TRANSITIONAL BENEFITS PERIOD.—Under  
17 paragraph (1), a household may continue to receive  
18 food stamp benefits for a period of not more than  
19 6 months after the date on which cash assistance is  
20 terminated.

21 “(3) AMOUNT.—During the transitional bene-  
22 fits period under paragraph (2), a household shall  
23 receive an amount equal to the allotment received in  
24 the month immediately preceding the date on which  
25 cash assistance is terminated. A household receiving

1 benefits under this subsection may apply for recer-  
 2 tification at any time during the transitional benefit  
 3 period. If a household reapplies, its allotment shall  
 4 be determined without regard to this subsection for  
 5 all subsequent months.

6 “(4) DETERMINATION OF FUTURE ELIGI-  
 7 BILITY.—In the final month of the transitional bene-  
 8 fits period under paragraph (2), the State agency  
 9 may—

10 “(A) require a household to cooperate in a  
 11 redetermination of eligibility to receive an au-  
 12 thorization card; and

13 “(B) renew eligibility for a new certifi-  
 14 cation period for the household without regard  
 15 to whether the previous certification period has  
 16 expired.

17 “(5) LIMITATION.—A household sanctioned  
 18 under section 6, or for a failure to perform an action  
 19 required by Federal, State, or local law relating to  
 20 such cash assistance program, shall not be eligible  
 21 for transitional benefits under this subsection.”.

22 (b) CONFORMING AMENDMENTS.—(1) Section 3(e) of  
 23 the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amend-  
 24 ed by adding at the end the following: “The limits in this

1 section may be extended until the end of any transitional  
2 benefit period established under section 11(s).”.

3 (2) Section 6(c) of the Food Stamp Act of 1977 (7  
4 U.S.C. 2015(c)) is amended by striking “No household”  
5 and inserting “Except in a case in which a household is  
6 receiving transitional benefits during the transitional ben-  
7 efits period under section 11(s), no household”.

8 **SEC. 404. QUALITY CONTROL SYSTEMS.**

9 (a) TARGETED QUALITY CONTROL SYSTEM.—Sec-  
10 tion 16(c) of the Food Stamp Act of 1977 (7 U.S.C.  
11 2025(e)) is amended—

12 (1) in paragraph (1)(C)—

13 (A) in the matter preceding clause (i), by  
14 inserting “the Secretary determines that a 95  
15 percent statistical probability exists that for the  
16 3d consecutive year” after “year in which”; and

17 (B) in clause (i)(II)(aa) by striking “the  
18 national performance measure for the fiscal  
19 year” each place it appears and inserting “10  
20 percent”;

21 (2) in the 1st sentence of paragraph (4)—

22 (A) by striking “or claim” and inserting  
23 “claim”; and

1 (B) by inserting “or performance under  
2 the measures established under paragraph  
3 (10),” after “for payment error,”;

4 (3) in paragraph (5), by inserting “to comply  
5 with paragraph (10) and” before “to establish”;

6 (4) in the 1st sentence of paragraph (6), by in-  
7 serting “one percentage point more than” after  
8 “measure that shall be”; and

9 (5) by inserting at the end the following:

10 “(10)(A) In addition to the measures established  
11 under paragraph (1), the Secretary shall measure the per-  
12 formance of State agencies in each of the following  
13 regards—

14 “(i) compliance with the deadlines established  
15 under paragraphs (3) and (9) of section 11(e); and

16 “(ii) the percentage of negative eligibility deci-  
17 sions that are made correctly.

18 “(B) For each fiscal year, the Secretary shall make  
19 excellence bonus payments of \$1,000,000 each to the 5  
20 States with the highest combined performance in the 2  
21 measures in subparagraph (A) and to the 5 States whose  
22 combined performance under the 2 measures in subpara-  
23 graph (A) most improved in such fiscal year.

24 “(C) For any fiscal year in which the Secretary deter-  
25 mines that a 95 percent statistical probability exists that

1 a State agency's performance with respect to any of the  
2 performance measures established in subparagraph (A)  
3 is substantially worse than a level the Secretary deems  
4 reasonable, other than for good cause shown, the Sec-  
5 retary shall investigate that State agency's administration  
6 of the food stamp program. If this investigation deter-  
7 mines that the State's administration has been deficient,  
8 the Secretary shall require the State agency to take  
9 prompt corrective action.”.

10 (b) IMPLEMENTATION.—The amendment made by  
11 subsection (a)(5) shall apply to all fiscal years beginning  
12 on or after October 1, 2001. All other amendments made  
13 by this section shall apply to all fiscal years beginning on  
14 or after October 1, 1999.

15 **SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DE-**  
16 **TERMINATION SYSTEMS.**

17 Section 16 of the Food Stamp Act of 1977 (7 U.S.C.  
18 2025) is amended by inserting at the end the following:

19 “(l) The Secretary shall expend up to \$10 million in  
20 each fiscal year to pay 100 percent of the costs of State  
21 agencies to develop and implement simple application and  
22 eligibility determination systems.”.

1 **SEC. 406. AUTHORIZATION OF APPROPRIATIONS.**

2 (a) EMPLOYMENT AND TRAINING PROGRAMS.—Sec-  
3 tion 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C.  
4 2025(h)(1)) is amended—

5 (1) in subparagraph (A)(vii) by striking “fiscal  
6 year 2002” and inserting “each of the fiscal years  
7 2003 through 2011”; and

8 (2) in subparagraph (B) by striking “2002”  
9 and inserting “2011”.

10 (b) COST ALLOCATION.—Section 16(k)(3) of the  
11 Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is  
12 amended—

13 (1) in subparagraph (A) by striking “2002”  
14 and inserting “2011”; and

15 (2) in subparagraph (B)(ii) by striking “2002”  
16 and inserting “2011”.

17 (c) CASH PAYMENT PILOT PROJECTS.—Section  
18 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C.  
19 2026(b)(1)(B)(vi)) is amended by striking “2002” and in-  
20 serting “2011”.

21 (d) OUTREACH DEMONSTRATION PROJECTS.—Sec-  
22 tion 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C.  
23 2026(i)(1)(A)) is amended by striking “1992 through  
24 2002” and inserting “2003 through 2011”.

25 (e) AUTHORIZATION OF APPROPRIATIONS.—Section  
26 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C.



1 2027(a)(1)) is amended by striking “1996 through  
2 2002” and inserting “2003 through 2011”.

3 (f) PUERTO RICO.—Section 19(a)(1)(A) of the Food  
4 Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is  
5 amended—

6 (1) in clause (ii) by striking “and” at the end;

7 (2) in clause (iii) by adding “and” at the end;

8 and

9 (3) by inserting after clause (iii) the following:

10 “(iv) for each of fiscal years 2003 through  
11 2011, the amount equal to the amount required to  
12 be paid under this subparagraph for the preceding  
13 fiscal year, as adjusted by the percentage by which  
14 the thrifty food plan is adjusted under section  
15 3(o)(4) for the current fiscal year for which the  
16 amount is determined under this clause;”.

17 (g) TERRITORY OF AMERICAN SAMOA.—Section 24  
18 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amend-  
19 ed by striking “1996 through 2002” and inserting “2003  
20 through 2011”.

21 (h) ASSISTANCE FOR COMMUNITY FOOD  
22 PROJECTS.—Section 25(b)(2) of the Food Stamp Act of  
23 1977 (7 U.S.C. 2034(b)(2)) is amended—

24 (1) in subparagraph (A) by striking “and” at  
25 the end;

1 (2) in subparagraph (B)—

2 (A) by striking “2002” and inserting  
3 “2001”; and

4 (B) by adding “and” at the end; and

5 (3) by inserting after subparagraph (B) the fol-  
6 lowing:

7 “(C) \$7,500,000 for each of the fiscal  
8 years 2002 through 2011.”.

9 (i) AVAILABILITY OF COMMODITIES FOR THE EMER-  
10 GENCY FOOD ASSISTANCE PROGRAM.—Section 27 of the  
11 Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

12 (1) in subsection (a)—

13 (A) by striking “1997 through 2002” and  
14 inserting “2002 through 2011”; and

15 (B) by striking “\$100,000,000” and in-  
16 sserting “\$140,000,000”; and

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

18 “(c) USE OF FUNDS FOR RELATED COSTS.—For  
19 each of the fiscal years 2002 through 2011, the Secretary  
20 shall use \$10,000,000 of the funds made available under  
21 subsection (a) to pay for the direct and indirect costs of  
22 the States related to the processing, storing, transporting,  
23 and distributing to eligible recipient agencies of commod-  
24 ities purchased by the Secretary under such subsection  
25 and commodities secured from other sources, including

1 commodities secured by gleaning (as defined in section  
2 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c  
3 note)).”.

4 (j) SPECIAL EFFECTIVE DATE.—The amendments  
5 made by subsections (h) and (i) shall take effect of Octo-  
6 ber 1, 2001.

## 7 **Subtitle B—Commodity** 8 **Distribution**

### 9 **SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO** 10 **SPECIAL NUTRITION PROJECTS.**

11 Section 1114(a) of the Agriculture and Food Act of  
12 1981 (7 U.S.C. 1431e) is amended by striking “2002”  
13 and inserting “2011”.

### 14 **SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

15 The Agriculture and Consumer Protection Act of  
16 1975 (7 U.S.C. 612c note) is amended—

17 (1) in section 4(a) by striking “1991 through  
18 2002” and inserting “2003 through 2011”; and

19 (2) in subsections (a)(2) and (d)(2) of section  
20 5 by striking “1991 through 2002” and inserting  
21 “2003 through 2011”.

### 22 **SEC. 443. EMERGENCY FOOD ASSISTANCE.**

23 The 1st sentence of section 204(a)(1) of the Emer-  
24 gency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1))  
25 is amended—

1 (1) by striking “1991 through 2002” and in-  
2 serting “2003 through 2011”;

3 (2) by striking “administrative”, and

4 (3) by inserting “storage,” after “processing.”.

5 **Subtitle C—Miscellaneous**  
6 **Provisions**

7 **SEC. 461. HUNGER FELLOWSHIP PROGRAM.**

8 (a) SHORT TITLE; FINDINGS.—

9 (1) SHORT TITLE.—This section may be cited  
10 as the “Congressional Hunger Fellows Act of 2001”.

11 (2) FINDINGS.—The Congress finds as follows:

12 (A) There is a critical need for compas-  
13 sionate individuals who are committed to assist-  
14 ing people who suffer from hunger as well as a  
15 need for such individuals to initiate and admin-  
16 ister solutions to the hunger problem.

17 (B) Bill Emerson, the distinguished late  
18 Representative from the 8th District of Mis-  
19 souri, demonstrated his commitment to solving  
20 the problem of hunger in a bipartisan manner,  
21 his commitment to public service, and his great  
22 affection for the institution and the ideals of  
23 the United States Congress.

24 (C) George T. (Mickey) Leland, the distin-  
25 guished late Representative from the 18th Dis-

1           trict of Texas, demonstrated his compassion for  
2           those in need, his high regard for public service,  
3           and his lively exercise of political talents.

4           (D) The special concern that Mr. Emerson  
5           and Mr. Leland demonstrated during their lives  
6           for the hungry and poor was an inspiration for  
7           others to work toward the goals of equality and  
8           justice for all.

9           (E) These 2 outstanding leaders main-  
10          tained a special bond of friendship regardless of  
11          political affiliation and worked together to en-  
12          courage future leaders to recognize and provide  
13          service to others, and therefore it is especially  
14          appropriate to honor the memory of Mr. Emer-  
15          son and Mr. Leland by creating a fellowship  
16          program to develop and train the future leaders  
17          of the United States to pursue careers in hu-  
18          manitarian service.

19          (b) ESTABLISHMENT.—There is established as an  
20          independent entity of the legislative branch of the United  
21          States Government the Congressional Hunger Fellows  
22          Program (hereinafter in this section referred to as the  
23          “Program”).

24          (c) BOARD OF TRUSTEES.—

1           (1) IN GENERAL.—The Program shall be sub-  
2 ject to the supervision and direction of a Board of  
3 Trustees.

4           (2) MEMBERS OF THE BOARD OF TRUSTEES.—

5                 (A) APPOINTMENT.—The Board shall be  
6 composed of 6 voting members appointed under  
7 clause (i) and 1 nonvoting ex officio member  
8 designated in clause (ii) as follows:

9                     (i) VOTING MEMBERS.—(I) The  
10 Speaker of the House of Representatives  
11 shall appoint 2 members.

12                     (II) The minority leader of the House  
13 of Representatives shall appoint 1 member.

14                     (III) The majority leader of the Sen-  
15 ate shall appoint 2 members.

16                     (IV) The minority leader of the Sen-  
17 ate shall appoint 1 member.

18                     (ii) NONVOTING MEMBER.—The Exec-  
19 utive Director of the program shall serve  
20 as a nonvoting ex officio member of the  
21 Board.

22                 (B) TERMS.—Members of the Board shall  
23 serve a term of 4 years.

24                 (C) VACANCY.—

1 (i) AUTHORITY OF BOARD.—A va-  
2 cancy in the membership of the Board does  
3 not affect the power of the remaining  
4 members to carry out this section.

5 (ii) APPOINTMENT OF SUCCESSORS.—  
6 A vacancy in the membership of the Board  
7 shall be filled in the same manner in which  
8 the original appointment was made.

9 (iii) INCOMPLETE TERM.—If a mem-  
10 ber of the Board does not serve the full  
11 term applicable to the member, the indi-  
12 vidual appointed to fill the resulting va-  
13 cancy shall be appointed for the remainder  
14 of the term of the predecessor of the indi-  
15 vidual.

16 (D) CHAIRPERSON.—As the first order of  
17 business of the first meeting of the Board, the  
18 members shall elect a Chairperson.

19 (E) COMPENSATION.—

20 (i) IN GENERAL.—Subject to clause  
21 (ii), members of the Board may not receive  
22 compensation for service on the Board.

23 (ii) TRAVEL.—Members of the Board  
24 may be reimbursed for travel, subsistence,

1 and other necessary expenses incurred in  
2 carrying out the duties of the program.

3 (3) DUTIES.—

4 (A) BYLAWS.—

5 (i) ESTABLISHMENT.—The Board  
6 shall establish such bylaws and other regu-  
7 lations as may be appropriate to enable the  
8 Board to carry out this section, including  
9 the duties described in this paragraph.

10 (ii) CONTENTS.—Such bylaws and  
11 other regulations shall include provisions—

12 (I) for appropriate fiscal control,  
13 funds accountability, and operating  
14 principles;

15 (II) to prevent any conflict of in-  
16 terest, or the appearance of any con-  
17 flict of interest, in the procurement  
18 and employment actions taken by the  
19 Board or by any officer or employee  
20 of the Board and in the selection and  
21 placement of individuals in the fellow-  
22 ships developed under the program;

23 (III) for the resolution of a tie  
24 vote of the members of the Board;  
25 and



1 (IV) for authorization of travel  
2 for members of the Board.

3 (iii) TRANSMITTAL TO CONGRESS.—  
4 Not later than 90 days after the date of  
5 the first meeting of the Board, the Chair-  
6 person of the Board shall transmit to Con-  
7 gress a copy of such bylaws.

8 (B) BUDGET.—For each fiscal year the  
9 program is in operation, the Board shall deter-  
10 mine a budget for the program for that fiscal  
11 year. All spending by the program shall be pur-  
12 suant to such budget unless a change is ap-  
13 proved by the Board.

14 (C) PROCESS FOR SELECTION AND PLACE-  
15 MENT OF FELLOWS.—The Board shall review  
16 and approve the process established by the Ex-  
17 ecutive Director for the selection and placement  
18 of individuals in the fellowships developed under  
19 the program.

20 (D) ALLOCATION OF FUNDS TO FELLOW-  
21 SHIPS.—The Board of Trustees shall determine  
22 the priority of the programs to be carried out  
23 under this section and the amount of funds to  
24 be allocated for the Emerson and Leland fellow-  
25 ships.

1 (d) PURPOSES; AUTHORITY OF PROGRAM.—

2 (1) PURPOSES.—The purposes of the program  
3 are—

4 (A) to encourage future leaders of the  
5 United States to pursue careers in humani-  
6 tarian service, to recognize the needs of people  
7 who are hungry and poor, and to provide assist-  
8 ance and compassion for those in need;

9 (B) to increase awareness of the impor-  
10 tance of public service; and

11 (C) to provide training and development  
12 opportunities for such leaders through place-  
13 ment in programs operated by appropriate or-  
14 ganizations or entities.

15 (2) AUTHORITY.—The program is authorized to  
16 develop such fellowships to carry out the purposes of  
17 this section, including the fellowships described in  
18 paragraph (3).

19 (3) FELLOWSHIPS.—

20 (A) IN GENERAL.—The program shall es-  
21 tablish and carry out the Bill Emerson Hunger  
22 Fellowship and the Mickey Leland Hunger Fel-  
23 lowship.

24 (B) CURRICULUM.—

1 (i) IN GENERAL.—The fellowships es-  
2 tablished under subparagraph (A) shall  
3 provide experience and training to develop  
4 the skills and understanding necessary to  
5 improve the humanitarian conditions and  
6 the lives of individuals who suffer from  
7 hunger, including—

8 (I) training in direct service to  
9 the hungry in conjunction with com-  
10 munity-based organizations through a  
11 program of field placement; and

12 (II) experience in policy develop-  
13 ment through placement in a govern-  
14 mental entity or nonprofit organiza-  
15 tion.

16 (ii) FOCUS OF BILL EMERSON HUN-  
17 GER FELLOWSHIP.—The Bill Emerson  
18 Hunger Fellowship shall address hunger  
19 and other humanitarian needs in the  
20 United States.

21 (iii) FOCUS OF MICKEY LELAND HUN-  
22 GER FELLOWSHIP.—The Mickey Leland  
23 Hunger Fellowship shall address inter-  
24 national hunger and other humanitarian  
25 needs.

1 (iv) WORKPLAN.—To carry out clause  
2 (i) and to assist in the evaluation of the  
3 fellowships under paragraph (4), the pro-  
4 gram shall, for each fellow, approve a work  
5 plan that identifies the target objectives for  
6 the fellow in the fellowship, including spe-  
7 cific duties and responsibilities related to  
8 those objectives.

9 (C) PERIOD OF FELLOWSHIP.—

10 (i) EMERSON FELLOW.—A Bill Emer-  
11 son Hunger Fellowship awarded under this  
12 paragraph shall be for no more than 1  
13 year.

14 (ii) LELAND FELLOW.—A Mickey Le-  
15 land Hunger Fellowship awarded under  
16 this paragraph shall be for no more than  
17 2 years.

18 (D) SELECTION OF FELLOWS.—

19 (i) IN GENERAL.—A fellowship shall  
20 be awarded pursuant to a nationwide com-  
21 petition established by the program.

22 (ii) QUALIFICATION.—A successful  
23 applicant shall be an individual who has  
24 demonstrated—

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200

1 (I) an intent to pursue a career  
2 in humanitarian service and out-  
3 standing potential for such a career;

4 (II) a commitment to social  
5 change;

6 (III) leadership potential or ac-  
7 tual leadership experience;

8 (IV) diverse life experience;

9 (V) proficient writing and speak-  
10 ing skills; and

11 (VI) an ability to live in poor or  
12 diverse communities.

13 (iii) AMOUNT OF AWARD.—

14 (I) IN GENERAL.—Each indi-  
15 vidual awarded a fellowship under this  
16 paragraph shall receive a living allow-  
17 ance and, subject to subclause (II), an  
18 end-of-service award as determined by  
19 the program.

20 (II) REQUIREMENT FOR SUC-  
21 CESSFUL COMPLETION OF FELLOW-  
22 SHIP.—Each individual awarded a fel-  
23 lowship under this paragraph shall be  
24 entitled to receive an end-of-service  
25 award at an appropriate rate for each

1 month of satisfactory service as deter-  
2 mined by the Executive Director.

3 (iv) RECOGNITION OF FELLOWSHIP  
4 AWARD.—

5 (I) EMERSON FELLOW.—An indi-  
6 vidual awarded a fellowship from the  
7 Bill Emerson Hunger Fellowship shall  
8 be known as an “Emerson Fellow”.

9 (II) LELAND FELLOW.—An indi-  
10 vidual awarded a fellowship from the  
11 Mickey Leland Hunger Fellowship  
12 shall be known as a “Leland Fellow”.

13 (4) EVALUATION.—The program shall conduct  
14 periodic evaluations of the Bill Emerson and Mickey  
15 Leland Hunger Fellowships. Such evaluations shall  
16 include the following:

17 (A) An assessment of the successful com-  
18 pletion of the work plan of the fellow.

19 (B) An assessment of the impact of the fel-  
20 lowship on the fellows.

21 (C) An assessment of the accomplishment  
22 of the purposes of the program.

23 (D) An assessment of the impact of the  
24 fellow on the community.

25 (e) TRUST FUND.—

1           (1) ESTABLISHMENT.—There is established the  
2   Congressional Hunger Fellows Trust Fund (herein-  
3   after in this section referred to as the “Fund”) in  
4   the Treasury of the United States, consisting of  
5   amounts appropriated to the Fund under subsection  
6   (i), amounts credited to it under paragraph (3), and  
7   amounts received under subsection (g)(3)(A).

8           (2) INVESTMENT OF FUNDS.—The Secretary of  
9   the Treasury shall invest the full amount of the  
10   Fund. Each investment shall be made in an interest  
11   bearing obligation of the United States or an obliga-  
12   tion guaranteed as to principal and interest by the  
13   United States that, as determined by the Secretary  
14   in consultation with the Board, has a maturity suit-  
15   able for the Fund.

16          (3) RETURN ON INVESTMENT.—Except as pro-  
17   vided in subsection (f)(2), the Secretary of the  
18   Treasury shall credit to the Fund the interest on,  
19   and the proceeds from the sale or redemption of, ob-  
20   ligations held in the Fund.

21          (f) EXPENDITURES; AUDITS.—

22           (1) IN GENERAL.—The Secretary of the Treas-  
23   ury shall transfer to the program from the amounts  
24   described in subsection (e)(3) and subsection  
25   (g)(3)(A) such sums as the Board determines are

1 necessary to enable the program to carry out the  
2 provisions of this section.

3 (2) LIMITATION.—The Secretary may not  
4 transfer to the program the amounts appropriated to  
5 the Fund under subsection (i).

6 (3) USE OF FUNDS.—Funds transferred to the  
7 program under paragraph (1) shall be used for the  
8 following purposes:

9 (A) STIPENDS FOR FELLOWS.—To provide  
10 for a living allowance for the fellows.

11 (B) TRAVEL OF FELLOWS.—To defray the  
12 costs of transportation of the fellows to the fel-  
13 lowship placement sites.

14 (C) INSURANCE.—To defray the costs of  
15 appropriate insurance of the fellows, the pro-  
16 gram, and the Board.

17 (D) TRAINING OF FELLOWS.—To defray  
18 the costs of preservice and midservice education  
19 and training of fellows.

20 (E) SUPPORT STAFF.—Staff described in  
21 subsection (g).

22 (F) AWARDS.—End-of-service awards  
23 under subsection (d)(3)(D)(iii)(II).



1 (G) ADDITIONAL APPROVED USES.—For  
2 such other purposes that the Board determines  
3 appropriate to carry out the program.

4 (4) AUDIT BY GAO.—

5 (A) IN GENERAL.—The Comptroller Gen-  
6 eral of the United States shall conduct an an-  
7 nual audit of the accounts of the program.

8 (B) BOOKS.—The program shall make  
9 available to the Comptroller General all books,  
10 accounts, financial records, reports, files, and  
11 all other papers, things, or property belonging  
12 to or in use by the program and necessary to  
13 facilitate such audit.

14 (C) REPORT TO CONGRESS.—The Comp-  
15 troller General shall submit a copy of the re-  
16 sults of each such audit to the Congress.

17 (g) STAFF; POWERS OF PROGRAM.—

18 (1) EXECUTIVE DIRECTOR.—

19 (A) IN GENERAL.—The Board shall ap-  
20 point an Executive Director of the program who  
21 shall administer the program. The Executive  
22 Director shall carry out such other functions  
23 consistent with the provisions of this section as  
24 the Board shall prescribe.

1 (B) RESTRICTION.—The Executive Direc-  
2 tor may not serve as Chairperson of the Board.

3 (C) COMPENSATION.—The Executive Di-  
4 rector shall be paid at a rate not to exceed the  
5 rate of basic pay payable for level V of the Ex-  
6 ecutive Schedule under section 5316 of title 5,  
7 United States Code.

8 (2) STAFF.—

9 (A) IN GENERAL.—With the approval of a  
10 majority of the Board, the Executive Director  
11 may appoint and fix the pay of additional per-  
12 sonnel as the Executive Director considers nec-  
13 essary and appropriate to carry out the func-  
14 tions of the provisions of this section.

15 (B) COMPENSATION.—An individual ap-  
16 pointed under subparagraph (A) shall be paid  
17 at a rate not to exceed the rate of basic pay  
18 payable for level GS-15 of the General Sched-  
19 ule.

20 (3) POWERS.—In order to carry out the provi-  
21 sions of this section, the program may perform the  
22 following functions:

23 (A) GIFTS.—The program may solicit, ac-  
24 cept, use, and dispose of gifts, bequests, or de-  
25 vises of services or property, both real and per-

1           sonal, for the purpose of aiding or facilitating  
2           the work of the program. Gifts, bequests, or de-  
3           vises of money and proceeds from sales of other  
4           property received as gifts, bequests, or devises  
5           shall be deposited in the Fund and shall be  
6           available for disbursement upon order of the  
7           Board.

8           (B) EXPERTS AND CONSULTANTS.—The  
9           program may procure temporary and intermit-  
10          tent services under section 3109 of title 5,  
11          United States Code, but at rates for individuals  
12          not to exceed the daily equivalent of the max-  
13          imum annual rate of basic pay payable for GS-  
14          15 of the General Schedule.

15          (C) CONTRACT AUTHORITY.—The program  
16          may contract, with the approval of a majority  
17          of the members of the Board, with and com-  
18          pensate Government and private agencies or  
19          persons without regard to section 3709 of the  
20          Revised Statutes (41 U.S.C. 5).

21          (D) OTHER NECESSARY EXPENDITURES.—  
22          The program shall make such other expendi-  
23          tures which the program considers necessary to  
24          carry out the provisions of this section, but ex-  
25          cluding project development.

1 (h) REPORT.—Not later than December 31 of each  
2 year, the Board shall submit to Congress a report on the  
3 activities of the program carried out during the previous  
4 fiscal year, and shall include the following:

5 (1) An analysis of the evaluations conducted  
6 under subsection (d)(4) (relating to evaluations of  
7 the Emerson and Leland fellowships and accomplish-  
8 ment of the program purposes) during that fiscal  
9 year.

10 (2) A statement of the total amount of funds  
11 attributable to gifts received by the program in that  
12 fiscal year (as authorized under subsection  
13 (g)(3)(A)), and the total amount of such funds that  
14 were expended to carry out the program that fiscal  
15 year.

16 (i) AUTHORIZATION OF APPROPRIATIONS.—There  
17 are authorized to be appropriated \$18,000,000 to carry  
18 out the provisions of this section.

19 **SEC. 462. GENERAL EFFECTIVE DATE.**

20 Except as otherwise provided in this title, the amend-  
21 ments made by this title shall take effect on October 1,  
22 2002.

**TITLE V—CREDIT**

1

**2 SEC. 501. ELIGIBILITY OF LIMITED LIABILITY COMPANIES**

3

**FOR FARM OWNERSHIP LOANS, FARM OPER-**

4

**ATING LOANS, AND EMERGENCY LOANS.**

5

(a) Sections 302(a), 311(a), and 321(a) of the Con-  
6 solidated Farm and Rural Development Act (7 U.S.C.  
7 1922(a), 1941(a), and 1961(a)) are each amended by  
8 striking “and joint operations” each place it appears and  
9 inserting “joint operations, and limited liability compa-  
10 nies”.

11

(b) Section 321(a) of such Act (7 U.S.C. 1961(a))  
12 is amended by striking “or joint operations” each place  
13 it appears and inserting “joint operations, or limited liabil-  
14 ity companies”.

15

**SEC. 502. SUSPENSION OF LIMITATION ON PERIOD FOR**

16

**WHICH BORROWERS ARE ELIGIBLE FOR**

17

**GUARANTEED ASSISTANCE.**

18

During the period beginning January 1, 2002, and  
19 ending December 31, 2006, section 319(b) of the Consoli-  
20 dated Farm and Rural Development Act (7 U.S.C.  
21 1949(b)) shall have no force or effect.

1 **SEC. 503. ADMINISTRATION OF CERTIFIED LENDERS AND**  
2 **PREFERRED CERTIFIED LENDERS PRO-**  
3 **GRAMS.**

4 (a) IN GENERAL.—Section 331(b) of the Consoli-  
5 dated Farm and Rural Development Act (7 U.S.C.  
6 1981(b)) is amended—

7 (1) by redesignating paragraphs (2) through  
8 (9) as paragraphs (3) through (10), respectively;  
9 and

10 (2) by inserting after paragraph (1) the fol-  
11 lowing:

12 “(2) administer the loan guarantee program  
13 under section 339(c) through central offices estab-  
14 lished in States or in multi-State areas, or through  
15 contracts with commercial or cooperative lenders;”.

16 (b) CONFORMING AMENDMENT.—Section 331(c) of  
17 such Act (7 U.S.C. 1981(c)) is amended by striking  
18 “(b)(5)” and inserting “(b)(6)”.

19 **SEC. 504. SIMPLIFIED LOAN GUARANTEE APPLICATION**  
20 **AVAILABLE FOR LOANS OF GREATER**  
21 **AMOUNTS.**

22 Section 333A(g)(1) of the Consolidated Farm and  
23 Rural Development Act (7 U.S.C. 1983a(g)(1)) is amend-  
24 ed by striking “\$50,000” and inserting “\$150,000”.

1 **SEC. 505. ELIMINATION OF REQUIREMENT THAT SEC-**  
 2 **RETARY REQUIRE COUNTY COMMITTEES TO**  
 3 **CERTIFY IN WRITING THAT CERTAIN LOAN**  
 4 **REVIEWS HAVE BEEN CONDUCTED.**

5 Section 333 of the Consolidated Farm and Rural De-  
 6 velopment Act (7 U.S.C. 1983) is amended by striking  
 7 paragraph (2) and redesignating paragraphs (3) through  
 8 (5) as paragraphs (2) through (4), respectively.

9 **SEC. 506. AUTHORITY TO REDUCE PERCENTAGE OF LOAN**  
 10 **GUARANTEED IF BORROWER INCOME IS IN-**  
 11 **SUFFICIENT TO SERVICE DEBT.**

12 Section 339 of the Consolidated Farm and Rural De-  
 13 velopment Act (7 U.S.C. 1989) is amended—

14 (1) in subsection (c)(4)(A), by inserting “, ex-  
 15 cept that the Secretary may guarantee such lesser  
 16 percentage as the Secretary determines appropriate  
 17 of such a loan if the income of the borrower is less  
 18 than the income necessary to meet the requirements  
 19 of subsection (b)” before the period; and

20 (2) in subsection (d)(4)(A), by inserting “, ex-  
 21 cept that the Secretary may guarantee such lesser  
 22 percentage as the Secretary determines appropriate  
 23 of such a loan if the income of the borrower is less  
 24 than the income necessary to meet the requirements  
 25 of subsection (b)” before the semicolon.

1 **SEC. 507. TIMING OF LOAN ASSESSMENTS.**

2 Section 360(a) of the Consolidated Farm and Rural  
3 Development Act (7 U.S.C. 2006b(a)) is amended by  
4 striking “After an applicant is determined eligible for as-  
5 sistance under this title by the appropriate county com-  
6 mittee established pursuant to section 332, the” and in-  
7 serting “The”.

8 **SEC. 508. MAKING AND SERVICING OF LOANS BY PER-**  
9 **SONNEL OF STATE, COUNTY, OR AREA COM-**  
10 **MITTEES.**

11 (a) IN GENERAL.—Subtitle D of the Consolidated  
12 Farm and Rural Development Act (7 U.S.C. 1981–2008j)  
13 is amended by adding at the end the following:

14 **“SEC. 376. MAKING AND SERVICING OF LOANS BY PER-**  
15 **SONNEL OF STATE, COUNTY, OR AREA COM-**  
16 **MITTEES.**

17 “The Secretary shall employ personnel of a State,  
18 county or area committee established under section  
19 8(b)(5) of the Soil Conservation and Domestic Allotment  
20 Act (16 U.S.C. 590h(b)(5)) to make and service loans  
21 under this title to the extent the personnel have been  
22 trained to do so.”.

23 (b) INAPPLICABILITY OF FINALITY RULE.—Section  
24 281(a)(1) of the Department of Agriculture Reorganiza-  
25 tion Act of 1994 (7 U.S.C. 7001(a)(1)) is amended by  
26 inserting “, except functions performed pursuant to sec-



1 tion 376 of the Consolidated Farm and Rural Develop-  
2 ment Act” before the period.

3 **SEC. 509. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY,**  
4 **OR AREA COMMITTEE FOR LOANS AND LOAN**  
5 **GUARANTEES.**

6 Subtitle D of the Consolidated Farm and Rural De-  
7 velopment Act (7 U.S.C. 1981–2008j) is further amended  
8 by adding at the end the following:

9 **“SEC. 377. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY,**  
10 **OR AREA COMMITTEE FOR LOANS AND LOAN**  
11 **GUARANTEES.**

12 “The Secretary shall not prohibit an employee of a  
13 State, county or area committee established under section  
14 8(b)(5) of the Soil Conservation and Domestic Allotment  
15 Act (16 U.S.C. 590h(b)(5)) or an employee of the Depart-  
16 ment of Agriculture from obtaining a loan or loan guar-  
17 antee under subtitle A, B or C of this title if an office  
18 of the Department of Agriculture other than the office in  
19 which the employee is located determines that the em-  
20 ployee is otherwise eligible for the loan or loan guar-  
21 antee.”.

1 **SEC. 510. EMERGENCY LOANS IN RESPONSE TO AN ECO-**  
2 **NOMIC EMERGENCY RESULTING FROM**  
3 **SHARPLY INCREASING ENERGY COSTS.**

4 (a) LOAN AUTHORITY.—Section 321(a) of the Con-  
5 solidated Farm and Rural Development Act (7 U.S.C.  
6 1961(a)) is amended—

7 (1) in each of the 1st and 3rd sentences—

8 (A) by striking “a natural disaster in the  
9 United States or by” and inserting “a quar-  
10 antine imposed by the Secretary under the  
11 Plant Protection Act or the animal quarantine  
12 laws (as defined in section 2509 of the Food,  
13 Agriculture, Conservation, and Trade Act of  
14 1990), an economic emergency resulting from  
15 sharply increasing energy costs as described in  
16 section 329(b), a natural disaster in the United  
17 States, or”; and

18 (B) by inserting “Robert T. Stafford” be-  
19 fore “Disaster Relief and Emergency Assistance  
20 Act”; and

21 (2) in the 4th sentence—

22 (A) by striking “a natural disaster” and  
23 inserting “such a quarantine, economic emer-  
24 gency, or natural disaster”; and

1 (B) by striking “by such natural disaster”  
2 and inserting “by such quarantine, economic  
3 emergency, or natural disaster”.

4 (b) CONFORMING AMENDMENT.—Section 323 of  
5 such Act (7 U.S.C. 1963) is amended—

6 (1) by inserting “quarantine,” before “natural  
7 disaster”; and

8 (2) by inserting “referred to in section 321(a),  
9 including, notwithstanding any other provision of  
10 this title, an economic emergency resulting from  
11 sharply increasing energy costs as described in sec-  
12 tion 329(b)” after “emergency”.

13 (c) SHARPLY INCREASING ENERGY COSTS.—Section  
14 329 of such Act (7 U.S.C. 1969) is amended—

15 (1) by striking all that precedes “Secretary  
16 shall” and inserting the following:

17 **“SEC. 329. LOSS CONDITIONS.**

18 “(a) IN GENERAL.—Except as provided in subsection  
19 (b), the”; and

20 (2) by adding after and below the end the fol-  
21 lowing:

22 “(b) LOSS RESULTING FROM SHARPLY INCREASING  
23 ENERGY COSTS.—The Secretary shall make financial as-  
24 sistance under this subtitle available to any applicant seek-  
25 ing assistance based on an income loss resulting from

1 sharply increasing energy costs referred to in section 323  
2 if—

3           “(1) the price of electricity, gasoline, diesel fuel,  
4           natural gas, propane, or other equivalent fuel during  
5           any 3-month period is at least 50 percent greater  
6           than the average price of the same form of energy  
7           during the preceding 5 years, as determined by the  
8           Secretary; and

9           “(2) the income loss of the applicant is directly  
10          related to expenses incurred to prevent livestock  
11          mortality, the degradation of a perishable agricul-  
12          tural commodity, or damage to a field crop.”.

13          (c) MAXIMUM AMOUNT OF LOAN.—Section 324(a) of  
14 such Act (7 U.S.C. 1964(a)) is amended—

15           (1) by striking “or” at the end of paragraph  
16           (1);

17           (2) by striking the period at the end of para-  
18           graph (2) and inserting “; or”; and

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

20           “(3) in the case of a loan made in response to  
21           a quarantine or economic emergency referred to in  
22           section 321, exceeds \$200,000.”.

1 **SEC. 511. EXTENSION OF AUTHORITY TO CONTRACT FOR**  
2 **SERVICING OF FARMER PROGRAM LOANS.**

3 Section 331(d) of the Consolidated Farm and Rural  
4 Development Act (7 U.S.C. 1981(d)) is amended—

5 (1) in the heading by striking “TEMPORARY”;  
6 and

7 (2) in paragraph (5), by striking “2002” and  
8 inserting “2011”.

9 **SEC. 512. AUTHORIZATION FOR LOANS.**

10 Section 346(b)(1) of the Consolidated Farm and  
11 Rural Development Act (7 U.S.C. 1994(b)(1)) is amended  
12 by striking “not more than the following amounts:” and  
13 all that follows and inserting “such sums as may be nec-  
14 essary.”.

15 **SEC. 513. RESERVATION OF FUNDS FOR DIRECT OPER-**  
16 **ATING LOANS FOR BEGINNING FARMERS AND**  
17 **RANCHERS.**

18 Section 346(b)(2)(A)(ii)(III) of the Consolidated  
19 Farm and Rural Development Act (7 U.S.C.  
20 1994(b)(2)(A)(ii)(III)) is amended by striking “2000  
21 through 2002” and inserting “2002 through 2011”.

22 **SEC. 514. EXTENSION OF INTEREST RATE REDUCTION PRO-**  
23 **GRAM.**

24 Section 351(a)(2) of the Consolidated Farm and  
25 Rural Development Act (7 U.S.C. 1999(a)(2)) is amended  
26 by striking “2002” and inserting “2011”.

1 **SEC. 515. INCREASE IN DURATION OF LOANS UNDER DOWN**  
2 **PAYMENT LOAN PROGRAM.**

3 (a) IN GENERAL.—Section 310E(b)(3) of the Con-  
4 solidated Farm and Rural Development Act (7 U.S.C.  
5 1935(b)(3)) is amended by striking “10” and inserting  
6 “15”.

7 (b) CONFORMING AMENDMENT.—Section  
8 310E(e)(3)(B) of the Consolidated Farm and Rural De-  
9 velopment Act (7 U.S.C. 1935(c)(3)(B)) is amended by  
10 striking “10-year” and inserting “15-year”.

11 **SEC. 516. HORSE BREEDER LOANS.**

12 (a) DEFINITION OF HORSE BREEDER.—In this sec-  
13 tion, the term “horse breeder” means a person that, as  
14 of the date of the enactment of this Act, derives more than  
15 70 percent of the income of the person from the business  
16 of breeding, boarding, raising, training, or selling horses,  
17 during the shorter of—

18 (1) the 5-year period ending on January 1,  
19 2001; or

20 (2) the period the person has been engaged in  
21 the business.

22 (b) LOAN AUTHORIZATION.—The Secretary shall  
23 make a loan to an eligible horse breeder to assist the  
24 breeder for losses suffered as a result of mare reproductive  
25 loss syndrome.

1 (c) ELIGIBILITY.—A horse breeder shall be eligible  
2 for a loan under this section if the Secretary determines  
3 that, as a result of mare reproductive loss syndrome—

4 (1) during the period beginning January 1,  
5 2000, and ending October 1, 2000, or during the pe-  
6 riod beginning January 1, 2001, and ending October  
7 1, 2001—

8 (A) 30 percent or more of the mares  
9 owned by the breeder failed to conceive, mis-  
10 carried, aborted, or otherwise failed to produce  
11 a live healthy foal; or

12 (B) 30 percent or more of the mares  
13 boarded on a farm owned, operated, or leased  
14 by the breeder failed to conceive, miscarried,  
15 aborted, or otherwise failed to produce a live  
16 healthy foal;

17 (2) during the period beginning January 1,  
18 2000, and ending on September 30, 2002, the breed-  
19 er was unable to meet the financial obligations, or  
20 pay the ordinary and necessary expenses, of the  
21 breeder incurred in connection with breeding, board-  
22 ing, raising, training, or selling horses; and

23 (3) the breeder is not able to obtain sufficient  
24 credit elsewhere (within the meaning of section

1 321(a) of the Consolidated Farm and Rural Devel-  
2 opment Act).

3 (d) AMOUNT.—

4 (1) IN GENERAL.—Subject to paragraph (2),  
5 the Secretary shall determine the amount of a loan  
6 to be made to a horse breeder under this section, on  
7 the basis of the amount of losses suffered by the  
8 breeder, and the financial needs of the breeder, as  
9 a result of mare reproductive loss syndrome.

10 (2) MAXIMUM AMOUNT.—The amount of a loan  
11 made under this section shall not exceed \$500,000.

12 (e) TERM.—

13 (1) IN GENERAL.—Subject to paragraph (2),  
14 the term for repayment of a loan made to a horse  
15 breeder under this section shall be determined by the  
16 Secretary based on the ability of the breeder to  
17 repay the loan.

18 (2) MAXIMUM TERM.—The term of a loan made  
19 under this section shall not exceed 15 years.

20 (f) INTEREST RATE.—Interest shall be payable on a  
21 loan made under this section, at the rate prescribed under  
22 section 324(b)(1) of the Consolidated Farm and Rural De-  
23 velopment Act.



1 (g) SECURITY.—Security shall be required on a loan  
2 made under this section, in accordance with section 324(d)  
3 of the Consolidated Farm and Rural Development Act.

4 (h) APPLICATION.—To be eligible to obtain a loan  
5 under this section, a horse breeder shall submit to the Sec-  
6 retary an application for the loan not later than Sep-  
7 tember 30, 2002.

8 (i) FUNDING.—The Secretary shall carry out this sec-  
9 tion using funds available for emergency loans under sub-  
10 title C of the Consolidated Farm and Rural Development  
11 Act.

12 (j) TERMINATION.—The authority provided by this  
13 section shall terminate on September 30, 2003.

14 **TITLE VI—RURAL**  
15 **DEVELOPMENT**

16 **SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROAD-**  
17 **CAST SIGNAL LOAN GUARANTEES.**

18 Section 1011(a) of the Launching Our Communities'  
19 Access to Local Television Act of 2000 (title X of H.R.  
20 5548, as enacted by section 1(a)(2) of Public Law 106-  
21 553) is amended by adding at the end the following: “In  
22 addition, a total of \$200,000,000 of the funds of the Com-  
23 modity Credit Corporation shall be available during fiscal  
24 years 2002 through 2006, without fiscal year limitation,  
25 for loan guarantees under this title.”.

1 **SEC. 602. VALUE-ADDED AGRICULTURAL PRODUCT MAR-**  
2 **KET DEVELOPMENT GRANTS.**

3 Section 231(a)(1) of the Agricultural Risk Protection  
4 Act of 2000 (Public Law 106–224; 7 U.S.C. 1621 note)  
5 is amended by striking “Of the amount made available  
6 under section 261(a)(2), \$15,000,000 shall be used by the  
7 Secretary” and inserting “For each of the fiscal years  
8 2002 through 2011, the Secretary shall use \$50,000,000  
9 of funds of the Commodity Credit Corporation”.

10 **SEC. 603. AGRICULTURE INNOVATION CENTER DEM-**  
11 **ONSTRATION PROGRAM.**

12 (a) **PURPOSES.**—The purposes of this section are to  
13 carry out a demonstration program under which agricul-  
14 tural producers are provided—

15 (1) technical assistance, including engineering  
16 services, applied research, scale production, and  
17 similar services to enable the producers to establish  
18 businesses for further processing of agricultural  
19 products;

20 (2) marketing, market development, and busi-  
21 ness planning;

22 (3) overall organizational, outreach, and devel-  
23 opment assistance to increase the viability, growth,  
24 and sustainability of value-added agricultural busi-  
25 nesses.

1 (b) NATURE OF PROGRAM.—The Secretary of Agri-  
2 culture (in this section referred to as the “Secretary”)  
3 shall—

4 (1) make grants to eligible applicants for the  
5 purposes of enabling the applicants to obtain the as-  
6 sistance described in subsection (a); and

7 (2) provide assistance to eligible applicants  
8 through the research and technical services of the  
9 Department of Agriculture.

10 (c) ELIGIBILITY REQUIREMENTS.—

11 (1) IN GENERAL.—An applicant shall be eligible  
12 for a grant and assistance described in subsection  
13 (b) to establish an Agriculture Innovation Center  
14 if—

15 (A) the applicant—

16 (i) has provided services similar to  
17 those described in subsection (a); or

18 (ii) shows the capability of providing  
19 the services;

20 (B) the application of the applicant for the  
21 grant and assistance sets forth a plan, in ac-  
22 cordance with regulations which shall be pre-  
23 scribed by the Secretary, outlining support of  
24 the applicant in the agricultural community, the  
25 technical and other expertise of the applicant,

1 and the goals of the applicant for increasing  
2 and improving the ability of local producers to  
3 develop markets and processes for value-added  
4 agricultural products;

5 (C) the applicant demonstrates that re-  
6 sources (in cash or in kind) of definite value are  
7 available, or have been committed to be made  
8 available, to the applicant, to increase and im-  
9 prove the ability of local producers to develop  
10 markets and processes for value-added agricul-  
11 tural products; and

12 (D) the applicant meets the requirement of  
13 paragraph (2).

14 (2) BOARD OF DIRECTORS.—The requirement  
15 of this paragraph is that the applicant shall have a  
16 board of directors comprised of representatives of  
17 the following groups:

18 (A) The 2 general agricultural organiza-  
19 tions with the greatest number of members in  
20 the State in which the applicant is located.

21 (B) The Department of Agriculture or  
22 similar State organization or department, for  
23 the State.

1           (C) Organizations representing the 4 high-  
2           est grossing commodities produced in the State,  
3           according to annual gross cash sales.

4           (d) GRANTS AND ASSISTANCE.—

5           (1) IN GENERAL.—Subject to subsection (g),  
6           the Secretary shall make annual grants to eligible  
7           applicants under this section, each of which grants  
8           shall not exceed the lesser of—

9           (A) \$1,000,000; or

10           (B) twice the dollar value of the resources  
11           (in cash or in kind) that the applicant has dem-  
12           onstrated are available, or have been committed  
13           to be made available, to the applicant in accord-  
14           ance with subsection (c)(1)(C).

15           (2) INITIAL LIMITATION.—In the first year of  
16           the demonstration program under this section, the  
17           Secretary shall make grants under this section, on a  
18           competitive basis, to not more than 5 eligible appli-  
19           cants.

20           (3) EXPANSION OF DEMONSTRATION PRO-  
21           GRAM.—In the second year of the demonstration  
22           program under this section, the Secretary may make  
23           grants under this section to not more than 10 eligi-  
24           ble applicants, in addition to any entities to which  
25           grants are made under paragraph (2) for such year.

1           (4) STATE LIMITATION.—In the first 3 years of  
2           the demonstration program under this section, the  
3           Secretary shall not make an Agricultural Innovation  
4           Center Demonstration Program grant under this  
5           section to more than 1 entity in a single State.

6           (e) USE OF FUNDS.—An entity to which a grant is  
7           made under this section may use the grant only for the  
8           following purposes, but only to the extent that the use is  
9           not described in section 231(d) of the Agricultural Risk  
10          Protection Act of 2000:

11           (1) Applied research.

12           (2) Consulting services.

13           (3) Hiring of employees, at the discretion of the  
14          board of directors of the entity.

15           (4) The making of matching grants, each of  
16          which shall be not more than \$5,000, to agricultural  
17          producers, so long as the aggregate amount of all  
18          such matching grants shall be not more than  
19          \$50,000.

20           (5) Legal services.

21          (f) RULE OF INTERPRETATION.—This section shall  
22          not be construed to prevent a recipient of a grant under  
23          this section from collaborating with any other institution  
24          with respect to activities conducted using the grant.

1 (g) AVAILABILITY OF FUNDS.—Of the amount made  
2 available under section 231(a)(1) of the Agricultural Risk  
3 Protection Act of 2000 (Public Law 106–224; 7 U.S.C.  
4 1621 note), the Secretary shall use to carry out this  
5 section—

6 (1) not less than \$5,000,000 for fiscal year  
7 2002; and

8 (2) not less than \$10,000,000 for each of the  
9 fiscal years 2003 and 2004.

10 (h) REPORT ON BEST PRACTICES.—

11 (1) EFFECTS ON THE AGRICULTURAL SEC-  
12 TOR.—The Secretary shall utilize \$300,000 per year  
13 of the funds made available pursuant to this section  
14 to support research at any university into the effects  
15 of value-added projects on agricultural producers  
16 and the commodity markets. The research should  
17 systematically examine possible effects on demand  
18 for agricultural commodities, market prices, farm in-  
19 come, and Federal outlays on commodity programs  
20 using linked, long-term, global projections of the ag-  
21 ricultural sector.

22 (2) DEPARTMENT OF AGRICULTURE.—Not later  
23 than 3 years after the first 10 grants are made  
24 under this section, the Secretary shall prepare and  
25 submit to the Committee on Agriculture, Nutrition,

1 and Forestry of the Senate and to the Committee on  
2 Agriculture of the House of Representatives a writ-  
3 ten report on the effectiveness of the demonstration  
4 program conducted under this section at improving  
5 the production of value-added agricultural products  
6 and on the effects of the program on the economic  
7 viability of the producers, which shall include the  
8 best practices and innovations found at each of the  
9 Agriculture Innovation Centers established under the  
10 demonstration program under this section, and de-  
11 tail the number and type of agricultural projects as-  
12 sisted, and the type of assistance provided, under  
13 this section.

14 **SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE**  
15 **GRANT PROGRAM.**

16 (a) **FUNDING.**—In each of fiscal years 2002 through  
17 2011, the Secretary of Agriculture shall use \$30,000,000  
18 of the funds of the Commodity Credit Corporation to carry  
19 out section 306A of the Consolidated Farm and Rural De-  
20 velopment Act (7 U.S.C. 1926a).

21 (b) **EXTENSION OF PROGRAM.**—Section 306A(i) of  
22 the Consolidated Farm and Rural Development Act (7  
23 U.S.C. 1926a(i)) is amended by striking “2002” and in-  
24 serting “2011”.



1 (c) MISCELLANEOUS AMENDMENTS.—Section 306A  
2 of such Act (7 U.S.C. 1926a) is amended—

3 (1) in the heading by striking **EMERGENCY**;

4 (2) in subsection (a)(1)—

5 (A) by striking “after” and inserting  
6 “when”; and

7 (B) by inserting “is imminent” after “com-  
8 munities”; and

9 (3) in subsection (c), by striking “shall—” and  
10 all that follows and inserting “shall be a public or  
11 private nonprofit entity.”.

12 **SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE**  
13 **PURCHASE OF RENEWABLE ENERGY SYS-**  
14 **TEMS.**

15 Section 4 of the Rural Electrification Act of 1936 (7  
16 U.S.C. 904) is amended—

17 (1) by inserting “(a)” before “The Secretary”;  
18 and

19 (2) by adding after and below the end the fol-  
20 lowing:

21 “(b) LOAN GUARANTEES FOR THE FINANCING OF  
22 THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.—  
23 The Secretary may provide a loan guarantee, on such  
24 terms and conditions as the Secretary deems appropriate,  
25 for the purpose of financing the purchase of a renewable

1 energy system, including a wind energy system and anaerobic  
2 digester for the purpose of energy generation, by any  
3 person or individual who is a farmer, a rancher, or an  
4 owner of a small business (as defined by the Secretary)  
5 that is located in a rural area (as defined by the Secretary). In providing  
6 guarantees under this subsection, the Secretary shall give priority to loans  
7 used primarily for power generation on a farm, ranch, or small business (as  
8 so defined).”.

10 **SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE**  
11 **ENERGY SYSTEMS.**

12 Section 310B(a)(3) of the Consolidated Farm and  
13 Rural Development Act (7 U.S.C. 1932(a)(3)) is amended  
14 by inserting “and other renewable energy systems including  
15 wind energy systems and anaerobic digesters for the  
16 purpose of energy generation” after “solar energy systems”.

18 **SEC. 607. RURAL BUSINESS OPPORTUNITY GRANTS.**

19 Section 306(a)(11)(D) of the Consolidated Farm and  
20 Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is  
21 amended by striking “2002” and inserting “2011”.

1 **SEC. 608. GRANTS FOR WATER SYSTEMS FOR RURAL AND**  
2 **NATIVE VILLAGES IN ALASKA.**

3 Section 306D(d)(1) of the Consolidated Farm and  
4 Rural Development Act (7 U.S.C. 1926d(d)(1)) is amend-  
5 ed by striking “and 2002” and inserting “through 2011”.

6 **SEC. 609. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

7 Section 310B(e)(9) of the Consolidated Farm and  
8 Rural Development Act (7 U.S.C. 1932(e)(9)) is amended  
9 by striking “2002” and inserting “2011”.

10 **SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVEL-**  
11 **OPMENT TRUST FUND.**

12 Section 381E(e)(3)(F) of the Consolidated Farm and  
13 Rural Development Act (7 U.S.C. 2009d(e)(3)(F)) is  
14 amended by striking “fiscal year 2002” and inserting  
15 “each of the fiscal years 2002 through 2011”.

16 **SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PRO-**  
17 **GRAM.**

18 Section 381O(b)(3) of the Consolidated Farm and  
19 Rural Development Act (7 U.S.C. 2009n(b)(3)) is amend-  
20 ed by striking “2002” and inserting “2011”.

21 **SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR**  
22 **RURAL DEVELOPMENT.**

23 Section 310B(a) of the Consolidated Farm and Rural  
24 Development Act (7 U.S.C. 1932(a)) is amended by strik-  
25 ing “\$25,000,000” and inserting “\$100,000,000”.

1 **SEC. 613. PILOT PROGRAM FOR DEVELOPMENT AND IMPLE-**  
2 **MENTATION OF STRATEGIC REGIONAL DE-**  
3 **VELOPMENT PLANS.**

4 (a) DEVELOPMENT.—

5 (1) SELECTION OF STATES.—The Secretary of  
6 Agriculture (in this section referred to as the “Sec-  
7 retary”) shall select 10 States in which to implement  
8 strategic regional development plans developed under  
9 this subsection.

10 (2) GRANTS.—

11 (A) AUTHORITY.—

12 (i) IN GENERAL.—From the funds  
13 made available to carry out this subsection,  
14 the Secretary shall make a matching grant  
15 to 1 or more entities in each State selected  
16 under subsection (a), to develop a strategic  
17 regional development plan that provides for  
18 rural economic development in a region in  
19 the State in which the entity is located.

20 (ii) PRIORITY.—In making grants  
21 under this subsection, the Secretary shall  
22 give priority to entities that represent a re-  
23 gional coalition of community-based plan-  
24 ning, development, governmental, and busi-  
25 ness organizations.

1           (B) TERMS OF MATCH.—In order for an  
2           entity to be eligible for a matching grant under  
3           this subsection, the entity shall make a commit-  
4           ment to the Secretary to provide funds for the  
5           development of a strategic regional development  
6           plan of the kind referred to in subparagraph  
7           (A) in an amount that is not less than the  
8           amount of the matching grant.

9           (C) LIMITATION.—The Secretary shall not  
10          make a grant under this subsection in an  
11          amount that exceeds \$150,000.

12         (3) FUNDING.—

13                 (A) IN GENERAL.—The Secretary shall use  
14                 \$2,000,000 of the funds of the Commodity  
15                 Credit Corporation in each of fiscal years 2002  
16                 through 2011 to carry out this subsection.

17                 (B) AVAILABILITY.—Funds made available  
18                 pursuant to subparagraph (A) shall remain  
19                 available without fiscal year limitation.

20         (b) STRATEGIC PLANNING IMPLEMENTATION.—

21                 (1) The Secretary shall use the authorities pro-  
22                 vided in the provisions of law specified in section  
23                 793(c)(1)(A)(ii) of the Federal Agriculture Improve-  
24                 ment and Reform Act of 1996 to implement the

1 strategic regional development plans developed pur-  
2 suant to subsection (a) of this section.

3 (2) FUNDING.—

4 (A) IN GENERAL.—The Secretary shall use  
5 \$13,000,000 of the funds of the Commodity  
6 Credit Corporation in each of fiscal years 2002  
7 through 2011 to carry out this subsection.

8 (B) AVAILABILITY.—Funds made available  
9 pursuant to subparagraph (A) shall remain  
10 available without fiscal year limitation.

11 (c) USE OF FUNDS.—The amounts made available  
12 under subsections (a) and (b) may be used as the Sec-  
13 retary deems appropriate to carry out any provision of this  
14 section.

15 **SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**  
16 **NANCE THE CONSTRUCTION, REFURBISHING,**  
17 **AND SERVICING OF INDIVIDUALLY-OWNED**  
18 **HOUSEHOLD WATER WELL SYSTEMS IN**  
19 **RURAL AREAS FOR INDIVIDUALS WITH LOW**  
20 **OR MODERATE INCOMES.**

21 (a) IN GENERAL.—Subtitle A of the Consolidated  
22 Farm and Rural Development Act (7 U.S.C. 1922–1949)  
23 is amended by inserting after section 306D the following:

1 **“SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**  
2 **NANCE THE CONSTRUCTION, REFURBISHING,**  
3 **AND SERVICING OF INDIVIDUALLY-OWNED**  
4 **HOUSEHOLD WATER WELL SYSTEMS IN**  
5 **RURAL AREAS FOR INDIVIDUALS WITH LOW**  
6 **OR MODERATE INCOMES.**

7 “(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this  
8 section, the term ‘eligible individual’ means an individual  
9 who is a member of a household, the combined income of  
10 whose members for the most recent 12-month period for  
11 which the information is available, is not more than 100  
12 percent of the median nonmetropolitan household income  
13 for the State or territory in which the individual resides,  
14 according to the most recent decennial census of the  
15 United States.

16 “(b) GRANTS.—The Secretary may make grants to  
17 private nonprofit organizations for the purpose of assist-  
18 ing eligible individuals in obtaining financing for the con-  
19 struction, refurbishing, and servicing of individual house-  
20 hold water well systems in rural areas that are owned (or  
21 to be owned) by the eligible individuals.

22 “(c) USE OF FUNDS.—A grant made under this sec-  
23 tion may be—

24 “(1) used, or invested to provide income to be  
25 used, to carry out subsection (b); and





1           “(1) the National Rural Development Coordi-  
2           nating Committee established in accordance with  
3           subsection (c); and

4           “(2) State rural development councils estab-  
5           lished in accordance with subsection (d).

6           “(c) NATIONAL RURAL DEVELOPMENT COORDI-  
7           NATING COMMITTEE.—

8           “(1) COMPOSITION.—The National Rural De-  
9           velopment Coordinating Committee (in this section  
10          referred to as the “Coordinating Committee”) may  
11          be composed of—

12           “(A) representatives of all Federal depart-  
13           ments and agencies with policies and programs  
14           that affect or benefit rural areas;

15           “(B) representatives of national associa-  
16           tions of State, regional, local, and tribal govern-  
17           ments and intergovernmental and multi-juris-  
18           dictional agencies and organizations;

19           “(C) national public interest groups; and

20           “(D) other national nonprofit organiza-  
21           tions that elect to participate in the activities of  
22           the Coordinating Committee.

23           “(2) FUNCTIONS.—The Coordinating Com-  
24          mittee may—

1           “(A) provide support for the work of the  
2           State rural development councils established in  
3           accordance with subsection (d); and

4           “(B) develop and facilitate strategies to re-  
5           duce or eliminate conflicting or duplicative ad-  
6           ministrative and regulatory impediments con-  
7           fronting rural areas.

8           “(d) STATE RURAL DEVELOPMENT COUNCILS.—

9           “(1) COMPOSITION.—A State rural development  
10          council may—

11           “(A) be composed of representatives of  
12           Federal, State, local, and tribal governments,  
13           and nonprofit organizations, the private sector,  
14           and other entities committed to rural advance-  
15           ment; and

16           “(B) have a nonpartisan and nondiscrim-  
17           inatory membership that is broad and rep-  
18           resentative of the economic, social, and political  
19           diversity of the State.

20           “(2) FUNCTIONS.—A State rural development  
21          council may—

22           “(A) facilitate collaboration among Fed-  
23           eral, State, local, and tribal governments and  
24           the private and non-profit sectors in the plan-  
25           ning and implementation of programs and poli-

1           cies that affect the rural areas of the State, and  
2           to do so in such a way that provides the great-  
3           est degree of flexibility and innovation in re-  
4           sponding to the unique needs of the State and  
5           the rural areas; and

6                   “(B) in conjunction with the Coordinating  
7           Committee, develop and facilitate strategies to  
8           reduce or eliminate conflicting or duplicative  
9           administrative and regulatory impediments con-  
10          fronting the rural areas of the State.

11          “(e) ADMINISTRATION OF THE PARTNERSHIP.—The  
12       Secretary may provide for any additional support staff to  
13       the Partnership as the Secretary determines to be nec-  
14       essary to carry out the duties of the Partnership.

15          “(f) TERMINATION.—The authority provided by this  
16       section shall terminate on the date that is 5 years after  
17       the date of the enactment of this section.”.

18                   **TITLE VII—RESEARCH AND**  
19                   **RELATED MATTERS**  
20                   **Subtitle A—Extensions**

21       **SEC. 700. MARKET EXPANSION RESEARCH.**

22           Section 1436(b)(3)(C) of the Food Security Act of  
23       1985 (7 U.S.C. 1632(b)(3)(c)) is amended by striking  
24       “1990” and inserting “2011”.

1 **SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEAR-**  
2 **INGHOUSE.**

3 Section 2381(e) of the Food, Agriculture, Conserva-  
4 tion, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is  
5 amended by striking “2002” and inserting “2011”.

6 **SEC. 702. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRI-**  
7 **CULTURAL SCIENCES EDUCATION.**

8 Section 1417(l) of the National Agricultural Re-  
9 search, Extension, and Teaching Policy Act of 1977 (7  
10 U.S.C. 3152(l)) is amended by striking “2002” and in-  
11 serting “2011”.

12 **SEC. 703. POLICY RESEARCH CENTERS.**

13 Section 1419A(d) of the National Agricultural Re-  
14 search, Extension, and Teaching Policy Act of 1977 (7  
15 U.S.C. 3155(d)) is amended by striking “2002” and in-  
16 serting “2011”.

17 **SEC. 704. HUMAN NUTRITION INTERVENTION AND HEALTH**  
18 **PROMOTION RESEARCH PROGRAM.**

19 Section 1424(d) of the National Agricultural Re-  
20 search, Extension, and Teaching Policy Act of 1977 (7  
21 U.S.C. 3174(d)) is amended by striking “2002” and in-  
22 serting “2011”.

23 **SEC. 705. PILOT RESEARCH PROGRAM TO COMBINE MED-**  
24 **ICAL AND AGRICULTURAL RESEARCH.**

25 Section 1424A(d) of the National Agricultural Re-  
26 search, Extension, and Teaching Policy Act of 1977 (7

1 U.S.C. 3174a(d)) is amended by striking “2002” and in-  
2 serting “2011”.

3 **SEC. 706. NUTRITION EDUCATION PROGRAM.**

4 Section 1425(c)(3) of the National Agricultural Re-  
5 search, Extension, and Teaching Policy Act of 1977 (7  
6 U.S.C. 3175(c)(3)) is amended by striking “2002” and  
7 inserting “2011”.

8 **SEC. 707. CONTINUING ANIMAL HEALTH AND DISEASE RE-**  
9 **SEARCH PROGRAMS.**

10 Section 1433(a) of the National Agricultural Re-  
11 search, Extension, and Teaching Policy Act of 1977 (7  
12 U.S.C. 3195(a)) is amended by striking “2002” and in-  
13 serting “2011”.

14 **SEC. 708. APPROPRIATIONS FOR RESEARCH ON NATIONAL**  
15 **OR REGIONAL PROBLEMS.**

16 Section 1434(a) of the National Agricultural Re-  
17 search, Extension, and Teaching Policy Act of 1977 (7  
18 U.S.C. 3196(a)) is amended by striking “2002” and in-  
19 serting “2011”.

20 **SEC. 709. GRANTS TO UPGRADE AGRICULTURAL AND FOOD**  
21 **SCIENCES FACILITIES AT 1890 LAND-GRANT**  
22 **COLLEGES, INCLUDING TUSKEGEE UNIVER-**  
23 **SITY.**

24 Section 1447(b) of the National Agricultural Re-  
25 search, Extension, and Teaching Policy Act of 1977 (7



1 Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amend-  
2 ed by striking “2002” each place it appears and inserting  
3 “2011”.

4 **SEC. 714. EXTENSION SERVICE.**

5 Section 1464 of the National Agricultural Research,  
6 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
7 3312) is amended by striking “2002” and inserting  
8 “2011”.

9 **SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

10 Section 1473D(a) of the National Agricultural Re-  
11 search, Extension, and Teaching Policy Act of 1977 (7  
12 U.S.C. 3319d(a)) is amended by striking “2002” and in-  
13 serting “2011”.

14 **SEC. 716. AQUACULTURE RESEARCH FACILITIES.**

15 The first sentence of section 1477 of the National  
16 Agricultural Research, Extension, and Teaching Policy  
17 Act of 1977 (7 U.S.C. 3324) is amended by striking  
18 “2002” and inserting “2011”.

19 **SEC. 717. RANGELAND RESEARCH.**

20 Section 1483(a) of the National Agricultural Re-  
21 search, Extension, and Teaching Policy Act of 1977 (7  
22 U.S.C. 3336(a)) is amended by striking “2002” and in-  
23 serting “2011”.

1 **SEC. 718. NATIONAL GENETICS RESOURCES PROGRAM.**

2 Section 1635(b) of the Food, Agriculture, Conserva-  
3 tion, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amend-  
4 ed by striking “1995” and inserting “2011”.

5 **SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**  
6 **TIATIVES.**

7 Section 1672(h) of the Food, Agriculture, Conserva-  
8 tion, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amend-  
9 ed by striking “2002” and inserting “2011”.

10 **SEC. 720. NUTRIENT MANAGEMENT RESEARCH AND EXTEN-**  
11 **SION INITIATIVE.**

12 Section 1672A(g) of the Food, Agriculture, Conserva-  
13 tion, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is  
14 amended by striking “2002” and inserting “2011”.

15 **SEC. 721. AGRICULTURAL TELECOMMUNICATIONS PRO-**  
16 **GRAM.**

17 Section 1673(h) of the Food, Agriculture, Conserva-  
18 tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amend-  
19 ed by striking “2002” and inserting “2011”.

20 **SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND**  
21 **COMMERCIALIZATION REVOLVING FUND.**

22 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
23 1664(g)(1) of the Food, Agriculture, Conservation, and  
24 Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by  
25 striking “2002” and inserting “2011”.



1 (b) CAPITALIZATION.—Section 1664(g)(2) of such  
2 Act (7 U.S.C. 5908(g)(2)) is amended by striking “2002”  
3 and inserting “2011”.

4 **SEC. 723. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**  
5 **ERS WITH DISABILITIES.**

6 Section 1680(c)(1) of the Food, Agriculture, Con-  
7 servation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1))  
8 is amended by striking “2002” and inserting “2011”.

9 **SEC. 724. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL**  
10 **PRODUCT QUALITY RESEARCH.**

11 Section 402(g) of the Agricultural Research, Exten-  
12 sion, and Education Reform Act of 1998 (7 U.S.C.  
13 7622(g)) is amended by striking “2002” and inserting  
14 “2011”.

15 **SEC. 725. BIOBASED PRODUCTS.**

16 (a) PILOT PROJECT.—Section 404(e)(2) of the Agri-  
17 cultural Research, Extension, and Education Reform Act  
18 of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking  
19 “2001” and inserting “2011”.

20 (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
21 404(h) of such Act (7 U.S.C. 7624(h)) is amended by  
22 striking “2002” and inserting “2011”.

1 **SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EX-**  
2 **TENSION COMPETITIVE GRANTS PROGRAM.**

3 Section 406(e) of the Agricultural Research, Exten-  
4 sion, and Education Reform Act of 1998 (7 U.S.C.  
5 7626(e)) is amended by striking “2002” and inserting  
6 “2011”.

7 **SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.**

8 (a) **GENERALLY.**—Section 535(b)(1) of the Equity in  
9 Educational Land-Grant Status Act of 1994 (7 U.S.C.  
10 301 note) is amended by striking “2000” and inserting  
11 “2011”.

12 (b) **AUTHORIZATION OF APPROPRIATIONS.**—Section  
13 535(c) of such Act is amended by striking “2000” and  
14 inserting “2011”.

15 **SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.**

16 Section 536(c) of the Equity in Educational Land-  
17 Grant Status Act of 1994 (7 U.S.C. 301 note) is amended  
18 by striking “2002” and inserting “2011”.

19 **SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.**

20 The first sentence of section 533(b) of the Equity in  
21 Educational Land-Grant Status Act of 1994 (7 U.S.C.  
22 301 note) is amended by striking “\$4,600,000” and all  
23 that follows through the period and inserting “such sums  
24 as are necessary to carry out this section for each of fiscal  
25 years 1996 through 2011.”.

1 **SEC. 730. PRECISION AGRICULTURE.**

2 Section 403(i) of the Agricultural Research, Exten-  
3 sion, and Education Reform Act of 1998 (7 U.S.C.  
4 7623(i)) is amended by striking “2002” and inserting  
5 “2011”.

6 **SEC. 731. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**  
7 **VERSIFICATION.**

8 Section 405(h) of the Agricultural Research, Exten-  
9 sion, and Education Reform Act of 1998 (7 U.S.C.  
10 7625(h)) is amended by striking “2002” and inserting  
11 “2011”.

12 **SEC. 732. SUPPORT FOR RESEARCH REGARDING DISEASES**  
13 **OF WHEAT, TRITICALE, AND BARLEY CAUSED**  
14 **BY FUSARIUM GRAMINEARUM OR BY**  
15 **TILLETIA INDICA.**

16 Section 408(e) of the Agricultural Research, Exten-  
17 sion, and Education Reform Act of 1998 (7 U.S.C.  
18 7628(e)) is amended by striking “2002” and inserting  
19 “2011”.

20 **SEC. 733. OFFICE OF PEST MANAGEMENT POLICY.**

21 Section 614(f) of the Agricultural Research, Exten-  
22 sion, and Education Reform Act of 1998 (7 U.S.C.  
23 7653(f)) is amended by striking “2002” and inserting  
24 “2011”.

1 **SEC. 734. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**  
2 **SION, EDUCATION, AND ECONOMICS ADVI-**  
3 **SORY BOARD.**

4 Section 1408(h) of the National Agricultural Re-  
5 search, Extension, and Teaching Policy Act of 1977 (7  
6 U.S.C. 3123(h)) is amended by striking “2002” and in-  
7 serting “2011”.

8 **SEC. 735. GRANTS FOR RESEARCH ON PRODUCTION AND**  
9 **MARKETING OF ALCOHOLS AND INDUSTRIAL**  
10 **HYDROCARBONS FROM AGRICULTURAL COM-**  
11 **MODITIES AND FOREST PRODUCTS.**

12 Section 1419(d) of the National Agricultural Re-  
13 search, Extension, and Teaching Policy Act of 1977 (7  
14 U.S.C. 3154(d)) is amended by striking “2002” and in-  
15 serting “2011”.

16 **SEC. 736. BIOMASS RESEARCH AND DEVELOPMENT.**

17 Title III of the Agricultural Risk Protection Act of  
18 2000 (7 U.S.C. 7624 note) is amended—

19 (1) in section 307(f), by striking “2005” and  
20 inserting “2011”; and

21 (2) in section 310, by striking “2005” and in-  
22 serting “2011”.

1 **SEC. 737. AGRICULTURAL EXPERIMENT STATIONS RE-**  
2 **SEARCH FACILITIES.**

3 Section 6(a) of the Research Facilities Act (7 U.S.C.  
4 390d(a)) is amended by striking “2002” and inserting  
5 “2011”.

6 **SEC. 738. COMPETITIVE, SPECIAL, AND FACILITIES RE-**  
7 **SEARCH GRANTS NATIONAL RESEARCH INI-**  
8 **TIATIVE.**

9 Subsection (b)(10) of the Competitive, Special, and  
10 Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is  
11 amended by striking “2002” and inserting “2011”.

12 **SEC. 739. FEDERAL AGRICULTURAL RESEARCH FACILITIES**  
13 **AUTHORIZATION OF APPROPRIATIONS.**

14 Section 1431 of the National Agricultural Research,  
15 Extension, and Teaching Policy Act Amendments of 1985  
16 (Public Law 99–198; 99 Stat. 1556) is amended by strik-  
17 ing “2002” and inserting “2011”.

18 **Subtitle B—Modifications**

19 **SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**  
20 **ACT OF 1994.**

21 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
22 534(a)(1)(A) of the Equity in Educational Land-Grant  
23 Status Act of 1994 (7 U.S.C. 301 note) is amended by  
24 striking “\$50,000” and inserting “\$100,000”.

25 (b) WITHDRAWALS AND EXPENDITURES.—Section  
26 533(c)(4)(A) of such Act is amended by striking “section

1 390(3)” and all that follows through “1998))” and insert-  
2 ing “section 2(a)(7) of the Tribally Controlled College or  
3 University Assistance Act of 1978)”.

4 (c) ACCREDITATION.—Section 533(a)(3) of such Act  
5 is amended by striking “under sections 534 and 535” and  
6 inserting “under sections 534, 535, and 536”.

7 (d) 1994 INSTITUTIONS.—Section 532 of such Act is  
8 amended by striking paragraphs (1) through (30) and in-  
9 serting the following:

- 10 “(1) Bay Mills Community College.  
11 “(2) Blackfeet Community College.  
12 “(3) Cankdeska Cikana Community College.  
13 “(4) College of Menominee Nation.  
14 “(5) Crownpoint Institute of Technology.  
15 “(6) D–Q University.  
16 “(7) Diné College.  
17 “(8) Dull Knife Memorial College.  
18 “(9) Fond du Lac Tribal and Community Col-  
19 lege.  
20 “(10) Fort Belknap College.  
21 “(11) Fort Berthold Community College.  
22 “(12) Fort Peck Community College.  
23 “(13) Haskell Indian Nations University.  
24 “(14) Institute of American Indian and Alaska  
25 Native Culture and Arts Development.

1           “(15) Lac Courte Oreilles Ojibwa Community  
2 College.

3           “(16) Leech Lake Tribal College.

4           “(17) Little Big Horn College.

5           “(18) Little Priest Tribal College.

6           “(19) Nebraska Indian Community College.

7           “(20) Northwest Indian College.

8           “(21) Oglala Lakota College.

9           “(22) Salish Kootenai College.

10          “(23) Sinte Gleska University.

11          “(24) Sisseton Wahpeton Community College.

12          “(25) Si Tanka/Huron University.

13          “(26) Sitting Bull College.

14          “(27) Southwestern Indian Polytechnic Insti-  
15 tute.

16          “(28) Stone Child College.

17          “(29) Turtle Mountain Community College.

18          “(30) United Tribes Technical College.”.

19 **SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**  
20 **SION, AND TEACHING POLICY ACT OF 1977.**

21          Section 1404(4) of the National Agricultural Re-  
22 search, Extension, and Teaching Policy Act of 1977 (7  
23 U.S.C. 3103(4)) is amended—

24           (1) by striking “and” after subparagraph (D);

1 (2) by striking the period at the end of sub-  
2 paragraph (E) and inserting “, or”; and

3 (3) by adding at the end the following: “(F) is  
4 one of the 1994 Institutions (as defined in section  
5 532 of the Equity in Educational Land-Grant Sta-  
6 tus Act of 1994).”.

7 **SEC. 743. AGRICULTURAL RESEARCH, EXTENSION, AND**  
8 **EDUCATION REFORM ACT OF 1998.**

9 (a) PRIORITY MISSION AREAS.—Section 401(c)(2) of  
10 the Agricultural Research, Extension, and Education Re-  
11 form Act of 1998 (7 U.S.C. 7621(c)(2)) is amended—

12 (1) by striking “and” at the end of subpara-  
13 graph (E);

14 (2) by striking the period at the end of sub-  
15 paragraph (F) and inserting “; and”; and

16 (3) by adding at the end the following new sub-  
17 paragraph:

18 “(G) alternative fuels and renewable en-  
19 ergy sources.”.

20 (b) PRECISION AGRICULTURE.—Section 403 of the  
21 Agricultural Research, Extension, and Education Reform  
22 Act of 1998 (7 U.S.C. 7623) is amended—

23 (1) in subsection (a)(5)(F), by inserting “(in-  
24 cluding improved use of energy inputs)” after “farm  
25 production efficiencies”; and



1 (2) in subsection (d)—

2 (A) by redesignating paragraphs (4) and  
3 (5) as paragraphs (5) and (6), respectively; and

4 (B) by inserting after paragraph (3) the  
5 following new paragraph:

6 “(4) Improve on farm energy use efficiencies.”.

7 (c) THOMAS JEFFERSON INITIATIVE FOR CROP DI-  
8 VERSIFICATION.—Section 405(a) of the Agricultural Re-  
9 search, Extension, and Education Reform Act of 1998 (7  
10 U.S.C. 7625(a)) is amended by striking “and marketing”  
11 and inserting “, marketing, and efficient use”.

12 (d) COORDINATED PROGRAM OF RESEARCH, EXTEN-  
13 SION, AND EDUCATION TO IMPROVE VIABILITY OF  
14 SMALL- AND MEDIUM-SIZE DAIRY, LIVESTOCK, AND  
15 POULTRY OPERATIONS.—Section 407(b)(3) of the Agri-  
16 cultural Research, Extension, and Education Reform Act  
17 of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting  
18 “(including improved use of energy inputs)” after “poultry  
19 systems that increase efficiencies”.

20 (e) SUPPORT FOR RESEARCH REGARDING DISEASES  
21 OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSAR-  
22 IUM GRAMINEARUM OR BY TILLETIA INDICA.—

23 (1) RESEARCH GRANT AUTHORIZED.—Section  
24 408(a) of the Agricultural Research, Extension, and

1 Education Reform Act of 1998 (7 U.S.C. 7628(a))  
2 is amended to read as follows:

3 “(a) RESEARCH GRANT AUTHORIZED.—The Sec-  
4 retary of Agriculture may make grants to consortia of  
5 land-grant colleges and universities to enhance the ability  
6 of the consortia to carry out multi-State research projects  
7 aimed at understanding and combating diseases of wheat,  
8 triticale, and barley caused by *Fusarium graminearum*  
9 and related fungi (referred to in this section as ‘wheat  
10 scab’) or by *Tilletia indica* and related fungi (referred to  
11 in this section as ‘Karnal bunt’).”.

12 (2) RESEARCH COMPONENTS.—Section 408(b)  
13 of such Act (7 U.S.C. 7628(b)) is amended—

14 (A) in paragraph (1), by inserting “or of  
15 Karnal bunt,” after “epidemiology of wheat  
16 scab”;

17 (B) in paragraph (1), by inserting “,  
18 triticale,” after “occurring in wheat”;

19 (C) in paragraph (2), by inserting “or  
20 Karnal bunt” after “wheat scab”;

21 (D) in paragraph (3)(A), by striking “and  
22 barley for the presence of” and inserting “,  
23 triticale, and barley for the presence of Karnal  
24 bunt or of”;

1 (E) in paragraph (3)(B), by striking “and  
2 barley infected with wheat scab” and inserting  
3 “, triticale, and barley infected with wheat scab  
4 or with Karnal bunt”;

5 (F) in paragraph (3)(C), by inserting  
6 “wheat scab” after “to render”;

7 (G) in paragraph (4), by striking “and  
8 barley to wheat scab” and inserting “, triticale,  
9 and barley to wheat scab and to Karnal bunt”;  
10 and

11 (H) in paragraph (5)—

12 (i) by inserting “and Karnal bunt”  
13 after “wheat scab”; and

14 (ii) by inserting “, triticale,” after  
15 “resistant wheat”.

16 (3) COMMUNICATIONS NETWORKS.—Section  
17 408(c) of such Act (7 U.S.C. 7628(c)) is amended  
18 by inserting “or Karnal bunt” after “wheat scab”.

19 (4) TECHNICAL AMENDMENTS.—(A) The sec-  
20 tion heading for section 408 of such Act is amended  
21 by striking “**AND BARLEY CAUSED BY FUSARIUM**  
22 **GRAMINEARUM**” and inserting “, **TRITICALE,**  
23 **AND BARLEY CAUSED BY FUSARIUM**  
24 **GRAMINEARUM OR BY TILLETIA INDICA**”.

1 (B) The table of sections for such Act is  
2 amended by striking “and barley caused by fusarium  
3 graminearum” in the item relating to section 408  
4 and inserting “, triticale, and barley caused by Fu-  
5 sarium graminearum or by Tilletia indica”.

6 **SEC. 744. FOOD, AGRICULTURE, CONSERVATION, AND**  
7 **TRADE ACT OF 1990.**

8 (a) AGRICULTURAL GENOME INITIATIVE.—Section  
9 1671(b) of the Food, Agriculture, Conservation, and  
10 Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

11 (1) in paragraph (3), by inserting “pathogens  
12 and” before “diseases causing economic hardship”;

13 (2) in paragraph (6), by striking “and” at the  
14 end;

15 (3) by redesignating paragraph (7) as para-  
16 graph (8); and

17 (4) by inserting after paragraph (6) the fol-  
18 lowing new paragraph:

19 “(7) reducing the economic impact of plant  
20 pathogens on commercially important crop plants;  
21 and”.

22 (b) HIGH-PRIORITY RESEARCH AND EXTENSION INI-  
23 TIATIVES.—Section 1672(e) of the Food, Agriculture,  
24 Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is

1 amended by adding at the end the following new para-  
2 graphs:

3           “(25) RESEARCH TO PROTECT THE UNITED  
4 STATES FOOD SUPPLY AND AGRICULTURE FROM  
5 BIOTERRORISM.—Research grants may be made  
6 under this section for the purpose of developing  
7 technologies, which support the capability to deal  
8 with the threat of agricultural bioterrorism.

9           “(26) WIND EROSION RESEARCH AND EXTEN-  
10 SION.—Research and extension grants may be made  
11 under this section for the purpose of validating wind  
12 erosion models.

13           “(27) CROP LOSS RESEARCH AND EXTEN-  
14 SION.—Research and extension grants may be made  
15 under this section for the purpose of validating crop  
16 loss models.

17           “(28) LAND USE MANAGEMENT RESEARCH AND  
18 EXTENSION.—Research and extension grants may be  
19 made under this section for the purposes of evalu-  
20 ating the environmental benefits of land use man-  
21 agement tools such as those provided in the Farm-  
22 land Protection Program.

23           “(29) WATER AND AIR QUALITY RESEARCH  
24 AND EXTENSION.—Research and extension grants  
25 may be made under this section for the purpose of

1 better understanding agricultural impacts to air and  
2 water quality and means to address them.

3 “(30) REVENUE AND INSURANCE TOOLS RE-  
4 SEARCH AND EXTENSION.—Research and extension  
5 grants may be made under this section for the pur-  
6 poses of better understanding the impact of revenue  
7 and insurance tools on farm income.

8 “(31) AGROTOURISM RESEARCH AND EXTEN-  
9 SION.—Research and extension grants may be made  
10 under this section for the purpose of better under-  
11 standing the economic, environmental, and food sys-  
12 tems impacts on agrotourism.

13 “(32) HARVESTING PRODUCTIVITY FOR FRUITS  
14 AND VEGETABLES.—Research and extension grants  
15 may be made under this section for the purpose of  
16 improving harvesting productivity for fruits and  
17 vegetables (including citrus), including the develop-  
18 ment of mechanical harvesting technologies and ef-  
19 fective, economical, and safe abscission compounds.

20 “(33) NITROGEN-FIXATION BY PLANTS.—Re-  
21 search and extension grants may be made under this  
22 section for the purpose of enhancing the nitrogen-  
23 fixing ability and efficiency of legumes, developing  
24 new varieties of legumes that fix nitrogen more effi-  
25 ciently, and developing new varieties of other com-

1       mercially important crops that potentially are able to  
2       fix nitrogen.

3               “(34) AGRICULTURAL MARKETING.—Extension  
4       grants may be made under this section for the pur-  
5       pose of providing education materials, information,  
6       and outreach programs regarding commodity and  
7       livestock marketing strategies for agricultural pro-  
8       ducers and for cooperatives and other marketers of  
9       any agricultural commodity, including livestock.

10              “(35) ENVIRONMENT AND PRIVATE LANDS RE-  
11       SEARCH AND EXTENSION.—Research and extension  
12       grants may be made under this section for the pur-  
13       pose of researching the use of computer models to  
14       aid in assessment of best management practices on  
15       a watershed basis, working with government, indus-  
16       try, and private landowners to help craft industry-  
17       led solutions to identified environmental issues, re-  
18       searching and monitoring water, air, or soil environ-  
19       mental quality to aid in the development of new ap-  
20       proaches to local environmental concerns, and work-  
21       ing with local, State, and federal officials to help  
22       craft effective environmental solutions that respect  
23       private property rights and agricultural production  
24       realities.

1           “(36) LIVESTOCK DISEASE RESEARCH AND EX-  
2           TENSION.—Research and extension grants may be  
3           made under this section for the purpose of identi-  
4           fying possible livestock disease threats, educating the  
5           public regarding livestock disease threats, training  
6           persons to deal with such threats, and conducting  
7           related research.”.

8   **SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**  
9                                   **SION, AND TEACHING POLICY ACT OF 1977.**

10       (a) NATIONAL AGRICULTURAL RESEARCH, EXTEN-  
11       SION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—  
12       Section 1408 of the National Agricultural Research, Ex-  
13       tension, and Teaching Policy Act of 1977 (7 U.S.C. 3123)  
14       is amended—

15           (1) in subsection (b)(3)—

16               (A) by redesignating subparagraphs (R)  
17               through (DD) as subparagraphs (S) through  
18               (EF), respectively; and

19               (B) by inserting after subparagraph (Q)  
20               the following new subparagraph:

21                   “(R) 1 member representing a nonland  
22                   grant college or university with a historic com-  
23                   mitment to research in the food and agricul-  
24                   tural sciences.”;



1           (2) in subsection (c)(1), by striking “and land-  
2     grant colleges and universities” and inserting “,  
3     land-grant colleges and universities, and the Com-  
4     mittee on Agriculture of the House of Representa-  
5     tives, the Committee on Agriculture, Nutrition, and  
6     Forestry of the Senate, the Subcommittee on Agri-  
7     culture, Rural Development, Food and Drug Admin-  
8     istration and Related Agencies of the Committee on  
9     Appropriations of the House of Representatives, and  
10    the Subcommittee on Agriculture, Rural Develop-  
11    ment and Related Agencies of the Committee on Ap-  
12    propriations of the Senate”; and

13           (3) in subsection (d)(1), inserting “consult with  
14    any appropriate agencies of the Department of Agri-  
15    culture and” after “the Advisory Board shall”.

16           (b) GRANTS FOR RESEARCH ON PRODUCTION AND  
17    MARKETING OF ALCOHOLS AND INDUSTRIAL HYDRO-  
18    CARBONS FROM AGRICULTURAL COMMODITIES AND FOR-  
19    EST PRODUCTS.—Section 1419 of the National Agricul-  
20    tural Research, Extension, and Teaching Policy Act of  
21    1977 (7 U.S.C. 3154) is amended—

22           (1) in subsection (a)(2), by inserting “and ani-  
23    mal fats and oils” after “industrial oilseed crops”;  
24    and

1           (2) in subsection (a)(4), by inserting “or  
2     triglycerides” after “other industrial hydrocarbons”.

3           (c) FAS OVERSEAS INTERN PROGRAM.—Section  
4     1458(a) of the National Agricultural Research, Extension,  
5     and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is  
6     amended—

7           (1) by striking “and” at the end of paragraph  
8     (8);

9           (2) by striking the period at the end of para-  
10    graph (9) and inserting “; and”; and

11          (3) by adding at the end the following new  
12    paragraph:

13           “(10) establish a program, to be coordinated by  
14    the Cooperative State Research, Education, and Ex-  
15    tension Service and the Foreign Agricultural Service,  
16    to place interns from United States colleges and uni-  
17    versities at Foreign Agricultural Service field offices  
18    overseas.”.

19     **SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.**

20           Title III of the Agricultural Risk Protection Act of  
21     2000 (7 U.S.C. 7624 note) is amended—

22           (1) in section 302(3), by inserting “or bio-  
23    diesel” after “such as ethanol”;

24           (2) in section 303(3), by inserting “animal by-  
25    products,” after “fibers”; and

1 (3) in section 306(b)(1)—

2 (A) by redesignating subparagraphs (E)  
3 through (J) as subparagraphs (F) through (K),  
4 respectively; and

5 (B) by inserting after subparagraph (D)  
6 the following new subparagraph:

7 “(E) an individual affiliated with a live-  
8 stock trade association;”.

9 **SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.**

10 Section 1668 of the Food, Agriculture, Conservation,  
11 and Trade Act of 1990 (7 U.S.C. 5921) is amended to  
12 read as follows:

13 **“SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RE-**  
14 **SEARCH.**

15 “(a) PURPOSE.—It is the purpose of this section—

16 “(1) to authorize and support environmental as-  
17 sessment research to help identify and analyze envi-  
18 ronmental effects of biotechnology; and

19 “(2) to authorize research to help regulators de-  
20 velop long-term policies concerning the introduction  
21 of such technology.

22 “(b) GRANT PROGRAM.— The Secretary of Agri-  
23 culture shall establish a grant program within the Cooper-  
24 ative State Research, Education, and Extension Service  
25 and the Agricultural Research Service to provide the nee-

1 essary funding for environmental assessment research  
2 concerning the introduction of genetically engineered  
3 plants and animals into the environment.

4 “(c) TYPES OF RESEARCH.— Types of research for  
5 which grants may be made under this section shall include  
6 the following:

7 “(1) Research designed to identify and develop  
8 appropriate management practices to minimize phys-  
9 ical and biological risks associated with genetically  
10 engineered animals and plants once they are intro-  
11 duced into the environment.

12 “(2) Research designed to develop methods to  
13 monitor the dispersal of genetically engineered ani-  
14 mals and plants.

15 “(3) Research designed to further existing  
16 knowledge with respect to the characteristics, rates  
17 and methods of gene transfer that may occur be-  
18 tween genetically engineered plants and animals and  
19 related wild and agricultural organisms.

20 “(4) Environmental assessment research de-  
21 signed to provide analysis, which compares the rel-  
22 ative impacts of plants and animals modified  
23 through genetic engineering to other types of pro-  
24 duction systems.

1           “(5) Other areas of research designed to fur-  
2           ther the purposes of this section.

3           “(d) ELIGIBILITY REQUIREMENTS.—Grants under  
4           this section shall be—

5           “(1) made on the basis of the quality of the  
6           proposed research project; and

7           “(2) available to any public or private research  
8           or educational institution or organization.

9           “(e) CONSULTATION.—In considering specific areas  
10          of research for funding under this section, the Secretary  
11          of Agriculture shall consult with the Administrator of the  
12          Animal and Plant Health Inspection Service and the Na-  
13          tional Agricultural Research, Extension, Education, and  
14          Economics Advisory Board.

15          “(f) PROGRAM COORDINATION.—The Secretary of  
16          Agriculture shall coordinate research funded under this  
17          section with the Office of Research and Development of  
18          the Environmental Protection Agency in order to avoid du-  
19          plication of research activities.

20          “(g) AUTHORIZATION OF APPROPRIATIONS.—

21                 “(1) IN GENERAL.—There are authorized to be  
22                 appropriated such sums as necessary to carry out  
23                 this section.

24                 “(2) WITHHOLDINGS FROM BIOTECHNOLOGY  
25                 OUTLAYS.—The Secretary of Agriculture shall with-

1 hold from outlays of the Department of Agriculture  
2 for research on biotechnology, as defined and deter-  
3 mined by the Secretary, at least one percent of such  
4 amount for the purpose of making grants under this  
5 section for research on biotechnology risk assess-  
6 ment. Except that, funding from this authorization  
7 should be collected and applied to the maximum ex-  
8 tent practicable to risk assessment research on all  
9 categories identified as biotechnology by the Sec-  
10 retary.”.

11 **SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RE-**  
12 **SEARCH GRANTS.**

13 Section 2(a) of the Competitive, Special, and Facili-  
14 ties Research Grant Act (7 U.S.C. 450i(a)) is amended  
15 by adding at the end the following new paragraph:

16 “(3) DETERMINATION OF HIGH PRIORITY RE-  
17 SEARCH.—Research priorities shall be determined by  
18 the Secretary on an annual basis, taking into ac-  
19 count input as gathered by the Secretary through  
20 the National Agricultural Research, Extension, Edu-  
21 cation, and Economics Advisory Board.”.

1 **SEC. 749. MATCHING FUNDS REQUIREMENT FOR RE-**  
2 **SEARCH AND EXTENSION ACTIVITIES OF 1890**  
3 **INSTITUTIONS.**

4 Section 1449 of the National Agricultural Research,  
5 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
6 3222d) is amended—

7 (1) by amending subsection (c) to read as fol-  
8 lows:

9 “(c) **MATCHING FORMULA.**—For each of fiscal years  
10 2003 through 2011, the State shall provide matching  
11 funds from non-Federal sources. Such matching funds  
12 shall be for an amount equal to not less than 60 percent  
13 of the formula funds to be distributed to the eligible insti-  
14 tution, and shall increase by 10 percent each fiscal year  
15 thereafter until fiscal year 2007.”;

16 (2) by amending subsection (d) to read as fol-  
17 lows:

18 “(d) **WAIVER AUTHORITY.**—Notwithstanding sub-  
19 section (f), the Secretary may waive the matching funds  
20 requirement under subsection (c) above the 50 percent  
21 level for fiscal years 2003 through 2011 for an eligible  
22 institution of a State if the Secretary determines that the  
23 State will be unlikely to satisfy the matching require-  
24 ment.”; and

25 (3) by adding at the end the following new sub-  
26 section:

1       “(g) MATCHING FUNDS REQUIREMENT FOR THE  
2 LAND-GRANT COLLEGES IN THE UNITED STATES TERRI-  
3 TORIES.—

4           “(1) Land-grant colleges of the United States  
5 territories, including the Commonwealth of Puerto  
6 Rico, Guam, the Virgin Islands, the Northern Mar-  
7 iana Islands, American Samoa, and Micronesia, shall  
8 be excluded from the definition of eligible institution  
9 (as defined in subsection (a)(1)).

10          “(2) MATCHING FORMULA.—Notwithstanding  
11 any other provision of this subtitle, for fiscal years  
12 2003 through 2011, the State shall provide match-  
13 ing funds from non-Federal sources in an amount  
14 equal to not less than 50 percent of the formula  
15 funds to be distributed to the eligible institution.

16          “(3) WAIVER AUTHORITY.—Notwithstanding  
17 subsection (f), the Secretary may waive the match-  
18 ing funds requirements under subsection (a)(2)(A)  
19 for any of fiscal years 2003 through 2011 for an eli-  
20 gible institution of a State if the Secretary deter-  
21 mines that the territory will be unlikely to satisfy  
22 the matching requirement for that fiscal year.”.



1 **SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND**  
2 **FOOD SYSTEMS.**

3 (a) **FUNDING.**—Section 401(b)(1) of the Agricultural  
4 Research, Extension, and Education Reform Act of 1998  
5 (7 U.S.C. 7621(b)(1)) is amended to read as follows:

6 “(1) **IN GENERAL.**—On October 1, 2003, and  
7 each October 1 thereafter through September 30,  
8 2011, out of any funds in the Treasury not other-  
9 wise appropriated, the Secretary of the Treasury  
10 shall transfer funds into the Account the aggregate  
11 of which shall equal \$960,000,000. Such funds shall  
12 remain available until expended and, to the max-  
13 imum extent practicable, shall be transferred in  
14 equal amounts for each fiscal year.”.

15 (b) **AVAILABILITY OF FUNDS.**—Section 401(f)(6) of  
16 the Agricultural Research, Extension, and Education Re-  
17 form Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to  
18 read as follows:

19 “(6) **AVAILABILITY OF FUNDS.**—Funds made  
20 available under this section to the Secretary prior to  
21 October 1, 2003, for grants under this section shall  
22 be available to the Secretary for a 2-year period.”.

23 **SEC. 751. CARBON CYCLE RESEARCH.**

24 Section 221 of the Agricultural Risk Protection Act  
25 of 2000 (Public Law 106–224; 114 Stat. 407) is  
26 amended—

1 (1) in subsection (a), by striking “Of the  
2 amount” and all that follows through “to provide”  
3 and inserting “To the extent funds are made avail-  
4 able for this purpose, the Secretary shall provide”;

5 (2) in subsection (d), by striking “under sub-  
6 section (a)” and inserting “for this section”; and

7 (3) by adding at the end the following new sub-  
8 section:

9 “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
10 are authorized to be appropriated for fiscal years 2002  
11 through 2011 such sums as may be necessary to carry  
12 out this section.”

13 **SEC. 752. DEFINITION OF FOOD AND AGRICULTURAL**  
14 **SCIENCES.**

15 Section 2(3) of the Research Facilities Act (7 U.S.C.  
16 390(2)(3)) is amended to read as follows:

17 “(3) FOOD AND AGRICULTURAL SCIENCES.—  
18 The term ‘food and agricultural sciences’ has the  
19 meaning given that term in section 1404(8) of the  
20 National Agricultural Research, Extension, and  
21 Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).”.

22 **SEC. 753. FEDERAL EXTENSION SERVICE.**

23 Section 3(b)(3) of the Smith-Lever Act (7 U.S.C.  
24 343(b)(3)) is amended by striking “\$5,000,000” and in-  
25 serting “such sums as are necessary”.

1           **Subtitle C—Related Matters**

2   **SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COL-**  
3                   **LEGES IN UNITED STATES TERRITORIES.**

4           (a) PURPOSE.—It is the purpose of this section to  
5 promote and strengthen higher education in the food and  
6 agricultural sciences at agricultural and mechanical col-  
7 leges located in the Commonwealth of Puerto Rico, the  
8 Virgin Islands of the United States, Guam, American  
9 Samoa, the Commonwealth of the Northern Mariana Is-  
10 lands, the Federated States of Micronesia, the Republic  
11 of the Marshall Islands, or the Republic of Palau (herein-  
12 after referred to in this section as “eligible institutions”)  
13 by formulating and administering programs to enhance  
14 teaching programs in agriculture, natural resources, for-  
15 estry, veterinary medicine, home economics, and dis-  
16 ciplines closely allied to the food and agriculture produc-  
17 tion and delivery system.

18           (b) GRANTS.—The Secretary shall make competitive  
19 grants to those eligible institutions having a demonstrable  
20 capacity to carry out the teaching of food and agricultural  
21 sciences.

22           (c) USE OF GRANT FUNDS.—Grants made under  
23 subsection (b) shall be used to—

24                   (1) strengthen institutional educational capac-  
25           ities, including libraries, curriculum, faculty, sci-

1       entific instrumentation, instruction delivery systems,  
2       and student recruitment and retention, in order to  
3       respond to identified State, regional, national, or  
4       international education needs in the food and agri-  
5       cultural sciences;

6               (2) attract and support undergraduate and  
7       graduate students in order to educate them in iden-  
8       tified areas of national need to the food and agri-  
9       culture sciences;

10              (3) facilitate cooperative initiatives between two  
11       or more eligible institutions or between eligible insti-  
12       tutions and units of State Government, organiza-  
13       tional in the private sector, to maximize the develop-  
14       ment and use of resources such as faculty, facilities,  
15       and equipment to improve food and agricultural  
16       sciences teaching programs; and

17              (4) conduct undergraduate scholarship pro-  
18       grams to assist in meeting national needs for train-  
19       ing food and agricultural scientists.

20       (d) GRANT REQUIREMENTS.—

21              (1) The Secretary shall ensure that each eligible  
22       institution, prior to receiving grant funds under sub-  
23       section (b), shall have a significant demonstrable  
24       commitment to higher education programs in the  
25       food and agricultural sciences and to each specific

1 subject area for which grant funds under this sub-  
2 section are to be used.

3 (2) The Secretary may require that any grant  
4 awarded under this section contain provisions that  
5 require funds to be targeted to meet the needs iden-  
6 tified in section 1402 of the National Agriculture  
7 Research, Extension, and Teaching Policy Act of  
8 1977.

9 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
10 are authorized to be appropriated such sums as are nec-  
11 essary for each of the fiscal years 2002 through 2011 to  
12 carry out this section.

13 **SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY**  
14 **AND RESULTING AUTHORITIES.**

15 (a) REVIEW OF PAYMENT OF COMPENSATION.—Sec-  
16 tion 415(e) of the Plant Protection Act (7 U.S.C. 7715(e))  
17 is amended by inserting before the final period the fol-  
18 lowing: “or review by any officer of the Government other  
19 than the Secretary or the designee of the Secretary”.

20 (b) REVIEW OF CERTAIN DECISIONS.—

21 (1) PLANT PROTECTION ACT.—Section 442 of  
22 the Plant Protection Act (7 U.S.C. 7772) is amend-  
23 ed by adding at the end following new subsection:

24 “(f) SECRETARIAL DISCRETION.—The action of any  
25 officer, employee, or agent of the Secretary in carrying

1 out this section, including determining the amount of and  
2 making any payment authorized to be made under this  
3 section, shall not be subject to review by any officer of  
4 the Government other than the Secretary or the designee  
5 of the Secretary.”.

6 (2) OTHER PLANT AND ANIMAL PEST AND DIS-  
7 EASE LAWS.—Section 11 of the Act of May 29, 1884  
8 (21 U.S.C. 114a; commonly known as the “Animal  
9 Industry Act”) and the first section of the Act of  
10 September 25, 1981 (7 U.S.C. 147b), are each  
11 amended by adding at the end the following new  
12 sentence: “The action of any officer, employee, or  
13 agent of the Secretary in carrying out this section,  
14 including determining the amount of and making  
15 any payment authorized to be made under this sec-  
16 tion, shall not be subject to review by any officer of  
17 the Government other than the Secretary or the des-  
18 ignee of the Secretary.”.

19 (c) METHYL BROMIDE.—The Plant Protection Act (7  
20 U.S.C. 7701 et seq.) is amended by inserting after section  
21 418 the following new section:

22 **“SEC. 419. METHYL BROMIDE.**

23 “(a) IN GENERAL.—The Secretary, upon request of  
24 State, local, or tribal authorities, shall determine whether  
25 methyl bromide treatments or applications required by

1 State, local, or tribal authorities to prevent the introduc-  
2 tion, establishment, or spread of plant pests (including  
3 diseases) or noxious weeds should be authorized as an offi-  
4 cial control or official requirement.

5 “(b) ADMINISTRATION.—

6 “(1) TIMELINE FOR DETERMINATION.—The  
7 Secretary shall make the determination required by  
8 subsection (a) not later than 90 days after receiving  
9 the request for such a determination.

10 “(2) REGULATIONS.—The promulgation of reg-  
11 ulations for and the administration of this section  
12 shall be made without regard to—

13 “(A) the notice and comment provisions of  
14 section 553 of title 5, United States Code;

15 “(B) the Statement of Policy of the Sec-  
16 retary of Agriculture, effective July 24, 1971  
17 (36 Fed. Reg. 13804; relating to notices of pro-  
18 posed rulemaking and public participation in  
19 rulemaking); and

20 “(C) chapter 35 of title 44, United States  
21 Code (commonly known as the ‘Paperwork Re-  
22 duction Act’).

23 “(c) REGISTRY.—Not later than 180 days after the  
24 date of the enactment of this section, the Secretary shall  
25 publish, and thereafter maintain, a registry of State, local,

1 and tribal requirements authorized by the Secretary under  
2 this section.”.

3 **Subtitle D—Repeal of Certain**  
4 **Activities and Authorities**

5 **SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE**  
6 **AND NATIONAL CONFERENCE.**

7 (a) REPEAL.—Subsections (b) and (c) of section 615  
8 of the Agricultural Research, Extension, and Education  
9 Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are re-  
10 pealed.

11 (b) CONFORMING AMENDMENTS.—

12 (1) GENERALLY.—Section 615 of such Act is  
13 amended—

14 (A) in the section heading, by striking  
15 “**AND NATIONAL CONFERENCE**”;

16 (B) by striking “(a) FOOD SAFETY RE-  
17 SEARCH INFORMATION OFFICE.—”;

18 (C) by redesignating paragraphs (1), (2),  
19 and (3) as subsections (a), (b), and (c), respec-  
20 tively, and moving the margins 2 ems to the  
21 left;

22 (D) in subsection (b) (as so redesignated),  
23 by redesignating subparagraphs (A) and (B) as  
24 paragraphs (1) and (2), respectively, and mov-  
25 ing the margins 2 ems to the left; and



1 (E) in subsection (c) (as so redesignated),  
2 by striking “this subsection” and inserting  
3 “this section”.

4 (2) TABLE OF SECTIONS.—The table of sections  
5 for such Act is amended by striking “and National  
6 Conference” in the item relating to section 617.

7 **SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP**  
8 **PROMOTION, RESEARCH, AND INFORMATION**  
9 **ACT OF 1994.**

10 Section 617 of the Agricultural Research, Extension,  
11 and Education Reform Act of 1998 (Public Law 105–185;  
12 112 Stat. 607) is repealed.

13 **SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.**

14 Section 1634 of the Food, Agriculture, Conservation,  
15 and Trade Act of 1990 (7 U.S.C. 5843) is repealed.

16 **SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL**  
17 **WEATHER.**

18 Section 1639 of the Food, Agriculture, Conservation,  
19 and Trade Act of 1990 (7 U.S.C. 5853) is repealed.

20 **SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH**  
21 **IRELAND.**

22 Section 1420 of the National Agricultural Research,  
23 Extension and Teaching Policy Act Amendments of 1985  
24 (Public Law 99–198; 99 Stat. 1551) is repealed.

1 **SEC. 776. PESTICIDE RESISTANCE STUDY.**

2 Section 1437 of the National Agricultural Research,  
3 Extension, and Teaching Policy Act of 1985 (Public Law  
4 99–198; 99 Stat. 1558) is repealed.

5 **SEC. 777. EXPANSION OF EDUCATION STUDY.**

6 Section 1438 of the National Agricultural Research,  
7 Extension, and Teaching Policy Act Amendments of 1985  
8 (Public Law 99–198; 99 Stat. 1559) is repealed.

9 **SEC. 778. SUPPORT FOR ADVISORY BOARD.**

10 (a) REPEAL.—Section 1412 of the National Agricul-  
11 tural Research, Extension, and Teaching Policy Act of  
12 1977 (7 U.S.C. 3127) is repealed.

13 (b) CONFORMING AMENDMENT.—Section 1413(e) of  
14 such Act (7 U.S.C. 3128(c)) is amended by striking “sec-  
15 tion 1412 of this title and”.

16 **SEC. 779. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR**  
17 **AGRICULTURAL RESEARCH FACILITIES.**

18 (a) REPEAL.—Section 4 of the Research Facilities  
19 Act (7 U.S.C. 390b) is repealed.

20 (b) CONFORMING AMENDMENT.—Section 2 of such  
21 Act (7 U.S.C. 390) is amended by striking paragraph (5).

1     **Subtitle E—Agriculture Facility**  
 2                     **Protection**

3     **SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRI-**  
 4                     **CULTURAL ENTERPRISES, RESEARCH FA-**  
 5                     **CILITIES, AND OTHER ENTITIES.**

6             (a) DEFINITIONS.—The Research Facilities Act (7  
 7 U.S.C. 390 et seq.) is amended—

8                     (1) by redesignating section 6 as section 7; and

9                     (2) by inserting after section 5 the following

10            new section:

11    **“SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRI-**  
 12                     **CULTURAL ENTERPRISES, RESEARCH FACILI-**  
 13                     **TIES, AND OTHER ENTITIES AGAINST DISRUP-**  
 14                     **TION.**

15            “(a) DEFINITIONS.—For the purposes of this section,  
 16 the following definitions apply:

17                     “(1) ANIMAL OR AGRICULTURAL ENTER-  
 18                     PRISE.—The term ‘animal or agricultural enterprise’  
 19                     means any of the following:

20                             “(A) A commercial, governmental, or aca-  
 21                             demic enterprise that uses animals, plants, or  
 22                             other biological materials for food or fiber pro-  
 23                             duction, breeding, processing, research, or test-  
 24                             ing.

1           “(B) A zoo, aquarium, circus, rodeo, or  
2 other entity that exhibits or uses animals,  
3 plants, or other biological materials for edu-  
4 cational or entertainment purposes.

5           “(C) A fair or similar event intended to  
6 advance agricultural arts and sciences.

7           “(D) A facility managed or occupied by an  
8 association, federation, foundation, council, or  
9 other group or entity of food or fiber producers,  
10 processors, or agricultural or biomedical re-  
11 searchers intended to advance agricultural or  
12 biomedical arts and sciences.

13           “(2) ECONOMIC DAMAGE.—The term ‘economic  
14 damage’ means the replacement of the following:

15           “(A) The cost of lost or damaged property  
16 (including all real and personal property) of an  
17 animal or agricultural enterprise.

18           “(B) The cost of repeating an interrupted  
19 or invalidated experiment.

20           “(C) The loss of revenue (including costs  
21 related to business recovery) directly related to  
22 the disruption of an animal or agricultural en-  
23 terprise.

24           “(D) The cost of the tuition and expenses  
25 of any student to complete an academic pro-

1           gram that was disrupted, or to complete a re-  
2           placement program, when the tuition and ex-  
3           penses are incurred as a result of the damage  
4           or loss of the property of an animal or agricul-  
5           tural enterprise.

6           “(3) PROPERTY OF AN ANIMAL OR AGRICUL-  
7           TURAL ENTERPRISE.—The term ‘property of an ani-  
8           mal or agricultural enterprise’ means real and per-  
9           sonal property of or used by any of the following:

10                   “(A) An animal or agricultural enterprise.

11                   “(B) An employee of an animal or agricul-  
12                   tural enterprise.

13                   “(C) A student attending an academic ani-  
14                   mal or agricultural enterprise.

15           “(4) DISRUPTION.—The term ‘disruption’ does  
16           not include any lawful disruption that results from  
17           lawful public, governmental, or animal or agricul-  
18           tural enterprise employee reaction to the disclosure  
19           of information about an animal or agricultural en-  
20           terprise.

21           “(b) VIOLATION.—A person may not recklessly,  
22           knowingly, or intentionally cause, or contribute to, the dis-  
23           ruption of the functioning of an animal or agricultural en-  
24           terprise by damaging or causing the loss of any property

1 of the animal or agricultural enterprise that results in eco-  
2 nomic damage, as determined by the Secretary.

3 “(c) ASSESSMENT OF CIVIL PENALTY.—

4 “(1) IN GENERAL.—The Secretary may impose  
5 on any person that the Secretary determines violates  
6 subsection (b) a civil penalty in an amount deter-  
7 mined under paragraphs (2) and (3). The civil pen-  
8 alty may be assessed only on the record after an op-  
9 portunity for a hearing.

10 “(2) RECOVERY OF DEPARTMENT COSTS.—The  
11 civil penalty assessed by the Secretary against a per-  
12 son for a violation of subsection (b) shall be not less  
13 than the total cost incurred by the Secretary for in-  
14 vestigation of the violation, conducting any hearing  
15 regarding the violation, and assessing the civil pen-  
16 alty.

17 “(3) RECOVERY OF ECONOMIC DAMAGE.—In ad-  
18 dition to the amount determined under paragraph  
19 (2), the amount of the civil penalty shall include the  
20 an amount not less than the total cost (or, in the  
21 case of knowing or intentional disruption, not less  
22 than 150 percent of the total cost) of the economic  
23 damage incurred by the animal or agricultural enter-  
24 prise, any employee of the animal or agricultural en-  
25 terprise, or any student attending an academic ani-

1 mal or agricultural enterprise as a result of the  
2 damage or loss of the property of an animal or agri-  
3 cultural enterprise.

4 “(d) IDENTIFICATION.—The Secretary shall identify  
5 for each civil penalty assessed under subsection (c), the  
6 portion of the amount of the civil penalty that represents  
7 the recovery of Department costs and the portion that rep-  
8 resents the recovery of economic losses.

9 “(e) OTHER FACTORS IN DETERMINING PENALTY.—  
10 In determining the amount of a civil penalty under sub-  
11 section (c), the Secretary shall consider the following:

12 “(1) The nature, circumstance, extent, and  
13 gravity of the violation or violations.

14 “(2) The ability of the injured animal or agri-  
15 cultural enterprise to continue to operate, costs in-  
16 curred by the animal or agricultural enterprise to re-  
17 cover lost business, and the effect of the violation on  
18 earnings of employees of the animal or agricultural  
19 enterprise.

20 “(3) The interruptions experienced by students  
21 attending an academic animal or agricultural enter-  
22 prise.

23 “(4) Whether the violator has previously vio-  
24 lated subsection (a).

25 “(5) The violator’s degree of culpability.

1 “(f) FUND TO ASSIST VICTIMS OF DISRUPTION.—

2 “(1) FUND ESTABLISHED.—There is estab-  
3 lished in the Treasury a fund which shall consist of  
4 that portion of each civil penalty collected under  
5 subsection (c) that represents the recovery of eco-  
6 nomic damages.

7 “(2) USE OF AMOUNTS IN FUND.—The Sec-  
8 retary of Agriculture shall use amounts in the fund  
9 to compensate animal or agricultural enterprises,  
10 employees of an animal or agricultural enterprise,  
11 and student attending an academic animal or agri-  
12 cultural enterprise for economic losses incurred as a  
13 result of the disruption of the functioning of an ani-  
14 mal or agricultural enterprise in violation of sub-  
15 section (b).”.

16 **TITLE VIII—FORESTRY**  
17 **INITIATIVES**

18 **SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM**  
19 **AND STEWARDSHIP INCENTIVE PROGRAM.**

20 (a) REPEALS.—The Cooperative Forestry Assistance  
21 Act of 1978 is amended by striking section 4 (16 U.S.C.  
22 2103) and section 6 (16 U.S.C. 2103b).

23 (b) CONFORMING AMENDMENT.—Section 246(b) of  
24 the Department of Agriculture Reorganization Act of



1 1994 (7 U.S.C. 6962(b)) is amended by striking para-  
2 graph (2).

3 **SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCE-**  
4 **MENT PROGRAM.**

5 (a) FINDINGS.—Congress finds the following:

6 (1) There is a growing dependence on private  
7 nonindustrial forest lands to supply the necessary  
8 market commodities and nonmarket values, such as  
9 habitat for fish and wildlife, aesthetics, outdoor  
10 recreation opportunities, and other forest resources,  
11 required by a growing population.

12 (2) There is a strong demand for expanded as-  
13 sistance programs for owners of nonindustrial pri-  
14 vate forest land since the majority of the wood sup-  
15 ply of the United States comes from nonindustrial  
16 private forest land.

17 (3) The soil, carbon stores, water and air qual-  
18 ity of the United States can be maintained and im-  
19 proved through good stewardship of nonindustrial  
20 private forest lands.

21 (4) The products and services resulting from  
22 stewardship of nonindustrial private forest lands  
23 provide income and employment that contribute to  
24 the economic health and diversity of rural commu-  
25 nities.

1           (5) Wildfires threaten human lives, property,  
2           forests, and other resources, and Federal and State  
3           cooperation in forest fire prevention and control has  
4           proven effective and valuable, in that properly man-  
5           aged forest stands are less susceptible to cata-  
6           strophic fire, as dramatized by the catastrophic fire  
7           seasons of 1998 and 2000.

8           (6) Owners of private nonindustrial forest lands  
9           are being faced with increased pressure to convert  
10          their forestland to development and other uses.

11          (7) Complex, long-rotation forest investments,  
12          including sustainable hardwood management, are  
13          often the most difficult commitment for small, non-  
14          industrial private forest landowners and, thus,  
15          should receive equal consideration under cost-share  
16          programs.

17          (8) The investment of one Federal dollar in  
18          State and private forestry programs is estimated to  
19          leverage \$9 on average from State, local, and private  
20          sources.

21          (b) PURPOSE.—It is the purpose of this section to  
22          strengthen the commitment of the Department of Agri-  
23          culture to sustainable forestry and to establish a coordi-  
24          nated and cooperative Federal, State, and local sustain-  
25          able forest program for the establishment, management,

1 maintenance, enhancement, and restoration of forests on  
2 nonindustrial private forest lands in the United States.

3 (c) FOREST LAND ENHANCEMENT PROGRAM.—The  
4 Cooperative Forestry Assistance Act of 1978 is amended  
5 by inserting after section 3 (16 U.S.C. 2102) the following  
6 new section 4:

7 **“SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.**

8 “(a) ESTABLISHMENT.—

9 “(1) ESTABLISHMENT; PURPOSE.—The Sec-  
10 retary shall establish a Forest Land Enhancement  
11 Program (in this section referred to as the ‘Pro-  
12 gram’) for the purpose of providing financial, tech-  
13 nical, educational, and related assistance to State  
14 foresters to encourage the long-term sustainability of  
15 nonindustrial private forest lands in the United  
16 States by assisting the owners of such lands in more  
17 actively managing their forest and related resources  
18 by utilizing existing State, Federal, and private sec-  
19 tor resource management expertise, financial assist-  
20 ance, and educational programs.

21 “(2) ADMINISTRATION.—The Secretary shall  
22 carry out the Program within, and administer the  
23 Program through, the Farm Service Agency.

1           “(3) COORDINATION.—The Secretary shall im-  
2       plement the Program in coordination with State for-  
3       esters.

4           “(b) PROGRAM OBJECTIVES.—In implementing the  
5       Program, the Secretary shall target resources to achieve  
6       the following objectives:

7           “(1) Investment in practices to establish, re-  
8       store, protect, manage, maintain, and enhance the  
9       health and productivity of the nonindustrial private  
10      forest lands in the United States for timber, habitat  
11      for flora and fauna, water quality, and wetlands.

12          “(2) Ensuring that afforestation, reforestation,  
13      improvement of poorly stocked stands, timber stand  
14      improvement, practices necessary to improve seed-  
15      ling growth and survival, and growth enhancement  
16      practices occur where needed to enhance and sustain  
17      the long-term productivity of timber and nontimber  
18      forest resources to help meet future public demand  
19      for all forest resources and provide environmental  
20      benefits.

21          “(3) Reduce the risks and help restore, recover,  
22      and mitigate the damage to forests caused by fire,  
23      insects, invasive species, disease, and damaging  
24      weather.

1           “(4) Increase and enhance carbon sequestration  
2 opportunities.

3           “(5) Enhance implementation of agroforestry  
4 practices.

5           “(6) Maintain and enhance the forest landbase  
6 and leverage State and local financial and technical  
7 assistance to owners that promote the same con-  
8 servation and environmental values.

9           “(c) ELIGIBILITY.—

10           “(1) IN GENERAL.—An owner of nonindustrial  
11 private forest land is eligible for cost-sharing assist-  
12 ance under the Program if the owner—

13           “(A) agrees to develop and implement an  
14 individual stewardship, forest, or stand manage-  
15 ment plan addressing site specific activities and  
16 practices in cooperation with, and approved by,  
17 the State forester, state official, or private sec-  
18 tor program in consultation with the State for-  
19 ester;

20           “(B) agrees to implement approved activi-  
21 ties in accordance with the plan for a period of  
22 not less than 10 years, unless the State forester  
23 approves a modification to such plan; and

24           “(C) meets the acreage restrictions as de-  
25 termined by the State forester in conjunction

1 with the State Forest Stewardship Coordinating  
2 Committee established under section 19.

3 “(2) STATE PRIORITIES.—The Secretary, in  
4 consultation with the State forester and the State  
5 Forest Stewardship Coordinating Committee may  
6 develop State priorities for cost sharing under the  
7 Program that will promote forest management objec-  
8 tives in that State.

9 “(3) DEVELOPMENT OF PLAN.—An owner shall  
10 be eligible for cost-share assistance for the develop-  
11 ment of the individual stewardship, forest, or stand  
12 management plan required by paragraph (1).

13 “(d) APPROVED ACTIVITIES.—

14 “(1) DEVELOPMENT.—The Secretary, in con-  
15 sultation with the State Forest Stewardship Coordi-  
16 nating Committee, shall develop a list of approved  
17 forest activities and practices that will be eligible for  
18 cost-share assistance under the Program within each  
19 State.

20 “(2) TYPE OF ACTIVITIES.—In developing a list  
21 of approved activities and practices under paragraph  
22 (1), the Secretary shall attempt to achieve the estab-  
23 lishment, restoration, management, maintenance,  
24 and enhancement of forests and trees for the fol-  
25 lowing:

1           “(A) The sustainable growth and manage-  
2           ment of forests for timber production.

3           “(B) The restoration, use, and enhance-  
4           ment of forest wetlands and riparian areas.

5           “(C) The protection of water quality and  
6           watersheds through the application of State-de-  
7           veloped forestry best management practices.

8           “(D) Energy conservation and carbon se-  
9           questration purposes.

10          “(E) Habitat for flora and fauna.

11          “(F) The control, detection, and moni-  
12          toring of invasive species on forestlands as well  
13          as preventing the spread and providing for the  
14          restoration of lands affected by invasive species.

15          “(G) Hazardous fuels reduction and other  
16          management activities that reduce the risks and  
17          help restore, recover, and mitigate the damage  
18          to forests caused by fire.

19          “(H) The development of forest or stand  
20          management plans.

21          “(I) Other activities approved by the Sec-  
22          retary, in coordination with the State Forest  
23          Stewardship Coordinating Committee.

24          “(e) COOPERATION.—In implementing the Program,  
25          the Secretary shall cooperate with other Federal, State,

1 and local natural resource management agencies, institu-  
2 tions of higher education, and the private sector.

3 “(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

4 “(1) IN GENERAL.—The Secretary shall share  
5 the cost of implementing the approved activities that  
6 the Secretary determines are appropriate, in the  
7 case of an owner that has entered into an agreement  
8 to place nonindustrial private forest lands of the  
9 owner in the Program.

10 “(2) RATE.—The Secretary shall determine the  
11 appropriate reimbursement rate for cost-share pay-  
12 ments under paragraph (1) and the schedule for  
13 making such payments.

14 “(3) MAXIMUM.—The Secretary shall not make  
15 cost-share payments under this subsection to an  
16 owner in an amount in excess of 75 percent of the  
17 total cost, or a lower percentage as determined by  
18 the State forester, to such owner for implementing  
19 the practices under an approved plan. The maximum  
20 payments to any one owner shall be determined by  
21 the Secretary.

22 “(4) CONSULTATION.—The Secretary shall  
23 make determinations under this subsection in con-  
24 sultation with the State forester.

25 “(g) RECAPTURE.—



1           “(1) IN GENERAL.—The Secretary shall estab-  
2       lish and implement a mechanism to recapture pay-  
3       ments made to an owner in the event that the owner  
4       fails to implement any approved activity specified in  
5       the individual stewardship, forest, or stand manage-  
6       ment plan for which such owner received cost-share  
7       payments.

8           “(2) ADDITIONAL REMEDY.—The remedy pro-  
9       vided in paragraph (1) is in addition to any other  
10      remedy available to the Secretary.

11          “(h) DISTRIBUTION.—The Secretary shall distribute  
12      funds available for cost sharing under the Program among  
13      the States only after giving appropriate consideration to—

14           “(1) the total acreage of nonindustrial private  
15      forest land in each State;

16           “(2) the potential productivity of such land;

17           “(3) the number of owners eligible for cost  
18      sharing in each State;

19           “(4) the opportunities to enhance non-timber  
20      resources on such forest lands;

21           “(5) the anticipated demand for timber and  
22      nontimber resources in each State;

23           “(6) the need to improve forest health to mini-  
24      mize the damaging effects of catastrophic fire, in-  
25      sects, disease, or weather; and

1           “(7) the need and demand for agroforestry  
2 practices in each State.

3           “(i) DEFINITIONS.—In this section:

4           “(1) NONINDUSTRIAL PRIVATE FOREST  
5 LANDS.—The term ‘nonindustrial private forest  
6 lands’ means rural lands, as determined by the Sec-  
7 retary, that—

8                   “(A) have existing tree cover or are suit-  
9 able for growing trees; and

10                   “(B) are owned or controlled by any non-  
11 industrial private individual, group, association,  
12 corporation, Indian tribe, or other private legal  
13 entity (other than a nonprofit private legal enti-  
14 ty) so long as the individual, group, association,  
15 corporation, tribe, or entity has definitive deci-  
16 sion-making authority over the lands, including  
17 through long-term leases and other land tenure  
18 systems, for a period of time long enough to en-  
19 sure compliance with the Program.

20           “(2) OWNER.—The term ‘owner’ includes a pri-  
21 vate individual, group, association, corporation, In-  
22 dian tribe, or other private legal entity (other than  
23 a nonprofit private legal entity) that has definitive  
24 decision-making authority over nonindustrial private

1 forest lands through a long-term lease or other land  
2 tenure systems.

3 “(3) SECRETARY.—The term ‘Secretary’ means  
4 the Secretary of Agriculture.

5 “(4) STATE FORESTER.—The term ‘State for-  
6 ester’ means the director or other head of a State  
7 Forestry Agency or equivalent State official.

8 “(j) AVAILABILITY OF FUNDS.—The Secretary shall  
9 use \$150,000,000 of funds of the Commodity Credit Cor-  
10 poration to carry out the Program during the period be-  
11 ginning on October 1, 2001, and ending on September 30,  
12 2011.”.

13 **SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.**

14 (a) EXTENSION AND AUTHORIZATION INCREASE.—  
15 Section 6 of the Renewable Resources Extension Act of  
16 1978 (16 U.S.C. 1675) is amended—

17 (1) by striking “\$15,000,000” and inserting  
18 “\$30,000,000”; and

19 (2) by striking “2002” and inserting “2011”.

20 (b) SUSTAINABLE FORESTRY OUTREACH INITIA-  
21 TIVE.—The Renewable Resources Extension Act of 1978  
22 is amended by inserting after section 5A (16 U.S.C.  
23 1674a) the following new section:

1 **“SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.**

2 “The Secretary shall establish a program to be known  
3 as the ‘Sustainable Forestry Outreach Initiative’ for the  
4 purpose of educating landowners regarding the following:

5 “(1) The value and benefits of practicing sus-  
6 tainable forestry.

7 “(2) The importance of professional forestry  
8 advice in achieving their sustainable forestry objec-  
9 tives.

10 “(3) The variety of public and private sector re-  
11 sources available to assist them in planning for and  
12 practicing sustainable forestry.”.

13 **SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.**

14 (a) FINDINGS.—Congress finds the following:

15 (1) The severity and intensity of wildland fires  
16 has increased dramatically over the past few decades  
17 as a result of past fire and land management poli-  
18 cies.

19 (2) The record 2000 fire season is a prime ex-  
20 ample of what can be expected if action is not taken.

21 (3) These wildfires threaten not only the na-  
22 tion’s forested resources, but the thousands of com-  
23 munities intermingled with the wildlands in the  
24 wildland-urban interface.

25 (4) The National Fire Plan developed in re-  
26 sponse to the 2000 fire season is the proper, coordi-

1 nated, and most effective means to address this wild-  
2 fire issue.

3 (5) Whereas adequate authorities exist to tackle  
4 the wildfire issues at the landscape level on Federal  
5 lands, there lacks strong authority to take action on  
6 most private lands where the largest threat to life  
7 and property lies.

8 (6) There is a significant Federal interest in en-  
9 hancing community protection from wildfire.

10 (b) ENHANCED PROTECTION.—The Cooperative For-  
11 estry Assistance Act of 1978 is amended by inserting after  
12 section 10 (16 U.S.C. 2106) the following new section:

13 **“SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.**

14 “(a) COOPERATIVE MANAGEMENT RELATED TO  
15 WILDFIRE THREATS.—The Secretary may cooperate with  
16 State foresters and equivalent State officials in the man-  
17 agement of lands in the United States for the following  
18 purposes:

19 “(1) Aid in wildfire prevention and control;

20 “(2) Protect communities from wildfire threats;

21 “(3) Enhance the growth and maintenance of  
22 trees and forests that promote overall forest health.

23 “(4) Ensure the continued production of all for-  
24 est resources, including timber, outdoor recreation  
25 opportunities, wildlife habitat, and clean water,

1 through conservation of forest cover on watersheds,  
2 shelterbelts, and windbreaks.

3 “(b) COMMUNITY AND PRIVATE LAND FIRE ASSIST-  
4 ANCE PROGRAM.—

5 “(1) ESTABLISHMENT; PURPOSE.—The Sec-  
6 retary shall establish a Community and Private  
7 Land Fire Assistance program—

8 “(A) to focus the Federal role in pro-  
9 moting optimal firefighting efficiency at the  
10 Federal, State, and local levels;

11 “(B) to augment Federal projects that es-  
12 tablish landscape level protection from wildfires;

13 “(C) to expand outreach and education  
14 programs to homeowners and communities  
15 about fire prevention; and

16 “(D) to establish defensible space around  
17 private landowners homes and property against  
18 wildfires.

19 “(2) COMPONENTS.—In coordination with exist-  
20 ing authorities under this Act, the Secretary may  
21 undertake on both Federal and non-Federal lands—

22 “(A) fuel hazard mitigation and preven-  
23 tion;

24 “(B) invasive species management;

25 “(C) multi-resource wildfire planning;

1 “(D) community protection planning;

2 “(E) community and landowner education  
3 enterprises, including the program known as  
4 FIREWISE;

5 “(F) market development and expansion;

6 “(G) improved wood utilization;

7 “(H) special restoration projects.

8 “(3) CONSIDERATIONS.—The Secretary shall  
9 use local contract personnel wherever possible to  
10 carry out projects under the Program.

11 “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
12 are hereby authorized to be appropriated to the Secretary  
13 \$35,000,000 for each of fiscal years 2002 through 2011,  
14 and such sums as may be necessary thereafter, to carry  
15 out this section.”.

16 **SEC. 805. INTERNATIONAL FORESTRY PROGRAM.**

17 Section 2405(d) of the Global Climate Change Pre-  
18 vention Act of 1990 (title XXIV of Public Law 101–624;  
19 7 U.S.C. 6704(d)) is amended by striking “2002” and in-  
20 serting “2011”.

21 **SEC. 806. LONG-TERM FOREST STEWARDSHIP CONTRACTS**  
22 **FOR HAZARDOUS FUELS REMOVAL AND IM-**  
23 **PLEMENTATION OF NATIONAL FIRE PLAN.**

24 (a) ANNUAL ASSESSMENT OF TREATMENT ACRE-  
25 AGE.—Not later than March 1 of each of fiscal years 2002

1 through 2006, the Secretary concerned shall submit to  
2 Congress an assessment of the number of acres of forested  
3 Federal lands recommended to be treated during the next  
4 fiscal year using stewardship end result contracts author-  
5 ized by subsection (c). The assessment shall be based on  
6 the treatment schedules contained in the report entitled  
7 “Protecting People and Sustaining Resources in Fire-  
8 Adapted Ecosystems”, dated October 13, 2000, and incor-  
9 porated into the National Fire Plan. The assessment shall  
10 identify the acreage by condition class, type of treatment,  
11 and treatment year to achieve the restoration goals out-  
12 lined in the report within 10-, 15-, and 20-year time peri-  
13 ods. The assessment shall also include changes in the res-  
14 toration goals based on the effects of fire, hazardous fuel  
15 treatments pursuant to the National Fire Plan, or updates  
16 in data.

17 (b) FUNDING RECOMMENDATION.—The Secretary  
18 concerned shall include in the annual assessment a request  
19 for funds sufficient to implement the recommendations  
20 contained in the assessment using stewardship end result  
21 contracts under subsection (c) when the Secretary con-  
22 cerned determines that the objectives of the National Fire  
23 Plan are best accomplished through forest stewardship  
24 end result contracting.

25 (c) STEWARDSHIP END RESULT CONTRACTING.—



1           (1) **AUTHORITY.**—Subject to the amount of  
2 funds made available pursuant to subsection (b), the  
3 Secretary concerned may enter into stewardship end  
4 result contracts to implement the National Fire Plan  
5 on Federal lands based upon the stewardship treat-  
6 ment schedules provided in the annual assessments  
7 under subsection (a). The contracting goals and au-  
8 thorities described in subsections (b) through (f) of  
9 section 347 of the Department of the Interior and  
10 Related Agencies Appropriations Act, 1999 (as con-  
11 tained in section 101(e) of division A of Public Law  
12 105–277; 16 U.S.C. 2104 note; commonly known as  
13 the Stewardship End Result Contracting Dem-  
14 onstration Project) shall apply to contracts entered  
15 into under this subsection, except that the period of  
16 the contract shall be 10 years.

17           (2) **DURATION.**—The authority of the Secretary  
18 concerned to enter into contracts under this sub-  
19 section expires September 30, 2007.

20           (d) **STATUS REPORT.**—Beginning with the assess-  
21 ment required under subsection (a) in 2003, the Secretary  
22 concerned shall include in the annual assessment a status  
23 report of the stewardship end result contracts entered into  
24 under the authority of this section.

25           (e) **DEFINITIONS.**—In this section:

1 In this Act:

2 (1) FEDERAL LANDS.—The term “Federal  
3 lands” means—

4 (A) National Forest System lands;

5 (B) public lands administered by the Sec-  
6 retary of the Interior, acting through the Bu-  
7 reau of Land Management; and

8 (C) Indian lands.

9 (2) INDIAN LANDS.—The term “Indian lands”  
10 means—

11 (A) lands held in trust by the United  
12 States for the benefit of an Indian tribe;

13 (B) lands held by an Indian tribe subject  
14 to restriction by the United States against  
15 alienation; and

16 (C) lands held by an incorporated Alaska  
17 Native group, regional corporation, or village  
18 corporation under the provisions of the Alaska  
19 Native Claims Settlement Act (43 U.S.C. 1601  
20 et seq.).

21 (3) SECRETARY CONCERNED.—The term “Sec-  
22 retary concerned” means—

23 (A) the Secretary of Agriculture or the  
24 designee of the Secretary of Agriculture with

1           respect to the Federal lands described in para-  
2           graph (1)(A); and

3                   (B) the Secretary of the Interior or the  
4           designee of the Secretary of the Interior with  
5           respect to the Federal lands described in para-  
6           graphs (1)(B) and (1)(C).

7 **SEC. 807. MCINTIRE-STENNIS COOPERATIVE FORESTRY RE-**  
8                   **SEARCH PROGRAM.**

9           It is the sense of Congress to reaffirm the importance  
10 of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly  
11 known as the McIntire-Stennis Cooperative Forestry Act.

12                   **TITLE IX—MISCELLANEOUS**  
13                           **PROVISIONS**  
14                           **Subtitle A—Tree Assistance**  
15                                   **Program**

16 **SEC. 901. ELIGIBILITY.**

17           (a) LOSS.—Subject to the limitation in subsection  
18 (b), the Secretary of Agriculture shall provide assistance,  
19 as specified in section 902, to eligible orchardists that  
20 planted trees for commercial purposes but lost such trees  
21 as a result of a natural disaster, as determined by the  
22 Secretary.

23           (b) LIMITATION.—An eligible orchardist shall qualify  
24 for assistance under subsection (a) only if such orchard-

1 ist's tree mortality, as a result of the natural disaster, ex-  
2 ceeds 15 percent (adjusted for normal mortality).

3 **SEC. 902. ASSISTANCE.**

4 The assistance provided by the Secretary of Agri-  
5 culture to eligible orchardists for losses described in sec-  
6 tion 901 shall consist of either—

7 (1) reimbursement of 75 percent of the cost of  
8 replanting trees lost due to a natural disaster, as de-  
9 termined by the Secretary, in excess of 15 percent  
10 mortality (adjusted for normal mortality); or

11 (2) at the discretion of the Secretary, sufficient  
12 seedlings to reestablish the stand.

13 **SEC. 903. LIMITATION ON ASSISTANCE.**

14 (a) **LIMITATION.**—The total amount of payments  
15 that a person shall be entitled to receive under this subtitle  
16 may not exceed \$50,000, or an equivalent value in tree  
17 seedlings.

18 (b) **REGULATIONS.**—The Secretary of Agriculture  
19 shall issue regulations—

20 (1) defining the term “person” for the purposes  
21 of this subtitle, which shall conform, to the extent  
22 practicable, to the regulations defining the term  
23 “person” issued under section 1001 of the Food Se-  
24 curity Act of 1985 (7 U.S.C. 1308) and the Disaster  
25 Assistance Act of 1988 (7 U.S.C. 1421 note); and

1           (2) prescribing such rules as the Secretary de-  
2       termines necessary to ensure a fair and reasonable  
3       application of the limitation established under this  
4       section.

5 **SEC. 904. DEFINITIONS.**

6       In this subtitle:

7           (1) ELIGIBLE ORCHARDIST.—The term “eligible  
8       orchardist” means a person who produces annual  
9       crops from trees for commercial purposes and owns  
10      500 acres or less of such trees.

11          (2) NATURAL DISASTER.—The term “natural  
12      disaster” includes plant disease, insect infestation,  
13      drought, fire, freeze, flood, earthquake, and other  
14      occurrences, as determined by the Secretary.

15          (3) TREE.—The term “tree” includes trees,  
16      bushes, and vines.

17 **SEC. 905. DUPLICATIVE PAYMENTS.**

18       The Secretary of Agriculture shall establish guide-  
19      lines to ensure that no person receives duplicative pay-  
20      ments under this subtitle and the forestry incentives pro-  
21      gram, agricultural conservation program, or other Federal  
22      program.

1                   **Subtitle B—Other Matters**

2   **SEC. 911. HAZARDOUS FUEL REDUCTION GRANTS TO PRE-**  
3                   **VENT WILDFIRE DISASTERS AND TRANS-**  
4                   **FORM HAZARDOUS FUELS TO ELECTRIC EN-**  
5                   **ERGY, USEFUL HEAT, OR TRANSPORTATION**  
6                   **FUELS.**

7           (a) FINDINGS.—Congress finds the following:

8                   (1) The damages caused by wildfire disasters  
9           have been equivalent in magnitude to the damage re-  
10          sulting from the Northridge earthquake, Hurricane  
11          Andrew, and the recent flooding of the Mississippi  
12          River and the Red River.

13                  (2) More than 20,000 communities in the  
14          United States are at risk to wildfire and approxi-  
15          mately 11,000 of these communities are located near  
16          Federal lands. More than 72,000,000 acres of Na-  
17          tional Forest System lands and 57,000,000 acres of  
18          lands managed by the Secretary of the Interior are  
19          at risk of catastrophic fire in the near future. The  
20          accumulation of heavy forest fuel loads continues to  
21          increase as a result of disease, insect infestations,  
22          and drought, further raising the risk of fire each  
23          year.

24                  (3) Modification of forest fuel load conditions  
25          through the removal of hazardous fuels will minimize

1 catastrophic damage from wildfires, reducing the  
2 need for emergency funding to respond to wildfires  
3 and protecting lives, communities, watersheds, and  
4 wildlife habitat.

5 (4) The hazardous fuels removed from forest  
6 lands represent an abundant renewable resource as  
7 well as a significant supply of biomass for biomass-  
8 to-energy facilities.

9 (b) HAZARDOUS FUELS TO ENERGY GRANT PRO-  
10 GRAM.—The Secretary concerned may make a grant to a  
11 person that operates a biomass-to-energy facility to offset  
12 the costs incurred to purchase hazardous fuels from forest  
13 lands for use by the facility in the production of electric  
14 energy, useful heat, or transportation fuels. The Secretary  
15 concerned shall select grant recipients on the basis of their  
16 planned purchases of hazardous fuels and the level of an-  
17 ticipated benefits to reduced wildfire risk.

18 (c) GRANT AMOUNTS.—A grant under this section  
19 shall be equal to at least \$5 per ton of hazardous fuels  
20 delivered, but not to exceed \$10 per ton of hazardous fuels  
21 delivered, based on the distance of the hazardous fuels  
22 from the biomass-to-energy facility.

23 (d) MONITORING OF GRANT RECIPIENT ACTIVI-  
24 TIES.—As a condition on a grant under this section, the  
25 grant recipient shall keep such records as the Secretary

1 concerned may require to fully and correctly disclose the  
2 use of the grant funds and all transactions involved in the  
3 purchase of hazardous fuels derived from forest lands.  
4 Upon notice by a duly authorized representative of the  
5 Secretary concerned, the operator of a biomass-to-energy  
6 facility that purchases or uses the resulting hazardous  
7 fuels shall afford the representative reasonable access to  
8 the facility and an opportunity to examine the inventory  
9 and records of the facility.

10 (e) MONITORING OF EFFECT OF TREATMENTS.—The  
11 Secretary concerned shall monitor Federal lands from  
12 which hazardous fuels are removed and sold to a biomass-  
13 to-energy facility to determine and document the reduction  
14 in fire hazards on such lands.

15 (f) DEFINITIONS.—In this section:

16 (1) BIOMASS-TO-ENERGY FACILITY.—The term  
17 “biomass-to-energy facility” means a facility that  
18 uses forest biomass as a raw material to produce  
19 electric energy, useful heat, or transportation fuels.

20 (2) FOREST BIOMASS.—The term “forest bio-  
21 mass” means hazardous fuels and biomass accumu-  
22 lations from precommercial thinnings, slash, and  
23 brush on forest lands that do not satisfy the defini-  
24 tion of hazardous fuels.



1           (3) HAZARDOUS FUELS.—The term “hazardous  
2 fuels” means any unnaturally excessive accumulation  
3 of organic material, particularly in areas designated  
4 as condition class 2 or condition class 3 (as defined  
5 in the report entitled “Protecting People and Sus-  
6 tainable Resources in Fire-Adapted Ecosystems”,  
7 prepared by the Forest Service, and dated October  
8 13, 2000), on forest lands that the Secretary con-  
9 cerned determines poses a substantial present or po-  
10 tential hazard to forest ecosystems, wildlife, human,  
11 community, or firefighter safety in the case of a  
12 wildfire, particularly a wildfire in a drought year.

13           (4) SECRETARY CONCERNED.—The term “Sec-  
14 retary concerned” means—

15                   (A) the Secretary of Agriculture or the  
16 designee of the Secretary of Agriculture with  
17 respect to the National Forest System lands  
18 and private lands.

19                   (B) the Secretary of the Interior or the  
20 designee of the Secretary of the Interior with  
21 respect to Federal lands under the jurisdiction  
22 of the Secretary of the Interior and Indian  
23 lands.

1 (g) AUTHORIZATION OF APPROPRIATIONS.—There is  
2 authorized to be appropriated \$50,000,000 for each fiscal  
3 year to carry out this section.

4 **SEC. 912. BIOENERGY PROGRAM.**

5 Notwithstanding any limitations in the Commodity  
6 Credit Corporation Charter Act (15 U.S.C. 714 et seq.)  
7 or part 1424 of title 7, Code of Federal Regulations, the  
8 Commodity Credit Corporation shall designate animal  
9 fats, agricultural byproducts, and oils as eligible agricul-  
10 tural commodities for use in the Bioenergy Program to  
11 promote industrial consumption of agricultural commod-  
12 ities for the production of ethanol and biodiesel fuels.

13 **SEC. 913. AVAILABILITY OF SECTION 32 FUNDS.**

14 The 2d undesignated paragraph of section 32 of the  
15 Act of August 24, 1935 (Public Law 320; 49 Stat. 774;  
16 7 U.S.C. 612c), is amended by striking “\$300,000,000”  
17 and inserting “\$500,000,000”.

18 **SEC. 914. SENIORS FARMERS’ MARKET NUTRITION PRO-**  
19 **GRAM.**

20 For each of the fiscal years 2002 through 2011, the  
21 Secretary of Agriculture shall use \$15,000,000 of the  
22 funds available to the Commodity Credit Corporation to  
23 carry out and expand a seniors farmers’ market nutrition  
24 program. The purposes of the seniors farmers’ market nu-  
25 trition program are—

1           (1) to provide resources in the form of fresh,  
2 nutritious, unprepared, locally grown fruits, vegeta-  
3 bles, and herbs from farmers' markets, roadside  
4 stands and community supported agriculture pro-  
5 grams to low-income seniors;

6           (2) to increase the domestic consumption of ag-  
7 ricultural commodities by expanding or aiding in the  
8 expansion of domestic farmers' markets, roadside  
9 stands, and community supported agriculture pro-  
10 grams; and

11          (3) to develop or aid in the development of new  
12 and additional farmers' markets, roadside stands,  
13 and community supported agriculture programs.

14 **SEC. 915. FEDERAL MARKETING ORDER FOR CANE BER-**  
15 **RIES.**

16          The Secretary of Agriculture shall issue a Federal  
17 marketing order for cane berries grown in the United  
18 States.

○

Chairman HYDE. Without objection, the bill will be considered as read and open for amendment at any point.

The Chair yields himself 5 minutes for the purposes of presenting a statement.

We now turn to the consideration of the Farm Security Act of 2001, H.R. 2646, which has been sequentially referred to this Committee for consideration of matters within the Rule X jurisdiction of this Committee. Specifically, matters concerning food aid and agricultural export programs are in the shared jurisdiction of the International Relations Committee.

As my colleagues are well aware, the Agriculture Committee is anxious to bring this farm bill reauthorization to the floor as quickly as possible in September and the Rules Committee is expected to consider the measure next week.

To keep this process moving ahead, we are proceeding with a markup this afternoon of the trade title to the farm bill including our Committee's proposals to streamline and improve our food aid programs, authorize a permanent global school feeding program, and reauthorize a number of agricultural export programs.

Does Mr. Lantos have a statement he would like to make?

[The prepared statement of Mr. Hyde follows:]

PREPARED STATEMENT OF THE HONORABLE HENRY J. HYDE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS, AND CHAIRMAN, COMMITTEE ON INTERNATIONAL RELATIONS

H.R. 2646

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Mr. LANTOS. Thank you very much Mr. Chairman. First, I want to commend you for scheduling this very timely markup of the Agriculture Act of 2001.

I also want to commend your staff for their extraordinary cooperation that they demonstrated in drafting this legislation.

As you know, Mr. Chairman, the Committee on Agriculture reported out H.R. 2646 on August the 2nd. Included in that bill are nearly \$2 billion in funding for agricultural trade promotion programs and international food aid.

These programs are critical to millions of farm families across America and to millions of needy families across the world. These programs are reauthorized under title III of the farm bill, and are under the clear jurisdiction of this Committee.

Mr. Chairman, I was hoping that this Committee would be able to hold hearings both on the trade component and the food programs prior to this markup. Unfortunately, the bill is scheduled for floor action next week, and we were not able to gain extra time.

It is my hope, however, that we will still seek to hold hearings or briefings on these issues later this fall.

Considering the fact that agricultural exports account for nearly one-fourth of all farm income, it is vital that we continue to support our trade promotion programs. Our amendment does that by doubling assistance for market assistance programs as well as providing small increases for other key trade programs.

But we also think that the review of the effectiveness and impact of these programs is long overdue. The Hyde-Lantos amendments to title III address this by requiring the Department of Agriculture to evaluate and to report to Congress on these programs and to do a comprehensive trade policy review.

Our amendment also seeks to update the authorities under which the Department of Agriculture and AID operate their food aid programs. Committee staff has worked diligently with private voluntary organizations, the agribusinesses groups and other members of the food aid coalition, as well as with the Administration, to develop a package of reforms that would update and modernize the statutes pertaining to overseas food assistance.

Our goal was to provide the private voluntary organization community with a flexible, reliable resource for meeting the needs of poor and hungry communities around the world, while at the same time enhancing the Administration's ability to manage effectively our resources.

Finally, Mr. Chairman, I am most pleased that we have been able to include two new but very important provisions. This amendment would permanently authorize the global food for education initiative launched by my two very good friends, former Senator Bob Dole and Ambassador George McGovern. I was a happy cosponsor of H.R. 1700, introduced by our colleague, Congressman McGovern, and I am glad that we have been able to include it in this amendment.

The second provision is the Farmers for Africa and the Caribbean Initiative which was first introduced by our colleague, Congresswoman Clayton, as H.R. 1894. I know that many Members of this Committee were cosponsors of that legislation. I am pleased that we were able to include it as well.

Mr. Chairman, let me conclude by saying that these programs epitomize the true American spirit and the values we hold dear. Through these programs, we are able to take the bounty of our lands and share it with the needy and the hungry around the globe. At the same time, we are able to sustain the family farms and help producers and growers expand their markets.

It is no wonder that these programs enjoy widespread support, and I hope that all of our colleagues will support the legislation and I thank you for your kindness in yielding to me.

Chairman HYDE. Thank you, Mr. Lantos.

With the leave of the Committee, I would like to take leave of discussion of the bill that we are discussing and take up H. Con. Res. 217 very briefly. This resolution, H. Con. Res. 217, commemorates the 50th anniversary of the ANZUS Treaty between Australia and the United States and welcomes the state visit by Australian Prime Minister John Howard.

Without objection, the Chairman is directed to obtain consideration on the suspension calendar of H. Con. Res. 217 which all the Members have before them.

[The concurrent resolution, H. Con. Res. 217, follows:]

*Henry J. Hyde*

107TH CONGRESS  
1ST SESSION

**H. CON. RES. 217**

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IN THE HOUSE OF REPRESENTATIVES

Mr. HYDE (for himself, Mr. LANTOS, Mr. LEACH, ~~and~~ Mr. FALBOMAVAGGA) <sup>and Mr. Jasa</sup> submitted the following concurrent resolution; which was referred to the Committee on \_\_\_\_\_

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**CONCURRENT RESOLUTION**

Recognizing the historic significance of the fiftieth anniversary of the alliance between Australia and the United States under the ANZUS Treaty, paying tribute to the United States-Australia relationship, reaffirming the importance of economic and security cooperation between the United States and Australia, and welcoming the state visit by Australian Prime Minister John Howard.

Whereas the relationship between the United States and Australia goes well beyond security cooperation and is based on common values, mutual respect, and the desire to see a world at peace in which all peoples can enjoy the benefits of democratic governance, fundamental human rights, and the prosperity that market-oriented economies bring;

Whereas the United States and Australia share a wide range of common interests in Asia and the Pacific, such as

growth and liberalization of international trade, regional cooperation on economic development, environmental protection, and the peaceful settlement of disputes;

Whereas the United States and Australia share the goals of effective multilateral cooperation in arms control and nonproliferation, halting the spread of weapons of mass destruction, and ensuring the effective operation of nonproliferation and arms control regimes;

Whereas the Australia-United States Trade and Investment Framework Agreement (TIFA) provides for consultations on trade and investment policy issues;

Whereas since 1985 the United States and Australia have held annual bilateral Australia-United States Ministerial Talks (AUSMIN) to develop and enhance their relationship;

Whereas United States Presidential visits to Australia in 1991 and 1996 and visits of the Australian Prime Minister to the United States in 1995, 1997, and 1999 have underscored the strength and closeness of the alliance;

Whereas the Sydney Declaration of 1996 reaffirmed and strengthened the defense alliance between the United States and Australia and the intention of both countries to work cooperatively with other states in the region and to encourage collective solutions to problems and security challenges in the region;

Whereas the United States and Australia are committed to close bilateral cooperation on legal, counternarcotics, and other global issues through the Mutual Legal Assistance Treaty (MLAT) of 1997;

Whereas the United States and Australia have worked together closely in the World Trade Organization (WTO),



as active members of the Asia-Pacific Economic Cooperation (APEC) forum, and as members of the Association of South East Asian Nations (ASEAN) and the ASEAN Regional Forum (ARF) to encourage and improve regional cohesion;

Whereas the various phases of the multinational and United Nations operations in East Timor were a striking example of regional cooperation to achieve shared goals;

Whereas as evidenced by the recent situation in East Timor and the economic crisis of 1997, the international and economic security in the Asia-Pacific region is dynamic and the vitality and relevance of the alliance since the end of the Cold War is obvious;

Whereas the alliance between the United States and Australia during World War II was formalized in a 1951 security treaty commonly referred to as the “ANZUS Treaty”, which provides that the United States and Australia will act to meet the common danger in the event of an armed attack in the Pacific against either country and strengthen the fabric of peace in the Pacific region;

Whereas Australia and the United States have maintained a close relationship with one another, and with the United Nations, regional organizations, associations, and other authorities in the Pacific region as a means to maintain international peace and security;

Whereas forces of the United States and Australia have served alongside one another in many theaters of war and as part of United Nations peacekeeping operations throughout the world;

Whereas the alliance between the United States and Australia has been characterized by an extraordinary degree

of cooperation that includes information sharing, combined exercises, joint training and educational programs, and joint facilities; Whereas the Australia-United States security relationship, having proved its value for five decades, will remain a cornerstone of Asia-Pacific security into the 21st century;

Whereas September 1, 2001, marks the 50th anniversary of ANZUS; and

Whereas Australian Prime Minister John Howard is making a state visit to Washington from September 8 to September 12, 2001: Now, therefore, be it

1       *Resolved by the House of Representatives (the Senate*  
2 *concurring)*, That Congress—

3           (1) pays tribute to the relationship between the  
4       United States and Australia and looks forward to  
5       the continued growth and development of all aspects  
6       of the relationship;

7           (2) reaffirms the commitment of the United  
8       States to its alliance with Australia under the  
9       ANZUS Treaty and to the importance of security  
10      cooperation between the United States and Australia  
11      and the importance of their mutual security commit-  
12      ments;

13          (3) reaffirms the importance of the trade and  
14      economic relationship between Australia and the  
15      United States and expresses its commitment to fur-  
16      ther strengthen it;

1           (4) expresses its strong support for continued  
2 close cooperation between Australia and the United  
3 States on economic and security issues in the Asia-  
4 Pacific region and globally; and

5           (5) welcomes the state visit by Australian  
6 Prime Minister John Howard.

Chairman HYDE. The gentleman from California.

Mr. LANTOS. Mr. Chairman, I strongly support your suggestion and I want to commend you for a singularly well-timed and productive visit to Australia.

Mr. BEREUTER. Will the gentleman yield?

Mr. LANTOS. Yes, I will yield.

Chairman HYDE. Mr. Bereuter.

Mr. BEREUTER. Thank you, Mr. Lantos, and thank you, Mr. Chairman. I just wanted to commend the Chairman and Mr. Lantos, Mr. Leach, Mr. Faleomavaega and others, and say that this has been one of the most successful alliances at least in terms of Australia and the United States for a period of time.

We have a rather extraordinary relationship with Australia. They have performed very admirably recently on behalf of the whole world community in what they did in East Timor. In light of the fact that the Prime Minister will be visiting us next week, the bonds between Australia and Americans are very strong, and the ANZUS alliance has been part of the reason for that.

I think this legislation is an outstanding effort, and I thank the Chairman and Mr. Lantos for their initiative and for the timing.

Chairman HYDE. Thank you. On the issue of H.R. 2646, Mr. Brown seeks recognition.

Mr. BROWN. I thank the Chairman for bringing this issue before the Committee. We all obviously support our Nation's family farms. Congress has a clear responsibility to support agriculture in exporting our food products across the globe, but first the U.S. Department of Agriculture (USDA) must take greater responsibility in its export estimates. In repeated debates on trade in this body, USDA's overinflated data have misled many in Congress to believe the great gains in agriculture exports were just over the horizon. As a result, these statistics have too often convinced Members in strong agriculture districts to support trade agreements that have only led to greater trade deficits.

During last year's debate on permanent trade relations with China, the Department of Agriculture released encouraging and wildly optimistic projections for U.S. agriculture exports to China. USDA estimated that China would have only 13.7 million metric tons of wheat in commercial storage before the start of this year's harvest. China, USDA assured us, would need our wheat. Under that assumption, U.S. agricultural groups lobbied hard for China's admission to the WTO. Members of Congress were led to believe there was a robust export market for U.S. wheat. In the end, Congress passed PNTR.

However, in June of this year, surprise, USDA informed us that China would actually not have 13.7 million metric tons of wheat in storage but 54.2 million metric tons of wheat in storage. That difference, simply put, is equal to all the wheat produced in one season in America's Great Plains.

Now that we know the truth, where does that leave the millions of American farmers who believed that PNTR would significantly lift U.S. farm exports? Unfortunately, PNTR was not the only trade debate colored by highly questionable USDA projections. USDA has projected steadily increasing wheat exports in recent years, but over the same period wheat exports have actually fallen. In 1970,

USDA estimated that Europe would buy 90 million bushels of corn over the next 10 years. U.S. Corn sales, in reality, last year were 1 million bushels.

Each year as Congress sets our Nation's trade agenda, USDA export estimates give many Members hope that unfettered trade, so-called free trade, will solve all of our Nation's agriculture problems. That is a false hope. Each year the Nation's agriculture exports fall far short of inflated expectation.

Each year Members of Congress are sold on trade deals, in large part in line with USDA estimates, sold on trade deals that do not fulfill their promises. As Fast Track, as trade promotion authority comes before this House, if past behavior is any indication, we will hear wild predictions and unsubstantiated figures about the amount of food that the world will buy from American farmers.

The Department of Agriculture must be held accountable for their error in predictions. The Agency must take responsibility for providing more reliable projections so that Congress knows the truth when considering future trade agreements. If USDA can't meet this expectation, if their behavior continues, if they continue to come to this Congress with wild estimates and unsubstantiated export predictions and figures, it is incumbent upon Congress to reject those projections and question any proposal that depends on them.

I thank the Chairman.

Mr. LANTOS. Mr. Chairman?

Chairman HYDE. The gentleman from California.

Mr. LANTOS. Mr. Chairman, I want to thank my colleague and commend him for his very persuasive statement. Let me just add that agriculture is not the only culprit. Year after year, we have these fantastically exaggerated notions of the Chinese market which never seem to materialize. And I think the gentleman has served the Committee well with his timely and appropriate intervention. I thank the Chairman.

Chairman HYDE. The gentleman from New York, Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman. We are proud of the bill that you and Mr. Lantos have brought before our Committee today. This is truly a balanced effort that makes much-needed reforms in programs that address our worldwide hunger problems, providing for a robust trade promotion budget, and at the same time makes other important changes in the programs.

I am particularly gratified that you have included as section 312 of your amendment the McGovern-Dole food for education and child nutrition program which was introduced in substance as H.R. 1700 and of which I was pleased to be a cosponsor.

The American people respond each and every year to the humanitarian imperative of feeding starving people around the world. We are grateful to our farmers for producing the bounty which allows us to share with others, and to the American people for supporting those of us who make the decision that these acts are appropriate use of their taxpayer dollars.

I have explored offering an amendment to this bill which would have addressed another humanitarian issue, the export of fighting birds from the United States to foreign countries, a despicable trade allowed by a loophole in our current law. Regrettably, I am

informed that it cannot be addressed in this particular forum, due to parliamentary reasons, but I hope I can support an amendment to accomplish that goal at some appropriate time. I thank the Chairman for yielding.

Chairman HYDE. Mr. Bereuter.

Mr. BEREUTER. Thank you very much, Mr. Chairman. I am very tempted to respond in great detail to the gentleman from Ohio, Mr. Brown, but I will refrain from that because I have other comments. I will just say that the gentleman is right about the very faulty projections about wheat stocks in China, but the fact remains that American agricultural exports are a billion dollars more than in the previous year. There was never any prospect for selling much wheat to China in the first place, except for hard red wheat from the gentleman from Oregon's part of the country. The kind of wheat grown in the Northwest is really the only major export of wheat, but our productive capability and opportunities lie in soybeans, processed meat, and, sporadically, feed grain.

I did want to address three points with respect to the legislation before us and to say to the Chairman and to the other Members that it is this type of issue that is one of two that causes a wide variety of my constituents to think it is worthwhile to serve on the International Relations Committee. I ask for a little indulgence to speak about the importance of this legislation today and an amendment I will later offer.

And I wanted to address three specific points and one is just to provide some legislative record here. But first, to commend the Chairman, with the support of the Ranking Minority Member, for exercising our jurisdiction on this important legislation. Mr. Hyde, Mr. Lantos, my hats are off to you for taking the time, even though we had, unavoidably, very short notice.

The first point, the international food for education and child nutrition program, the one that is often associated with former Senators McGovern and Dole, and, of course as already spoken to, is, I think, a wonderful initiative. Currently, a pilot program estimated to reach 9 million children operates in 38 countries. Just as the pilot program does, the discretionary international program outlined in this bill will support school feeding and maternal development programs that provide nutritious meals to young children and mothers, and incentives to go to school and stay in school.

And I would remind the skeptics that the U.S. has been implementing a massive school feeding program for years, not on this scale. I think it is appropriate we expand these programs because they directly impact malnourished mothers, preschool and school-aged children, particularly girls.

Secondly, very briefly—and I would ask unanimous consent to extend my remarks and go on to the second point if that is okay, Mr. Chairman.

Chairman HYDE. Without objection.

Mr. BEREUTER. Thank you, Mr. Chairman. With regard to the farmers for Africa and Caribbean Basin program, Mr. Lantos is exactly right for commending our colleague, the gentlewoman from North Carolina, Mrs. Clayton, for building upon the current Farmer-to-Farmer program. Mrs. Clayton came to me and worked with

me on this for some period of time, because I was the author of the original Farmer-to-Farmer funding legislation.

After traveling in Central America in the 1980s, I observed that farmers were struggling with the new land reform progress, particularly in El Salvador, to produce enough food for their families in their new cooperatives. They did not have the technical expertise to use their resources. I decided that one solution would be to have the constituents in my agriculture-based district help their counterparts in developing countries on very specific production and technical issues.

When I returned to Capitol Hill, I was amazed to find that the program had already been authorized for many years but never funded. In 1985, after working with Peter McPherson and his predecessor in AID, we started the Farmer-to-Farmer program which gave a fraction of 1 percent of the Food for Peace program directed to the Farmer-to-Farmer program. It has expanded dramatically.

What Mrs. Clayton does is refine it and apply it to the African and Caribbean Basin regions; and, by the way, our prototype experiments were in the Caribbean Basin. I think this is really worthy of note here today. I commend her for her effort, and I am glad it is in the bill.

Finally, the third point, section 310 of this bill, if I could call the Chairman and Ranking Members's attention to it, has caused some concern in commodity groups in my district as well as nationally. It is the authority to charge fees. The Secretary of Agriculture would, subject to subsection (c) above, charge and retain a fee to cover the cost for providing persons, other than an agency of the U.S. Government, with commercial services performed abroad on matters within the authority of the USDA through the Foreign Agriculture Service (FAS) or a successor agency.

Now, I think that discretion ought to be given there and that we recover some of those costs, but I would hope that as we pass this—and I look for some comment from the Chairman and the Ranking Member—that this is not regarded as a mandate but an opportunity where it is appropriate for fees to be charged.

I would wonder if the Chairman and Ranking Member would want to comment on that subject, and I would hope that they would. Mr. Lantos, I yield to you, if you wish.

Mr. LANTOS. Well, this is only an authority, if I am not mistaken. It is not a requirement.

Mr. BEREUTER. That is correct as I read it. That is your understanding as well?

Mr. LANTOS. That is my understanding as well.

Chairman HYDE. I am told, Mr. Bereuter, that it is discretionary for the Secretary. It is not a mandate.

Mr. BEREUTER. I thank the Chairman. And I read it the same way. But I wanted to offer this assurance and get some legislative record on it, and I thank the gentlemen, both of you. Mr. Chairman, I yield back the balance of my time.

Chairman HYDE. Mr. Nick Smith.

Mr. SMITH OF MICHIGAN. Mr. Chairman, thank you. I have the privilege of serving both on the standing Committee on Agriculture as well as this Committee. And I would hope that we keep in mind

as we make these possible changes, the plight of American agriculture.

One of the amendments takes funds from the market access program for more spending in other areas. It would take \$20 million out of the market access program, which has become pretty vital in our export trade efforts.

Another amendment would eliminate technical assistance for specialty crops. Totally eliminating that program to come up with another \$3 million for other programs merits some discussion.

And following up on the potential tax that the Secretary might impose on exports, in the short review period, farm producer groups from my State and across the country have strongly opposed this section 310, which does simply provide the Secretary with the authority to charge a tax or a fee for services provided to exporters. But the language is somewhat vague on how this would be implemented. And, though discretionary, it leaves the potential there to shortchange the USDA in other areas by saying, "Look, you could still charge a tax and recover some of that money."

The effort of the USDA and the Foreign Agricultural Service in our export promotion efforts is not to help business or industry as much as it is to help expand outlets for agricultural trade in this country.

Mr. BEREUTER. Will the gentleman yield? I am very much a supporter of the Market Access Program (MAP) as well. My understanding is that the authorization currently is about \$90 million. It is boosted to \$200 million by the Agriculture Committee. We put it at \$180 million so we double the current authorization, but then the other 20 could be used for other kinds of programs. My understanding is the Ag Committee originally had agreed to \$180 million but boosted it, by amendment, to \$200 million.

While the gentleman is right that we are moving potentially \$20 million to another kind of activity, very beneficial we would hope, still we are in this Committee doubling the current authorization.

Mr. SMITH OF MICHIGAN. I appreciate that. It is a program that agriculture in this country is becoming more dependent on as we compete with other countries that subsidize their exports as well as put tariff embargoes on our products that go into their countries.

Let me conclude by saying that section 311 calls for goals in the Department of Agriculture for eliminating export subsidies and other measures that distort agricultural trade in order to reduce levels of protection and foster market growth. Fostering market growth is certainly good, but as this country faces the dilemma of having our farmers in agriculture compete with farmers in other countries who are now subsidized. For example, Europe subsidizes their farmers five times the level that we subsidize our farmers. And they are very aggressive in protecting their ag industry. That includes increasing export subsidies on their products to take what would otherwise be our markets.

And let me just conclude, Mr. Chairman, that we should consider the effects of these different amendments on our farmers in the midst of the predicament that American agriculture now faces. That predicament is the lowest commodity prices in 20 years in many of the commodities that we produce in this country.



And so we need to very carefully debate and consider the amendments as we move toward expanding our help for other countries in some of these areas.

Chairman HYDE. Who seeks recognition?

Mr. DELAHUNT. Mr. Chairman.

Chairman HYDE. Mr. Delahunt.

Mr. DELAHUNT. I thank the Chair. I want to extend my appreciation to the gentleman from Nebraska for the clarification regarding the funding for the market assistance program.

I represent an area of the country that is not normally associated with farming, with agriculture. However, in the area of Cape Cod and the southern shore of Boston, we are one of the leading producers of cranberries. We have received numerous calls in the past several days regarding some of these particular provisions. And, again, my understanding was reinforced regarding the history of the authorization for the market assistance program.

However, the gentleman from Michigan indicated that the language—the technical assistance language for specialty crops—and cranberries is a specialty crop—was deleted. Well, it is my understanding that in section 315 of Hyde-Lantos, that this is exactly the same language and funding that was approved in the Agriculture Committee. Maybe the Chair or Mr. Smith could clarify, because I am concerned about that.

Mr. SMITH OF MICHIGAN. Will the gentleman yield? It was just presented to me where the language was reinserted on page 28 of the amendment. So thank you for the clarification.

Mr. DELAHUNT. I thank you. And with that, I yield back and I thank the Chair and the Ranking Member. I want to reassure anyone who is associated with the cranberry growers of Cape Cod in the audience that all is well.

Chairman HYDE. Mr. Flake of Arizona.

Mr. FLAKE. So we do not go through this without any dissenting voice on this, it seems that we are proceeding in a vacuum. We have been told that we are going to face a budget deficit in terms of a surplus beyond Social Security and Medicare, and yet we are increasing authorization here, sometimes twofold or 10 percent here or 20 percent there, in virtually every program. And I would suggest that we are either posturing, if we assume well let's leave it to the appropriators not to appropriate it, or we are being irresponsible.

These increases, I do not know how in the world we can warrant them at this stage or any stage, frankly, but in particular now when we posture all day long about the need to protect Social Security and Medicare, and yet we authorize and authorize and authorize and authorize beyond our means. And for that reason, I will oppose the amendments.

Chairman HYDE. I have a series of amendments at the desk that I ask unanimous consent be considered en bloc, and considered as read. The Clerk will read.

Ms. BLOOMER. H.R. 2646, Hyde amendment—

Chairman HYDE. Without objection, further reading of the amendments is dispensed with, and without objection they will be considered en bloc, as I said before.

[The information referred to follows:]

**AMENDMENT TO H.R. 2646****OFFERED BY MR. HYDE**

Amend title III of the bill to read as follows (and conform the table of contents accordingly):

1                                   **TITLE III—TRADE**

2   **SEC. 301. MARKET ACCESS PROGRAM.**

3           (a) IN GENERAL.—Section 211(c)(1) of the Agricul-  
4 tural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is  
5 amended—

6           (1) by striking “and not more” and inserting  
7           “not more”;

8           (2) by striking “2002” and inserting “2001”;  
9           and

10          (3) by inserting “and not more than  
11          \$180,000,000 for each of fiscal years 2002 through  
12          2007,” after “2001,”.

13          (b) COMMODITY ELIGIBILITY.—Section 1302(b)(3)  
14 of the Agricultural Reconciliation Act of 1993 (7 U.S.C.  
15 5623 note) is amended by inserting “, other than leaf to-  
16 bacco” after “tobacco”.

17   **SEC. 302. FOOD FOR PROGRESS.**

18          (a) IN GENERAL.—Subsections (f)(3), (g), (k), and  
19 (l)(1) of section 1110 of the Food Security Act of 1985

1 (7 U.S.C. 1736o) are each amended by striking “2002”  
2 each place it appears and inserting “2007”.

3 (b) INCREASE IN FUNDING.—Section 1110(l)(1) of  
4 the Food Security Act of 1985 (7 U.S.C. 1736o(l)(1)) is  
5 amended—

6 (1) by striking “fiscal years 1996 through  
7 2002” and inserting “fiscal years 2002 through  
8 2007”; and

9 (2) by striking “\$10,000,000 (or in the case of  
10 fiscal year 1999, \$12,000,000)” and inserting  
11 “\$15,000,000”.

12 (c) EXCLUSION FROM LIMITATION.—Section  
13 1110(e)(2) of the Food Security Act of 1985 (7 U.S.C.  
14 1736o(e)(2)) is amended by inserting before the period “,  
15 and subsection (g) does not apply to such commodities fur-  
16 nished on a grant basis or on credit terms under title I  
17 of the Agricultural Trade Development and Assistance Act  
18 of 1954”.

19 (d) TRANSPORTATION COSTS.—Section 1110(f)(3) of  
20 the Food Security Act of 1985 (7 U.S.C. 1736o) is amend-  
21 ed by striking “\$30,000,000” and inserting  
22 “\$40,000,000”.

23 (e) AMOUNTS OF COMMODITIES.—Section 1110(g) of  
24 the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is

1 amended by striking “500,000” and inserting  
2 “1,000,000”.

3 (f) MULTIYEAR BASIS.—Section 1110(j) of the Food  
4 Security Act of 1985 (7 U.S.C. 1736o(j)) is amended—

5 (1) by striking “may” and inserting “is encour-  
6 aged”; and

7 (2) by inserting “to” before “approve”.

8 (g) MONETIZATION.—Section 1110(l)(3) of the Food  
9 Security Act of 1985 (7 U.S.C. 1736o(l)(3)) is amended  
10 by striking “local currencies” and inserting “proceeds”.

11 (h) NEW PROVISIONS.—Section 1110 of the Food Se-  
12 curity Act of 1985 (7 U.S.C. 1736o) is amended by adding  
13 at the end the following:

14 “(p) The Secretary is encouraged to finalize program  
15 agreements and resource requests for programs under this  
16 section before the beginning of the relevant fiscal year.  
17 By November 1 of the relevant fiscal year, the Secretary  
18 shall provide to the Committee on Agriculture and the  
19 Committee on International Relations of the House of  
20 Representatives, and the Committee on Agriculture, Nu-  
21 trition, and Forestry of the Senate a list of approved pro-  
22 grams, countries, and commodities, and the total amounts  
23 of funds approved for transportation and administrative  
24 costs, under this section.”.

1 **SEC. 303. SURPLUS COMMODITIES FOR DEVELOPING OR**  
2 **FRIENDLY COUNTRIES.**

3 (a) USE OF CURRENCIES.—Section 416(b)(7)(D) of  
4 the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is  
5 amended—

6 (1) in clauses (i) and (iii), by striking “foreign  
7 currency” each place it appears;

8 (2) in clause (ii)—

9 (A) by striking “Foreign currencies” and  
10 inserting “Proceeds”; and

11 (B) by striking “foreign currency”; and

12 (3) in clause (iv)—

13 (A) by striking “Foreign currency pro-  
14 ceeds” and inserting “Proceeds”;

15 (B) by striking “country of origin” the sec-  
16 ond place it appears and all that follows  
17 through “as necessary to expedite” and insert-  
18 ing “country of origin as necessary to expe-  
19 dite”;

20 (C) by striking “; or” and inserting a pe-  
21 riod; and

22 (D) by striking subclause (II).

23 (b) IMPLEMENTATION OF AGREEMENTS.—Section  
24 416(b)(8)(A) of the Agricultural Act of 1949 (7 U.S.C.  
25 1431(b)(8)(A)) is amended—

26 (1) by inserting “(i)” after “(A)”; and

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

3           “(ii) The Secretary shall publish in the Federal Reg-  
4 ister, not later than October 31 of each fiscal year, an  
5 estimate of the commodities that shall be available under  
6 this section for that fiscal year.

7           “(iii) The Secretary is encouraged to finalize program  
8 agreements under this section not later than December 31  
9 of each fiscal year.”.

10 **SEC. 304. EXPORT ENHANCEMENT PROGRAM.**

11           Section 301(e)(1)(G) of the Agricultural Trade Act  
12 of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting  
13 “and for each fiscal year thereafter through fiscal year  
14 2007” after “2002”.

15 **SEC. 305. FOREIGN MARKET DEVELOPMENT COOPERATOR**  
16 **PROGRAM.**

17           (a) IN GENERAL.—Section 703 of the Agricultural  
18 Trade Act of 1978 (7 U.S.C.5723) is amended—

19           (1) by striking “There are authorized” and in-  
20 serting “(a) PRIOR YEARS.—There are authorized”;

21           (2) by striking “2002” and inserting “2001”;  
22 and

23           (3) by adding at the end the following new sub-  
24 section:

1       “(b) FISCAL 2002 AND LATER.—For each of fiscal  
2 years 2002 through 2007 there are authorized to be ap-  
3 propriated such sums as may be necessary to carry out  
4 this title, and, in addition to any sums so appropriated,  
5 the Secretary shall use \$40,000,000 of the funds of, or  
6 an equal value of the commodities of, the Commodity  
7 Credit Corporation to carry out this title.”.

8       (b) REPORT TO CONGRESS.—Section 702 of the Agri-  
9 cultural Trade Act of 1978 (7 U.S.C. 5722) is amended  
10 by adding at the end the following:

11       “(c) REPORT TO CONGRESS.—

12               “(1) IN GENERAL.—The Secretary shall report  
13 annually to the appropriate congressional commit-  
14 tees the amount of funding provided, types of pro-  
15 grams funded, the value added products that have  
16 been targeted, and the foreign markets for those  
17 products that have been developed.

18               “(2) DEFINITION.—In this subsection, the term  
19 ‘appropriate congressional committees’ means—

20                       “(A) the Committee on Agriculture and  
21 the Committee on International Relations of the  
22 House of Representatives; and

23                       “(B) the Committee on Agriculture, Nutri-  
24 tion and Forestry and the Committee on For-  
25 eign Relations of the Senate.”.

1 **SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.**

2 (a) REAUTHORIZATION.—Section 211(b)(1) of the  
3 Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is  
4 amended by striking “2002” and inserting “2007”.

5 (b) PROCESSED AND HIGH VALUE PRODUCTS.—Sec-  
6 tion 202(k)(1) of the Agricultural Trade Act of 1978 (7  
7 U.S.C. 5622(k)(1)) is amended by striking “, 2001, and  
8 2002” and inserting “through 2007”.

9 (c) REPORT.—Section 211 of the Agricultural Trade  
10 Act of 1978 (7 U.S.C. 5641) is amended by adding at  
11 the end the following:

12 “(d) REPORT ON AGRICULTURAL EXPORT CREDIT  
13 PROGRAMS.—

14 “(1) IN GENERAL.—Not later than one year  
15 after the date of the enactment of the Farm Secu-  
16 rity Act of 2001, and annually thereafter, the Sec-  
17 retary shall prepare and submit to the designated  
18 congressional committees a report on the status of  
19 multilateral negotiations regarding agricultural ex-  
20 port credit programs at the World Trade Organiza-  
21 tion and the Organization of Economic Cooperation  
22 and Development in fulfillment of Article 10.2 of the  
23 Agreement on Agriculture (as described in section  
24 101(d)(2) of the Uruguay Round Agreements Act).  
25 The report submitted under this paragraph shall be



1 submitted in unclassified form, but may contain a  
2 classified annex.

3 “(2) DEFINITION.—In this subsection, the term  
4 ‘designated congressional committees’ means the  
5 Committee on Agriculture and the Committee on  
6 International Relations of the House of Representa-  
7 tives and the Committee on Agriculture, Nutrition  
8 and Forestry of the Senate.”.

9 **SEC. 307. FOOD FOR PEACE (PL 480).**

10 The Agricultural Trade Development and Assistance  
11 Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

12 (1) in section 2 (7 U.S.C. 1691), by striking  
13 paragraph (2) and inserting the following:

14 “(2) promote broad-based, equitable, and sus-  
15 tainable development, including agricultural develop-  
16 ment as well as conflict prevention;”;

17 (2) in section 202(e)(1) (7 U.S.C. 1722(e)(1)),  
18 by striking “not less than \$10,000,000, and not  
19 more than \$28,000,000” and inserting “not less  
20 than 5 percent and not more than 10 percent of  
21 such funds”;

22 (3) in section 203(a) (7 U.S.C. 1723(a)), by  
23 striking “the recipient country, or in a country” and  
24 inserting “one or more recipient countries, or one or  
25 more countries”;

- 1 (4) in section 203(c) (7 U.S.C. 1723(c))—
- 2 (A) by striking “foreign currency”; and
- 3 (B) by striking “the recipient country, or
- 4 in a country” and inserting “one or more re-
- 5 cipient countries, or one or more countries”;
- 6 and
- 7 (5) in section 203(d) (7 U.S.C. 1723(d))—
- 8 (A) by striking “Foreign currencies” and
- 9 inserting “Proceeds”;
- 10 (B) in paragraph (2)—
- 11 (i) by striking “income generating”
- 12 and inserting “income-generating”; and
- 13 (ii) by striking “the recipient country
- 14 or within a country” and inserting “one or
- 15 more recipient countries, or one or more
- 16 countries”; and
- 17 (C) in paragraph (3), by inserting a
- 18 comma after “invested” and “used”;
- 19 (6) in section 204(a)(1) (7 U.S.C.
- 20 1724(a)(1))—
- 21 (A) by striking “1996 through 2002” and
- 22 inserting “2002 through 2007”; and
- 23 (B) by striking “2,025,000” and inserting
- 24 “2,250,000”;

1 (7) in section 204(b)(1) (7 U.S.C.  
2 1724(b)(1))—

3 (A) by striking “75” and inserting “65”;  
4 and

5 (B) by striking “(a)(2)” and inserting  
6 “(a)”;

7 (8) in section 205(f) (7 U.S.C. 1725(f)), by  
8 striking “2002” and inserting “2007”;

9 (9) in section 207(a) (7 U.S.C. 1726a(a))—

10 (A) by redesignated paragraph (2) as para-  
11 graph (3); and

12 (B) by striking paragraph (1) and insert-  
13 ing the following:

14 “(1) RECIPIENT COUNTRIES.—A proposal to  
15 enter into a non-emergency food assistance agree-  
16 ment under this title shall identify the recipient  
17 country or countries subject to the agreement.

18 “(2) TIME FOR DECISION.—Not later than 120  
19 days after receipt by the Administrator of a proposal  
20 submitted by an eligible organization under this  
21 title, the Administrator shall make a decision con-  
22 cerning such proposal.”; and

23 (10) in section 403 (7 U.S.C. 1733), by insert-  
24 ing after subsection (k) the following:

1       “(l) SALES PROCEDURES.—Subsections (b) and (h)  
2 shall apply to sales of commodities to generate proceeds  
3 for titles II and III of this Act, section 416(b) of the Agri-  
4 cultural Act of 1949, and section 1110 of the Food and  
5 Security Act of 1985. Such sales transactions may be in  
6 United States dollars and other currencies.”.

7 **SEC. 308. EMERGING MARKETS.**

8       Section 1542 of the Food, Agriculture, Conservation,  
9 and Trade Act of 1990 (7 U.S.C. 5622 note) is  
10 amended—

11           (1) in subsections (a) and (d)(1)(A)(i), by strik-  
12 ing “2002” and inserting “2007”; and

13           (2) in subsection (d)(1)(H), by striking  
14 “\$10,000,000 in any fiscal year” and inserting  
15 “\$15,000,000 for each of fiscal years 2002 through  
16 2007”.

17 **SEC. 309. BILL EMERSON HUMANITARIAN TRUST.**

18       Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section  
19 302 of the Bill Emerson Humanitarian Trust Act (7  
20 U.S.C. 1736f-1) are each amended by striking “2002”  
21 each place it appears and inserting “2007”.

22 **SEC. 310. FEE FOR SERVICES.**

23       (a) **AUTHORITY TO CHARGE FEE.**—The Secretary of  
24 Agriculture may, subject to subsection (c), charge and re-  
25 tain a fee to cover the costs for providing persons (other

1 than an agency of the United States Government) with  
2 commercial services performed abroad on matters within  
3 the authority of the Department of Agriculture adminis-  
4 tered through the Foreign Agricultural Service or any suc-  
5 cessor agency..

6 (b) TREATMENT OF FEES.—Fees collected under the  
7 authority of subsection (a) shall be deposited as an offset-  
8 ting collection to any Department of Agriculture appro-  
9 priation account to recover the cost of providing commer-  
10 cial services.

11 (c) COMPLIANCE WITH BUDGET ACT.—Fees collected  
12 under the authority of subsection (a) shall be collected and  
13 available to the Secretary of Agriculture only to such ex-  
14 tent or in such amounts as are provided in advance in  
15 an appropriations Act and, after so provided in an appro-  
16 priations Act, shall remain available until expended.

17 **SEC. 311. MULTIYEAR AGRICULTURAL TRADE STRATEGY.**

18 (a) IN GENERAL.—Not later than one year after the  
19 date of the enactment of this Act, the Secretary of Agri-  
20 culture shall develop and implement a comprehensive long-  
21 term agricultural trade strategy that meets the goals de-  
22 scribed in subsection (b).

23 (b) GOALS.—The agricultural trade strategy de-  
24 scribed in subsection (a) shall ensure—

1           (1) the elimination of export subsidies and  
2 other measures that distort agricultural trade in  
3 order to reduce levels of protection, foster market  
4 growth, and promote global food security;

5           (2) the efficient and coordinated use of United  
6 States Government programs designed to promote  
7 the export of United States agricultural commod-  
8 ities; and

9           (3) the improvement in the commercial poten-  
10 tial of markets in both developed and developing  
11 countries for United States agricultural commod-  
12 ities.

13       (c) POLICY COORDINATION.—In implementing the  
14 agricultural trade strategy described in subsection (a), the  
15 Secretary shall consult with—

16           (1) the United States Trade Representative to  
17 ensure that the strategy is coordinated with the na-  
18 tional trade policy agenda and the annual report of  
19 the President on the trade agreements program;

20           (2) the Secretary of Commerce to ensure that  
21 all the programs and activities of the Foreign Agri-  
22 cultural Service of the Department of Agriculture  
23 are coordinated with the programs and activities of  
24 the United States and Foreign Commercial Service  
25 of the Department of Commerce; and

1           (3) each of the designated representatives of 19  
2       Federal agencies included on the Trade Promotion  
3       Coordinating Committee to coordinate and report on  
4       government-wide United States export promotion, fi-  
5       nancing, and policy activities.

6       (d) REPORT.—Not later than one year after the date  
7       of the enactment of this Act, the Secretary shall submit  
8       to the designated congressional committees a report on the  
9       development and implementation of the comprehensive  
10      long-term agricultural trade strategy under this section.

11      (e) DEFINITION.—In this section, the term “des-  
12      ignated congressional committees” means the Committee  
13      on Agriculture and the Committee on International Rela-  
14      tions of the House of Representatives and the Committee  
15      on Agriculture, Nutrition and Forestry of the Senate.

16 **SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTER-**  
17                   **NATIONAL FOOD FOR EDUCATION AND**  
18                   **CHILD NUTRITION PROGRAM.**

19      (a) IN GENERAL.—In fiscal year 2002 or any subse-  
20      quent fiscal year during which the President determines  
21      to use the authority of section 416(b) of the Agricultural  
22      Act of 1949 (hereinafter in this section referred to as “sec-  
23      tion 416(b)”) to initiate, continue, and expand—

24           (1) preschool and school feeding programs to  
25      improve food security, reduce the incidence of hun-

1 ger, and improve literacy and primary education,  
2 particularly with respect to girls; and

3 (2) maternal, infant, and child nutrition pro-  
4 grams for pregnant women, nursing mothers, in-  
5 fants, and children who are five years of age or  
6 younger;

7 the President shall direct the purchase of commodities and  
8 the provision of financial and technical assistance to carry  
9 out such programs.

10 (b) ELIGIBLE COMMODITIES AND COST ITEMS.—

11 Notwithstanding any other provision of law—

12 (1) any agricultural commodity is eligible for  
13 distribution under this section;

14 (2) the Commodity Credit Corporation shall  
15 purchase agricultural commodities for use under this  
16 section if its stocks are not sufficient to meet com-  
17 mitments entered into under this section;

18 (3) as necessary to achieve the purposes of this  
19 section—

20 (A) Commodity Credit Corporation funds  
21 shall be used to pay the transportation costs in-  
22 curred in moving commodities (including  
23 prepositioned commodities) provided under this  
24 section from the designated points of entry or  
25 ports of entry of one or more recipient countries



1 to storage and distribution sites in these coun-  
2 tries, and associated storage and distribution  
3 costs;

4 (B) Commodity Credit Corporation funds  
5 shall be used to pay the costs of activities con-  
6 ducted in the recipient countries by a nonprofit  
7 voluntary organization, cooperative, or intergov-  
8 ernmental agency or organization that would  
9 enhance the effectiveness of the activities imple-  
10 mented by such entities under this section; and

11 (C) Commodity Credit Corporation funds  
12 shall be provided to meet the allowable adminis-  
13 trative expenses of private voluntary organiza-  
14 tions, cooperatives, or intergovernmental orga-  
15 nizations which are implementing activities  
16 under this section; and

17 (4) for the purposes of this section, the term  
18 “agricultural commodities” includes any agricultural  
19 commodity, or the products thereof, produced in the  
20 United States.

21 (c) GENERAL AUTHORITIES.—The President shall  
22 designate one or more Federal agencies to—

23 (1) implement the program established under  
24 this section;

1           (2) ensure that the program established under  
2 this section is consistent with the foreign policy and  
3 development assistance objectives of the United  
4 States; and

5           (3) consider, in determining whether a country  
6 should receive assistance under this section, whether  
7 the government of the country is taking concrete  
8 steps to improve the preschool and school systems in  
9 its country.

10       (d) ELIGIBLE RECIPIENTS.—Assistance may be pro-  
11 vided under this section to private voluntary organizations,  
12 cooperatives, intergovernmental organizations, govern-  
13 ments and their agencies, and other organizations.

14       (e) PROCEDURES.—

15           (1) IN GENERAL.—The President shall assure  
16 that procedures are established that—

17               (A) provide for the submission of proposals  
18 by eligible recipients, each of which may include  
19 one or more recipient countries, for commod-  
20 ities and other assistance under this section;

21               (B) provide for eligible commodities and  
22 assistance on a multi-year basis;

23               (C) ensure eligible recipients demonstrate  
24 the organizational capacity and the ability to  
25 develop, implement, monitor, report on, and

1 provide accountability for activities conducted  
2 under this section;

3 (D) provide for the expedited development,  
4 review, and approval of proposals submitted in  
5 accordance with this section;

6 (E) ensure monitoring and reporting by el-  
7 igible recipients on the use of commodities and  
8 other assistance provided under this section;  
9 and

10 (F) allow for the sale or barter of commod-  
11 ities by eligible recipients to acquire funds to  
12 implement activities that improve the food secu-  
13 rity of women and children or otherwise en-  
14 hance the effectiveness of programs and activi-  
15 ties authorized under this section.

16 (2) PRIORITIES FOR PROGRAM FUNDING.—In  
17 carrying out paragraph (1) with respect to criteria  
18 for determining the use of commodities and other  
19 assistance provided for programs and activities au-  
20 thorized under this section, the implementing agency  
21 shall consider the ability of eligible recipients to—

22 (A) identify and assess the needs of bene-  
23 ficiaries, especially malnourished or undernour-  
24 ished mothers and their children who are five  
25 years of age or younger, and school-age children

1 who are malnourished, undernourished, or do  
2 not regularly attend school;

3 (B)(i) in the case of preschool and school-  
4 age children, target low-income areas where  
5 children's enrollment and attendance in school  
6 is low or girls' enrollment and participation in  
7 preschool or school is low, and incorporate de-  
8 velopmental objectives for improving literacy  
9 and primary education, particularly with re-  
10 spect to girls; and

11 (ii) in the case of programs to benefit  
12 mothers and children who are five years of age  
13 or younger, coordinate supplementary feeding  
14 and nutrition programs with existing or newly-  
15 established maternal, infant, and children pro-  
16 grams that provide health-needs interventions,  
17 and which may include maternal, prenatal, and  
18 postnatal and newborn care;

19 (C) involve indigenous institutions as well  
20 as local communities and governments in the  
21 development and implementation to foster local  
22 capacity building and leadership; and

23 (D) carry out multiyear programs that fos-  
24 ter local self-sufficiency and ensure the lon-  
25 gevity of recipient country programs.

1 (f) USE OF FOOD AND NUTRITION SERVICE.—The  
2 Food and Nutrition Service of the Department of Agri-  
3 culture may provide technical advice on the establishment  
4 of programs under subsection (a)(1) and on their imple-  
5 mentation in the field in recipient countries.

6 (g) MULTILATERAL INVOLVEMENT.—The President  
7 is urged to engage existing international food aid coordi-  
8 nating mechanisms to ensure multilateral commitments  
9 to, and participation in, programs like those supported  
10 under this section. The President shall report annually to  
11 the Committee on International Relations and the Com-  
12 mittee on Agriculture of the United States House of Rep-  
13 resentatives and the Committee on Foreign Relations and  
14 the Committee on Agriculture, Nutrition, and Forestry of  
15 the United States Senate on the commitments and activi-  
16 ties of governments, including the United States govern-  
17 ment, in the global effort to reduce child hunger and in-  
18 crease school attendance.

19 (h) PRIVATE SECTOR INVOLVEMENT.—The Presi-  
20 dent is urged to encourage the support and active involve-  
21 ment of the private sector, foundations, and other individ-  
22 uals and organizations in programs assisted under this  
23 section.

24 (i) COOPERATION WITH OTHER GOVERNMENT  
25 AGENCIES.—Notwithstanding section 11 of the Com-

1 modify Credit Corporation Charter Act (15 U.S.C. 714i),  
2 Commodity Credit Corporation funds may be used to pay  
3 the administrative expenses of any agency of the Federal  
4 Government, including any bureau, office, administration,  
5 or agency of the Department of Agriculture, implementing  
6 or assisting in the implementation of this section.

7 **SEC. 313. FARMERS FOR AFRICA AND CARIBBEAN BASIN**  
8 **PROGRAM.**

9 (a) FINDINGS.—Congress finds the following:

10 (1) Many African farmers and farmers in Car-  
11ibbean Basin countries use antiquated techniques to  
12produce their crops, which result in poor crop qual-  
13ity and low crop yields.

14 (2) Many of these farmers are losing business  
15to farmers in European and Asian countries who use  
16advanced planting and production techniques and  
17are supplying agricultural produce to restaurants,  
18resorts, tourists, grocery stores, and other con-  
19sumers in Africa and Caribbean Basin countries.

20 (3) A need exists for the training of African  
21farmers and farmers in Caribbean Basin countries  
22and other developing countries in farming techniques  
23that are appropriate for the majority of eligible  
24farmers in African or Caribbean countries, including  
25standard growing practices, insecticide and sanita-

1 tion procedures, and other farming methods that will  
2 produce increased yields of more nutritious and  
3 healthful crops.

4 (4) African-American and other American farm-  
5 ers, as well as banking and insurance professionals,  
6 are a ready source of agribusiness expertise that  
7 would be invaluable for African farmers and farmers  
8 in Caribbean Basin countries.

9 (5) A United States commitment is appropriate  
10 to support the development of a comprehensive agri-  
11 cultural skills training program for these farmers  
12 that focuses on—

13 (A) improving knowledge of insecticide and  
14 sanitation procedures to prevent crop destruc-  
15 tion;

16 (B) teaching modern farming techniques,  
17 including the identification and development of  
18 standard growing practices and the establish-  
19 ment of systems for recordkeeping, that would  
20 facilitate a continual analysis of crop produc-  
21 tion;

22 (C) the use and maintenance of farming  
23 equipment that is appropriate for the majority  
24 of eligible farmers in African or Caribbean  
25 Basin countries;

1           (D) expansion of small farming operations  
2           into agribusiness enterprises through the devel-  
3           opment and use of village banking systems and  
4           the use of agricultural risk insurance pilot prod-  
5           ucts, resulting in increased access to credit for  
6           these farmers; and

7           (E) marketing crop yields to prospective  
8           purchasers (businesses and individuals) for local  
9           needs and export.

10          (6) The participation of African-American and  
11          other American farmers and American agricultural  
12          farming specialists in such a training program prom-  
13          ises the added benefit of improving access to African  
14          and Caribbean Basin markets for American farmers  
15          and United States farm equipment and products and  
16          business linkages for United States insurance pro-  
17          viders offering technical assistance on, among other  
18          things, agricultural risk insurance products.

19          (7) Existing programs that promote the ex-  
20          change of agricultural knowledge and expertise  
21          through the exchange of American and foreign farm-  
22          ers have been effective in promoting improved agri-  
23          cultural techniques and food security, and, thus, the  
24          extension of additional resources to such farmer-to-  
25          farmer exchanges is warranted.



1 (b) DEFINITIONS.—In this section:

2 (1) AGRICULTURAL FARMING SPECIALIST.—The  
3 term “agricultural farming specialist” means an  
4 individual trained to transfer information and tech-  
5 nical support relating to agribusiness, food security,  
6 the mitigation and alleviation of hunger, the mitiga-  
7 tion of agricultural and farm risk, maximization of  
8 crop yields, agricultural trade, and other needs spe-  
9 cific to a geographical location as determined by the  
10 Secretary.

11 (2) CARIBBEAN BASIN COUNTRY.—The term  
12 “Caribbean basin country” means a country eligible  
13 for designation as a beneficiary country under sec-  
14 tion 212 of the Caribbean Basin Economic Recovery  
15 Act (19 U.S.C. 2702).

16 (3) ELIGIBLE FARMER.—The term “eligible  
17 farmer” means an individual owning or working on  
18 farm land (as defined by a particular country’s laws  
19 relating to property) in the sub-Saharan region of  
20 the continent of Africa, in a Caribbean Basin coun-  
21 try, or in any other developing country in which the  
22 Secretary determines there is a need for farming ex-  
23 pertise or for information or technical support de-  
24 scribed in paragraph (1).

1           (4) PROGRAM.—The term “Program” means  
2       the Farmers for Africa and Caribbean Basin Pro-  
3       gram established under this section.

4       (c) ESTABLISHMENT OF PROGRAM.—The President  
5       shall establish a grant program, to be known as the  
6       “Farmers for Africa and Caribbean Basin Program”, to  
7       assist eligible organizations in carrying out bilateral ex-  
8       change programs whereby African-American and other  
9       American farmers and American agricultural farming spe-  
10      cialists share technical knowledge with eligible farmers  
11      regarding—

12           (1) maximization of crop yields;

13           (2) use of agricultural risk insurance as finan-  
14      cial tools and a means of risk management (as al-  
15      lowed by Annex II of the World Trade Organization  
16      rules);

17           (3) expansion of trade in agricultural products;

18           (4) enhancement of local food security;

19           (5) the mitigation and alleviation of hunger;

20           (6) marketing agricultural products in local, re-  
21      gional, and international markets; and

22           (7) other ways to improve farming in countries  
23      in which there are eligible farmers.

24      (d) ELIGIBLE GRANTEEES.—The President may make  
25      a grant under the Program to—

1           (1) a college or university, including a histori-  
2 cally black college or university, or a foundation  
3 maintained by a college or university; and

4           (2) a private organization or corporation, in-  
5 cluding grassroots organizations, with an established  
6 and demonstrated capacity to carry out such a bilat-  
7 eral exchange program.

8       (e) TERMS OF PROGRAM.—(1) It is the goal of the  
9 Program that at least 1,000 farmers participate in the  
10 training program by December 31, 2005, of which 80 per-  
11 cent of the total number of participating farmers will be  
12 African farmers or farmers in Caribbean Basin countries  
13 and 20 percent of the total number of participating farm-  
14 ers will be American farmers.

15       (2) Training under the Program will be provided to  
16 eligible farmers in groups to ensure that information is  
17 shared and passed on to other eligible farmers. Eligible  
18 farmers will be trained to be specialists in their home com-  
19 munities and will be encouraged not to retain enhanced  
20 farming technology for their own personal enrichment.

21       (3) Through partnerships with American businesses,  
22 the Program will utilize the commercial industrial capa-  
23 bility of businesses dealing in agriculture to train eligible  
24 farmers on farming equipment that is appropriate for the  
25 majority of eligible farmers in African or Caribbean Basin

1 countries and to introduce eligible farmers to the use of  
2 insurance as a risk management tool.

3 (f) SELECTION OF PARTICIPANTS.—(1) The selection  
4 of eligible farmers, as well as African-American and other  
5 American farmers and agricultural farming specialists, to  
6 participate in the Program shall be made by grant recipi-  
7 ents using an application process approved by the Presi-  
8 dent.

9 (2) Participating farmers must have sufficient farm  
10 or agribusiness experience and have obtained certain tar-  
11 gets regarding the productivity of their farm or agri-  
12 business.

13 (g) GRANT PERIOD.—The President may make  
14 grants under the Program during a period of 5 years be-  
15 ginning on October 1 of the first fiscal year for which  
16 funds are made available to carry out the Program.

17 (h) AUTHORIZATION OF APPROPRIATIONS.—There  
18 are authorized to be appropriated to carry out this section  
19 \$10,000,000 for each of fiscal years 2002 through 2007.

20 **SEC. 314. INTERNATIONAL FOOD RELIEF PARTNERSHIP.**

21 (a) ASSISTANCE FOR STOCKPILING AND RAPID  
22 TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF  
23 SHELF-STABLE PREPACKAGED FOODS.—Section 208(f)  
24 of the Agricultural Trade Development and Assistance Act  
25 of 1954 (7 U.S.C. 1726b(f)) is amended by striking “fiscal

1 years 2001 and 2002” and inserting “fiscal years 2001  
2 through 2007”.

3 (b) PREPOSITIONING OF COMMODITIES.—Section  
4 407(c)(4) of the Agricultural Trade Development and As-  
5 sistance Act of 1954 (7 U.S.C. 1736a(c)(4)) is amended  
6 by striking “fiscal years 2001 and 2002” and inserting  
7 “each of fiscal years 2001 through 2007”.

8 **SEC. 315. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

9 (a) ESTABLISHMENT.—The Secretary of Agriculture  
10 shall establish an export assistance program (referred to  
11 in this section as the “program”) to address unique bar-  
12 riers that prohibit or threaten the export of United States  
13 specialty crops.

14 (b) PURPOSE.—The program shall provide direct as-  
15 sistance through public and private sector projects and  
16 technical assistance to remove, resolve, or mitigate sani-  
17 tary and phytosanitary and related barriers to trade.

18 (c) PRIORITY.—The program shall address time sen-  
19 sitive and strategic market access projects based on—

20 (1) trade effect on market retention, market ac-  
21 cess, and market expansion; and

22 (2) trade impact.

23 (d) FUNDING.—The Secretary shall make available  
24 \$3,000,000 for each of fiscal years 2002 through 2007

1 of the funds of, or an equal value of commodities owned  
2 by, the Commodity Credit Corporation.

In section 461(e)(3)(A)(iii) of the bill, strike “Congress” and insert “the appropriate congressional committees”.

In section 461(d)(3)(C)(ii) of the bill, insert after the final period the following: “Not less than one year of the Fellowship shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).”.

In section 461(d)(3)(D)(ii)(V) of the bill, strike “and” at the end.

In section 461(d)(3)(D)(ii)(VI) of the bill, strike the period and insert “; and”.

In section 461(d)(3)(D)(ii) of the bill, add at the end the following:

3 (VII) such other attributes as determined  
4 to be appropriate by the Board of Trustees.

In section 461(f)(4)(C) of the bill, strike “Congress” the second place it appears and insert “appropriate congressional committees”.

In section 461(h) of the bill, strike “Congress” and insert “the appropriate congressional committees”.

In section 461 of the bill, add at the end the following:

- 1       (j) DEFINITION.—In this section, the term “appro-  
2       pate congressional committees” means—
- 3               (1) the Committee on Agriculture and the Com-  
4       mittee on International Relations of the House of  
5       Representatives; and
- 6               (2) the Committee on Agriculture, Nutrition  
7       and Forestry and the Committee on Foreign Rela-  
8       tions of the Senate.

Chairman HYDE. To fulfill our jurisdictional responsibilities in the areas of food aid and agricultural export promotion policy, I lay before the Committee a series of amendments en bloc which substitute for the trade and food aid title to the Farm Security Act of 2001, H.R. 2646, a measure which will be considered next week by the Rules Committee.

I would note to my colleagues, this Committee also took an active role in the consideration of the 1990 and 1996 farm bill reauthorizations which contain many of the same important export-oriented programs administered by the Agency for International Development and the Foreign Agricultural Service of the U.S. Department of Agriculture.

I would like to thank the Members of the Committee for their forbearance in attending this markup scheduled so quickly upon our return from the August recess. Our Committee had little choice in the matter in so far as the House Leadership has decided to bring this comprehensive measure to the House floor in the very near future and the Rules Committee has scheduled to take it up next week.

I would particularly like to thank the Ranking Member, Mr. Lantos, for his usual excellent cooperation and support in putting together this bipartisan amendment which includes a number of important policy reforms benefitting a broad coalition of private voluntary groups and commodity-based organizations who are on the front lines of international feeding and development programs abroad.

Due to the very fast pace of the Agriculture Committee in marking up this measure so it could be brought to the House floor before the end of the fiscal year, some of these reform measures, together with a permanent authority for a global school feeding program, were purposely set aside by Chairman Combest in the expectation they would be considered by our Committee.

The respective staffs of our two Committees will continue to work toward the goal of producing a mutually acceptable trade title prior to the House consideration of the Farm Security Act of 2001.

The measure before us this afternoon, which would reauthorize all AID and USDA-related programs through 2007, includes vitally important changes in the way international food assistance programs are delivered on the ground improving the flexibility of the private voluntary groups in carrying them out, while preserving the monitoring and oversight functions of the Agency for International Development and the U.S. Department of Agriculture.

In addition, the Committee is proposing some funding increases and modest reporting requirements for several key agricultural export promotion programs which will expand market access and open new markets for U.S. agricultural exports.

I know that many of my colleagues are already well aware that close to one-third of our farm and food system is geared toward serving these overseas markets and U.S. agriculture is one of the few sectors that consistently enjoys a trade surplus.

The ability to export agricultural products and food aid remains fundamental to the well-being of rural America, and I know that the Members of this Committee do not need to be reminded that we still live in a world marked by high foreign trade barriers and



by export subsidies of our trading competitors who over the past 5 years consistently spend 4 times the resources we commit to market development activities.

The nine amendments to title IV are minor and/or technical to clarify the meaning of the language, and I would ask my colleagues to support the amendment before the Committee.

I would now like to turn to the Ranking Member, Mr. Lantos, to see if he has an opening statement.

[The prepared statement of Mr. Hyde follows:]

PREPARED STATEMENT OF THE HONORABLE HENRY J. HYDE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS, AND CHAIRMAN, COMMITTEE ON INTERNATIONAL RELATIONS

PROPOSED AMENDMENTS TO H.R. 2646

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Mr. LANTOS. I concur with your statement, Mr. Chairman.

Chairman HYDE. Thank you. Mr. Bereuter, do you have an amendment?

Mr. BEREUTER. Mr. Chairman, I do. Have you acted on your amendments en bloc?

Chairman HYDE. It is pending.

Mr. BEREUTER. And do you desire that we should make it to the en bloc?

Chairman HYDE. Yes.

Mr. BEREUTER. Mr. Chairman, I do have an amendment at the desk.

Chairman HYDE. The Clerk will report.

Ms. BLOOMER. Amendment offered by Mr. Bereuter. Strike section—

Chairman HYDE. Without objection, the further reading of the amendment is dispensed with and the gentleman is recognized for 5 minutes in support of his amendment.

[The information referred to follows:]

**Amendment to the Hyde Amendment to H.R. 2646**

**Offered by Congressman Doug Bereuter**  
September 6, 2001

Strike Section 307 (7).

Mr. BEREUTER. Thank you very much, Mr. Chairman. Today I am offering an amendment retaining the current requirement that, at a minimum, 75 percent of the goods distributed through the Food for Peace program, or the P.L. 480 program, be value-added goods, including processed, fortified, and bagged commodities.

I think it is important to remember why the P.L. 480 program has a strong political base. If we move too far away from that, you lose support of the people like my predecessors and myself and my colleagues from the agriculture States and the constituencies we represent.

The U.S. food aid program includes Food for Peace and the others which we are reviewing today. They are humanitarian relief programs, initially constructed with the intent to directly distribute safe, nutritious food to malnourished and undernourished people in developing countries. Increasingly, the U.S. Agency for International Development (USAID) has shifted its food aid focus from the direct distribution of food toward the monetization of bulk commodities in developing countries. The money generated through monetization is then used for in-country development projects. To a point, that is a very good idea.

While monetization programs play an important role which direct distribution of food cannot, I believe it is important to stay close to the initial intent of the food aid legislation, and I believe that the maintenance of the 75 percent value-added product minimum helps private voluntary organizations (PVOs) completing food aid programs to meet the original intent for the following reasons. First, value-added products contain nutrients that are not readily available in developing countries, thus attaining the goal of providing healthy, nutritious food to the malnourished and undernourished.

Second, value-added goods can be distributed more efficiently than bulk commodities. There are positive features to what is referred to as monetization, but it can be a cumbersome and expensive process, thus diluting the minimum funding that we devote to these important programs.

Third, the distribution of value-added products as opposed to the monetization of bulk commodities further bolsters the U.S. argument that food aid programs are truly humanitarian relief programs, not just dumping grounds for excess bulk commodities like some of our trade competitors argue, like the European Union (EU).

Mr. Chairman, I have toured a milling facility in my district which produces corn-soy blends frequently used in these projects, and convey to you and the other Members, the company and its employees are excited to play a role in meeting the needs of their hungry neighbors across the world. In fact, that mill provided the largest single part of the Ethiopian relief program assistance.

As a result of that, many Americans feel ownership of food aid programs and, in a small but integral way, of U.S. foreign policy, an opportunity we provide our constituents far too infrequently.

The Agri-PVO Working Group comprised of producers, manufacturers, trade associations and private voluntary organizations—in other words, the people most actively involved in the implementa-

tion of food aid programs—support the current language in law, the 75 percent value-added product minimum.

Now, because the USAID Administrator has waiver authority, we are doing about 65 percent, not 75 percent. And I think it is appropriate that the Administrator continue to have that waiver authority, as he does under existing law, and I do not tamper with that.

But I would ask my colleagues to support and sustain the existing law at this point and not move from 75 percent to 50 percent or to 65 percent. Thank you, Mr. Chairman.

Chairman HYDE. Is there further discussion?

If not, the question occurs on the amendment offered by the gentleman from Nebraska, Mr. Bereuter.

All those in favor, signify by saying aye.

Opposed, no.

The ayes have it. The amendment is agreed to.

Mr. Blumenauer is recognized for an amendment.

Mr. BLUMENAUER. Thank you, Mr. Chairman, and I do commend the Chairman and the Ranking Member for the expeditious way that we have moved forward. I think we are making it a better bill. I would like the Committee's indulgence to make one slight additional improvement.

I am offering a second-degree amendment that would strike the waiver included in the bill that would permit broad leaf tobacco into the market access program funding.

Chairman HYDE. The Clerk will the designate the amendment.

Ms. BLOOMER. Amendment offered by Mr. Blumenauer: Strike section 301(b) of the amendment and redesignate the subsequent subsection accordingly.

[The information referred to follows:]

**AMENDMENT OFFERED BY MR. BLUMENAUER  
TO THE AMENDMENT OFFERED BY MR. HYDE**

Strike section 301(b) of the amendment (and redesignate the subsequent subsection accordingly).

Chairman HYDE. The gentleman is recognized for 5 minutes.

Mr. BLUMENAUER. Thank you, Mr. Chairman. This Committee has appropriately directed its attention to issues of worldwide health.

My colleague from California and others in the Committee are deeply concerned, for example, with the spread of HIV around the world and the United States' leadership in trying to help correct this serious health problem.

Well, a leading cause of death worldwide, comparable to HIV, is death from tobacco-related illness.

I am deeply concerned that we have any change in existing law that would provide Federal funding to promote tobacco leaf sales overseas. We know in this Committee that over a third of a million Americans die of lung disease every year; the third largest cause of death, 1 in 7.

Additionally we know that there are more than 25 million Americans living with chronic lung disease and that tobacco use is the leading cause of that lung disease.

But the impact of tobacco-related disease is not limited to the United States. Tobacco is estimated to account for over 3 million annual deaths worldwide in 1990, rising to over 4 million deaths 2 years ago. It is estimated that tobacco-attributable deaths will rise to 8.4 million by the year 2020 and reach 10 million shortly thereafter.

According to the World Health Organization, while tobacco use is declining in many developed countries, it is rapidly increasing in developing countries.

Now, I am not going to bore this Committee with what is happening, for example, in China, where it estimated that almost 15 percent of deaths are now attributable to tobacco.

I just think it is important for us to take a step back and be consistent. This Committee is appropriately adding its voice to leadership in Congress about how the United States deals with international health crises. Given the fact that a preventable source of death worldwide is attributable to tobacco and is equal to HIV/AIDS deaths, I think we ought to match our commitment in this arena by keeping the existing prohibition on market access subsidy for the sale of tobacco. I yield back the balance of my time.

Chairman HYDE. Mr. Lantos.

Mr. LANTOS. Thank you very much, Mr. Chairman. I would like to express my strong support for the amendment of my friend from Oregon by reestablishing the longstanding prohibition on using Federal money to finance the export of tobacco.

It is my firm belief that U.S. agricultural and export promotion programs should remain a strong instrument for good, both helping to alleviate suffering and want around the world, and also helping to support the industry and hard work of American farmers. These programs should not be used to promote products that have been scientifically proven to cause a host of serious health and social ills.

Cigarettes and tobacco, Mr. Chairman, are clearly major contributors to the high rates of lung cancer, emphysema, asthma, and many other respiratory diseases that continue to plague the United States and many other countries. It would be immoral and utterly

irresponsible for us to actively promote the exportation of products that cause such diseases to other parts of the world.

I therefore strongly support the amendment of my colleague from Oregon, and urge all of my colleagues to do so. Thank you, Mr. Chairman.

Chairman HYDE. The gentleman from Virginia, Mr. Cantor.

Mr. CANTOR. Thank you, Mr. Chairman. In all deference to my colleagues on the other side of the aisle, I speak in opposition to the amendment.

Whether or not one is supportive of the concept of the market access program, I think my good friend from the Northwest talked about consistency. The last time I looked, tobacco is a legal product. I understand his concerns as well as that of the gentleman from California of the health risks associated with the product. But the fact is it is legal. What it means in my home State are about nearly 6,000 tobacco farms and close to 60,000 acres of tobacco. That means real people, real people relying on revenue, providing their families with livelihood, with food, and with the ability to survive and contribute to their community.

Frankly, to exclude tobacco from the Market Access Program essentially eliminates the opportunity for farmers in my home State to have the same opportunity as those who farm soybeans and other products that are presently enjoyed by those farmers.

So, Mr. Chairman, I respectfully urge defeat of the amendment, because it is unfair to our farmers and it is anticompetitive, and frankly to single out tobacco and tobacco farmers and their families is the wrong way to go. In my State it is about protecting the livelihood of farmers, and perhaps affecting negatively their ability to provide for their young children and for their ability to provide a livelihood.

Mr. Chairman, I yield back.

Chairman HYDE. Thank you. The gentleman from Arizona, Mr. Flake.

Mr. FLAKE. I rise in support of the amendment, but I would encourage my colleague, Mr. Blumenauer, to include a lot of other things like barley, oats, corn, wheat, soybeans, cranberries, apples, sugar, turnips, zucchini squash, broccoli.

If we start playing favorites with what are legal products, then we ought to realize how silly the market access programs are and where we as a government take a position on what ought to be exported and what shouldn't. That is why we shouldn't be involved in these programs.

Therefore, I will support the amendment, maybe for different reasons. Thanks.

Chairman HYDE. Mr. Hoeffel of Pennsylvania.

Mr. HOEFFEL. Thank you, Mr. Chairman. I rise to support the amendment, and to respond to my friend from Virginia, that the issue really is not the economic health of the farm community, although I understand why he is so concerned about it.

This tobacco program has been excluded from the MAP program, the Market Access Program, for 8 years. It is not like we are singling them out today for some new punishment. Tobacco has not been included in market access for 8 years. The Agriculture Com-



mittee is proposing to change the law, and Mr. Blumenauer wants to keep the law as is.

I view it not as an economic issue, but as a health issue, as Mr. Blumenauer has eloquently said, and I support his amendment. Thank you, Mr. Chairman.

Chairman HYDE. The gentleman from North Carolina, Mr. Burr.

Mr. BURR. I thank the Chairman. My only regret is that I haven't been here for the whole debate, because I find in this town everybody is for the farmers until it is time for a vote.

The health community said, as the President's commission reported, we found that this should happen, but we are for the farm community. We don't want the livelihood of farmers to be hurt. There is a reason that the ag bill put it back in, was because we have had a significant change since we did an ag bill, Mr. Chairman.

The industry went and settled with States. It agreed to some things that 20 years ago the tobacco industry wouldn't agree to. Every State profited from the money in the settlement. Some of them chose to pump it into health care for children, some of them chose to build sidewalks with it.

You know it is a shame that they didn't all pump it into programs that promoted education, that supported health care. But, you know, the next thing we are going to do is start duplicating our health care system to make sure that the countries have health care, versus to make sure that our agricultural products aren't marketed in the same way.

I know that my good friend pointed out a 15 percent death rate in China. I am not sure if that is accurate, but I believe it. We don't currently sell any raw tobacco leaf to China. This is not an issue today, ladies and gentlemen, about whether we market cigarettes, or how they are marketed. It is a question of that small percentage of the agricultural community that still exists in this country that happens to grow tobacco, primarily because it is the only thing on their small plots of land that they can make their livelihood on.

It is whether we are going to extend to them the same opportunity that we extend to every other agricultural product. I know if any of you went home, if your products were Christmas trees, like they are for me, or hazelnuts or they are avocados or they are something that is a small part of the business versus corn or barley or potatoes, your farmers would be outraged if we excluded them. You, Mr. Flake, just alluded to some.

The only thing we are asking for is treat us the same as everybody else. It is an agricultural product. Until this Congress or this country outlaws it, then let farmers be treated the same from farm to farm to farm.

We are not going to cut off the flow of tobacco to China whether they grow their own, which is 100 percent of the market today, whether they get it from Zimbabwe, which is a developing country, and my gosh, we don't want to do anything to hurt their developing process, or whether they get it from Brazil, which is currently growing probably as much, if not more, than we are in the United States.

But understand that with the actions that we have taken domestically, with what the companies have done on their own, with the educational trend that we have had in this country as we have reduced the usage of tobacco products, the only way that those farmers in these communities can in fact have a livelihood is if they participate in an international market that is there whether we are or not.

So our ability to extend the same agricultural possibilities to a tobacco farmer that we extend to any other farmer is only their ability to continue the livelihood that they have come to know.

Let me assure all of you that as that dies, and it will, I am convinced of it, no matter how hard we try, that part of life as we know it in the South won't exist. So will communities that we represent. So will the hospitals that exist today, that won't exist tomorrow. They were built with tobacco money. So will the schools, and consequently so will the socioeconomic level of the people who live there.

Don't do it because of something we do. Do it because the market conditions change. But don't do anything to pile onto an industry that is already on a decline.

I am confident that these people deserve to be part of the program. The Agriculture Committee on a voice vote said a lot has changed in the 5 years since we did this bill. The industry has done a tremendous amount. We shouldn't exclude them from everything that we extend to our agricultural community to sell internationally. We want them included now, because that in fact could be the difference between profit and loss to them.

I would urge my colleagues, regardless of what you think about tobacco, what you think about cigarettes, this is an issue of whether we are going to treat all farmers the same way, equitably, and I would encourage you to be against the amendment and to support the initiative to have this included under the farm bill.

Mr. Chairman, I appreciate your indulgence.

Chairman HYDE. The question occurs on the Blumenauer amendment. All those in favor say aye. Opposed nay.

The Clerk will call the vote.

Ms. BLOOMER. Mr. Gilman.

Mr. Gilman: Aye.

Ms. BLOOMER. Mr. Gilman votes aye.

Mr. Leach.

Mr. LEACH. Aye.

Ms. BLOOMER. Mr. Leach votes aye.

Mr. Bereuter.

Mr. BEREUTER. Yes.

Ms. BLOOMER. Mr. Bereuter votes yes.

Mr. Smith of New Jersey.

[no response.]

Ms. BLOOMER. Mr. Burton.

[no response.]

Ms. BLOOMER. Mr. Gallegly.

[no response.]

Ms. BLOOMER. Ms. Ros-Lehtinen.

Ms. ROS-LEHTINEN. No.

Ms. BLOOMER. Ms. Ros-Lehtinen votes no.

Mr. Ballenger.  
Mr. BALLENGER. No.  
Ms. BLOOMER. Mr. Ballenger votes no.  
Mr. Rohrabacher.  
[no response.]  
Ms. BLOOMER. Mr. Royce.  
[No response.]  
Ms. BLOOMER. Mr. King.  
[no response.]  
Ms. BLOOMER. Mr. Chabot.  
Mr. CHABOT. Yes.  
Ms. BLOOMER. Mr. Chabot votes yes.  
Mr. Houghton.  
[no response.]  
Ms. BLOOMER. Mr. McHugh.  
[no response.]  
Ms. BLOOMER. Mr. Burr.  
Mr. BURR. No.  
Ms. BLOOMER. Mr. Burr votes no.  
Mr. Cooksey.  
[no response.]  
Ms. BLOOMER. Mr. Tancredo.  
[no response.]  
Ms. BLOOMER. Mr. Paul.  
Mr. PAUL. Yes.  
Ms. BLOOMER. Mr. Paul votes yes.  
Mr. Smith.  
Mr. SMITH OF MICHIGAN. No.  
Ms. BLOOMER. Mr. Smith votes no.  
Mr. Pitts.  
Mr. PITTS. Yes.  
Ms. BLOOMER. Mr. Pitts votes yes.  
Mr. Issa.  
[no response.]  
Ms. BLOOMER. Mr. Cantor.  
Mr. CANTOR. No.  
Ms. BLOOMER. Mr. Cantor votes no.  
Mr. Flake.  
Mr. FLAKE. Yes.  
Ms. BLOOMER. Mr. Flake votes yes.  
Mr. Kerns.  
Mr. KERNS. No.  
Ms. BLOOMER. Mr. Kerns votes no.  
Mrs. Davis.  
Mrs. DAVIS OF VIRGINIA. Aye.  
Ms. BLOOMER. Mrs. Davis votes aye.  
Mr. Lantos.  
Mr. LANTOS. Yes.  
Ms. BLOOMER. Mr. Lantos votes yes.  
Mr. Berman.  
[no response.]  
Ms. BLOOMER. Mr. Ackerman.  
[no response.]  
Ms. BLOOMER. Mr. Faleomavaega.

[no response.]  
Ms. BLOOMER. Mr. Payne.  
[no response.]  
Ms. BLOOMER. Mr. Menendez.  
[no response.]  
Ms. BLOOMER. Mr. Brown.  
Mr. BROWN. Yes.  
Ms. BLOOMER. Mr. Brown votes yes.  
Ms. McKinney.  
[no response.]  
Ms. BLOOMER. Mr. Hilliard.  
Mr. HILLIARD. No.  
Ms. BLOOMER. Mr. Hilliard votes no.  
Mr. Sherman.  
[no response.]  
Ms. BLOOMER. Mr. Wexler.  
[no response.]  
Ms. BLOOMER. Mr. Davis.  
[no response.]  
Ms. BLOOMER. Mr. Engel.  
Mr. ENGEL. Yes.  
Ms. BLOOMER. Mr. Engel votes yes.  
Mr. Delahunt.  
[no response.]  
Ms. BLOOMER. Mr. Meeks.  
Mr. MEEKS. Yes.  
Ms. BLOOMER. Mr. Meeks votes yes.  
Ms. Lee.  
Ms. LEE. Yes.  
Ms. BLOOMER. Ms. Lee votes yes.  
Mr. Crowley.  
Mr. CROWLEY. Yes.  
Ms. BLOOMER. Mr. Crowley votes yes.  
Mr. Hoeffel.  
Mr. HOEFFEL. Yes.  
Ms. BLOOMER. Mr. Hoeffel votes yes.  
Mr. Blumenauer.  
Mr. BLUMENAUER. Yes.  
Ms. BLOOMER. Mr. Blumenauer votes yes.  
Ms. Berkley.  
Ms. BERKLEY. Yes.  
Ms. BLOOMER. Ms. Berkley votes yes.  
Mrs. Napolitano.  
Mrs. NAPOLITANO. Yes.  
Ms. BLOOMER. Mrs. Napolitano votes yes.  
Mr. Schiff.  
Mr. SCHIFF. Yes.  
Ms. BLOOMER. Mr. Schiff votes yes.  
Ms. BLOOMER. Ms. Watson.  
[no response.]  
Ms. BLOOMER. Mr. Hyde.  
Chairman HYDE. Yes.  
Ms. BLOOMER. Mr. Hyde votes yes.  
Mr. Wexler.

Mr. WEXLER. Yes.

Ms. BLOOMER. Mr. Wexler votes yes.

Chairman HYDE. Mr. Chris Smith, has he recorded?

Mr. SMITH OF NEW JERSEY. Yes.

Ms. BLOOMER. Mr. Smith votes yes.

Chairman HYDE. Mr. Issa.

Mr. ISSA. Yes.

Ms. BLOOMER. Mr. Issa votes yes.

Chairman HYDE. Has Mr. Engel voted? You can only vote once.

Have all voted who wish? The Clerk will call the roll, I mean will announce the vote.

Mr. Ackerman has entered the premises. I know that he was listening down the hall. How are you recorded?

Mr. ACKERMAN. I shall be recorded as a yes.

Chairman HYDE. Now the Clerk will report.

Ms. BLOOMER. On this vote there were 24 ayes and 7 nos.

Chairman HYDE. And the amendment is agreed to. The question now occurs on the Hyde amendment, as amended. The gentleman from Michigan.

Mr. SMITH OF MICHIGAN. Mr. Chairman, may I make an inquiry as to intent or cost on a section that was changed?

My question would be on page 14, under line 19, under (A): The child nutrition program provisions. We call, on line 23, for the expansion of the program. And then we suggest that the Agricultural Commodity Credit Corporation shall pay the cost of the purchase of these products.

The Agriculture Credit Corporation Fund, for example, shall be used for paying the transportation costs, on page 15, line 21.

And on page 16, the Commodity Credit Corporation Fund shall be used to pay the cost of activities conducted in recipient countries by nonprofit voluntary organizations. This could supplement the tremendous contribution of these voluntary organizations that are helping distribute the food in these other countries.

Is it the intent that the Commodity Credit Corporation pay for all of those on page 16, (B), starting on line 4, and again, the directions that the CCC Fund shall be provided to meet the administrative expenses of private voluntary organizations?

It seems that has the potential to cost a great deal. Can somebody help me clarify the increased potential cost?

Chairman HYDE. The CBO (Congressional Budget Office) has scored this at zero.

Mr. SMITH OF MICHIGAN. Well, I don't understand the CBO after serving 8 years on the Budget Committee, but I appreciate that scoring.

Chairman HYDE. All right. The question—if I said HBO, you would know what I was talking about.

The question occurs on the Hyde amendment, as amended. All those in favor say aye. Opposed nay. The ayes have it. The amendment is agreed to.

The question occurs on the motion to report the bill, H.R. 2646, favorably, as amended. All in favor say aye. All opposed no. The ayes have it. The ayes have it, and the motion to report favorably is adopted.

Without objection, the Chairman is authorized to move to go to conference pursuant to House Rule XXII. Without objection, the staff is directed to make any technical and conforming changes and the Chair expresses his gratitude to the Members for being here today and making a contribution.

As the Chair, I demand 2 days to file additional views, a mere technicality, but necessary.

This Committee stands adjourned.

[Whereupon, at 3:35 p.m., the Committee was adjourned.]

## A P P E N D I X

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### MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF THE HONORABLE ENI F.H. FALEOMAVAEGA, A  
REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA

H. CON. RES. 217

Mr. Chairman:

I rise in strong support of the resolution before the committee. I am honored to join you and the Ranking Democratic Member, Mr. Lantos, and the Chairman of the East Asia and Pacific Subcommittee, Mr. Leach, in jointly introducing this measure which honors the close friendship and extraordinarily deep relationship between Australia and the United States.

This month marks the 50th anniversary of our alliance with Australia under the ANZUS Treaty, and the resolution before us properly recognizes that this vital security relationship has made historic and significant contributions to peace and stability in the Asia-Pacific region.

Even before the Treaty was signed in 1951, however, Australia and the United States have worked together in partnership to confront common threats to democracy. From the summer of 1918, when the U.S. 33rd National Guard Division joined Australian troops at the battle of Le Hamel in France, we have fought together as allies in World War I, World War II, the Korean and Vietnam Wars, and more recently in the conflicts in the Persian Gulf and Somalia.

In addition to our extensive defense and intelligence cooperation, Australia has worked closely with the United States to combat global problems—such as the HIV/AIDS pandemic, international criminal syndicates and narcotics trafficking, and the proliferation of Weapons of Mass Destruction and missile technologies.

We have also served together in international peacekeeping efforts, for which, in particular, Australia should be deeply commended for its outstanding leadership of multinational operations in East Timor, which resolved the crisis and restored stability.

The United States and Australia also have a robust trade relationship. We are Australia's second largest trading partner, with annual trade exceeding \$22 billion, and our two nations consult and work together closely in the World Trade Organization and APEC for the promotion of international trade and regional economic development.

Mr. Chairman, for all these reasons, I urge our colleagues to support passage of this measure that honors our common heritage with Australia—the respect for human rights and rule of law, the trust in free market economies and our fundamental belief in government by democratic rule.

Adoption of this measure sends a strong message affirming the deep respect and enduring bonds of friendship binding the United States with Australia, and will be a worthy welcome to Australian Prime Minister John Howard on his state visit to Washington next week.

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PREPARED STATEMENT OF THE HONORABLE GREGORY W. MEEKS, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF NEW YORK

H.R. 2646

I want to thank Chairman Hyde and Ranking Member Lantos for their leadership and the work of both Committee Staffs, for working in a bipartisan nature to develop this amendment.

This bill deals with an important area of US foreign policy and I am delighted that Mr. Hyde and Mr. Lantos have worked together to reclaim our Committee's shared jurisdictional responsibilities with the Agriculture Committee over international agricultural programs.

I want to state my strong support for the Hyde/Lantos Amendment.

It makes a number of long desired improvements in our international agricultural commodity assistance programs under our Food for Peace and Food for Progress Titles.

This amendment provides greater flexibility to our government agencies like the Foreign Agricultural Service, the Commodity Credit Corporation and their NGO and PVO partners in carrying out these important activities which support both humanitarian and market development activities.

I'm even more excited about the two new initiatives which the Hyde/Lantos amendment authorizes, The George McGovern-Robert Dole International Food for Education and Child Nutrition Act and the Farmers for Africa and Caribbean program. I'd like to make a few comments about the Farmers for Africa and Caribbean program.

Many farmers in Africa and the Caribbean Basin face a wide range of domestic and foreign constraints on their capabilities to produce crops for either self subsistence or for local regional, and global markets.

One category of the constraints faced by farmers in Africa and the Caribbean are their reliance on the use antiquated techniques and inadequate farming systems to produce, store and transport their crops, which results in poor crop quality, low crop yields, spoilage and lost income opportunities.

Many of these farmers are losing domestic market opportunities to supply agricultural products to restaurants, tourists, grocery stores and other domestic consumers, to farmers in European and Asian countries who use advanced planting technologies and production techniques, often in conjunction with various types of support programs from their governments.

This program is an excellent first step in responding to the need which exists for the training of farmers in African and Caribbean Basin countries and other developing countries in farming techniques that are appropriate for the majority of eligible farmers in African and Caribbean countries.

Such techniques would include and not be limited to; modern pre and post harvest techniques for standardization of quality assurance purposes, systematic development of efficient indigenous growing practices, insecticide and sanitation procedures, and "organic" farming methods that will produce increased yields of nutritious crops on a consistent basis.

While this bill is a good start and has the potential to make a positive impact on the lives of many, we in this body would be remiss if we believe that it is enough.

I'm sure my colleagues are aware that the greatest constraints on African and Caribbean farmers to produce agricultural products are not simply of a technical nature, they are in the forms of government subsidies paid to farmers which distort international markets, tariff spikes and non-tariff barriers which reduce their export market opportunities, and asymmetries in levels of trade liberalization which create competitive disadvantages. I hope this committee will explore these issues in the future, so that the funds we authorize for our farmer to farmer and international food and education programs are able to achieve the best possible results.

Once again, thank you Mr. Chairman and our Ranking Member for your leadership on these important matters. Given the fact that the majority of people living in developing countries live in rural areas and rely on agricultural production for their sources of income, the best way to reduce poverty is to remove the constraints on subsistence and market opportunities for people to earn incomes and create wealth in their societies.

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PREPARED STATEMENT OF THE HONORABLE JOSEPH CROWLEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

H.R. 2646

Mr. Chairman, I rise in strong support of the Hyde/Lantos amendment to H.R. 2646, and in particular, Section 312. Originally proposed as H.R. 1700 by my colleagues, Congressman James McGovern and Congresswoman Joann Emerson, this section enhances the Global Food for Education Initiative Pilot Program in important ways. In a country where our farmers often produce a surplus of agricultural commodities such as soybeans, more than we, as Americans can consume, it is incumbent upon us to use the excess in socially responsible ways. The Global Food



for Education Initiative Pilot Program, launched in December, 2000, provides a sustainable way to take that surplus and deliver it to the world's neediest young people so that they may receive the food they need to grow and thrive. Under this initiative, school-feeding programs alleviate short-term hunger and improve cognition. Making the connection between good nutrition and educational opportunities seems obvious. Children need good nutrition and health for strong cognitive and sensory development. Strong cognitive and sensory development lead to and increased capability to learn and retain knowledge. Children who are impoverished do not receive good nutrition and, as a result, suffer from diminished cognitive abilities and sensory impairments. Because most if not all of their time is absorbed by the search for food, their health suffers and, more importantly, they do not have time to attend school. School feeding programs like those provided under the Pilot Program which would be made permanent under this section, free children and their families of the perpetual need to search for food so that they may concentrate on what is important in their young lives: learning and developing strong minds and bodies.

The Pilot Program also has direct benefits for the U.S. It aims to purchase more than 630,000 metric tons of U.S. commodities and includes transporting these commodities abroad. If this program were to be made permanent, it would, over time, increase funds available for commodity purchases to \$750 million annually for pre-school and school feeding programs and introduce a \$250 million global-WIC program. A range of States that produce agricultural products would benefit from this program, including my home state of New York, Texas, Tennessee, California, Kentucky, Utah and New Jersey, among others. U.S. ports that export these goods would benefit, as would those States that contribute related products, including nutritional supplements and containers.

Finally, stronger and healthier children who stay in school can better contribute to their domestic economies in adulthood. Strong economies mean more stable countries and better trading partners for the U.S.

Section 312 of the Hyde/Lantos amendment to the Agricultural Act of 2001, would, among other things, make the Global Food for Education Initiative Pilot Program permanent, add a Global WIC program, and provide technical assistance and advice to recipient countries on how to establish and carry out effective school feeding programs. As such, it is a critical step toward increased child survival. Approximately one half of all childhood deaths each year in developing countries, or almost 5 million childhood deaths, are caused by pneumonia, malaria, diarrheal diseases, or measles. Better medical care and access to medicines are essential to lowering this casualty rate. Earlier this year, I introduced H.R. 1269, the Global Health Act of 2001, which calls for nearly \$225 million for the health and survival of children to address these diseases. But that is only half of the story. Good nutrition is another key piece of the puzzle for children in these countries. I believe that the Pilot Program should be made a permanent feature of our assistance to developing countries. Their children are their future and, through proper nutrition and increased learning, they can be provided a better opportunity to contribute to that future.

