Farm, Nutrition and Community Investment Act - Section Guide

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TITLE I—MARKET AND ECONOMIC DEVELOPMENT

SUBTITLE A: FARM AND RANCH PROFITABILITY GRANT PROGRAM

SEC. 101. AVAILABILITY AND PURPOSE OF GRANTS

- Provides for annual grants to states, through state Department of Agriculture, for the purpose of improving the profitability of farms and ranches, increasing self-employment opportunities for farmers and ranchers, revitalizing local and regional food systems, increasing wealth and asset-building in rural communities and encouraging entrepreneurship and innovation in farming and ranching, by funding state, local and farm-level programs that address:
  - Farm viability;
  - Market development and promotion;
  - Product development/differentiation and promotion;
  - Consumer education;
  - Business planning;
  - Alternate ownership models and structures;
  - Local and regional infrastructure needs; or
  - Local and regional food security needs.
- States must provide assurances that grant funds are used to supplement, not supplant, state funding;
- States authorized to use up to 5% of grant funds annually for administrative and planning expenses.

SEC. 102. ALLOCATIONS TO STATES

- Funds would be allocated to states as follows:
  - Fifteen percent of annual funds would be allocated equally among states as a minimum base grant amount. Subject to availability of funds, each eligible state would receive at least $3 million each fiscal year as a minimum base allocation;
  - Beginning in FY 2009, and in each fiscal year thereafter, 15% of funds would be distributed as bonus payments. Bonus payments would be awarded equally among those states that match at least 30% of their prior year's grant allocation with an equivalent amount of state, local or private funds, or combination thereof.
  - The remaining funds would be distributed by formula; the formula would be based on a composite index, weighted equally, of the market value of agricultural sales and the number of farms in each state.

SEC. 103. GRANT EXPENDITURES AND ALLOWABLE USES

- Eligible recipients would include:
  - Producers of any kind of agricultural commodity;
  - Local and regional government entities;
  - Agricultural cooperatives;
  - Agricultural processors;

  - Non-profit organizations;
  - Research institutions.
- Permitted use of grant funds would include:
  - To provide marketing or business development assistance to producers;
  - To promote product development or differentiation;
  - To encourage direct-to-consumer market opportunities, such as
    - farmers markets;
    - buy-local campaigns;
    - agri-tourism;
    - on-farm retail market opportunities;
  - To rebuild local and regional food systems and foster agricultural economic development through development of agricultural processing facilities or other infrastructure that enhances or adds value to agricultural products grown within the state ;
  - To match state funding for:
    - Farm viability programs;
    - Agricultural innovation centers;
    - Recreational walk-in or access programs;
  - To encourage profitable business models and develop alternative ownership structures and new business succession models;
  - To increase consumer awareness of agricultural products and services grown and provided within the state, including advertising and promotional campaigns;
  - To provide direct grants to producers for farm infrastructure or equipment needs that:
    - Add value to a commodity produced, or
    - Will allow for the transition to a new agricultural enterprise
  - To provide technical, legal and other support to beginning and/or socially disadvantages farmers;
  - To assist county and local governments in planning for agriculture, including the land use and infrastructure needs of producers;
  - To address food safety issues, including training;
  - To enhance the competitiveness of specialty crops, including applied research.
- States could not use grant funds to directly subsidize the price of an agricultural commodity in the market;
- States could not award more than 33% of their annual grant allocation to any single project, proposal or program.

SEC. 104. STATE ELIGIBILITY AND ACCOUNTABILITY

- To be eligible to receive a grant, a State would be required to submit a three-year strategic plan for review by the State's federal Food and Agricultural Council and approval by the Secretary of USDA. Within 90 days after the end of a fiscal year, a state would also be required to submit a report of its previous fiscal year's activities.
- The strategic plan must reflect the diversity of the state's agricultural sector, including the production, processing, marketing and distribution of its food and agricultural products, and must include the following:
  - The state's vision for meeting the purposes of the program;
  - The state's three-year plan for achieving that vision, including goals, objectives, measurable outcomes and yearly milestones toward completion;

  - An explanation of how the plan reflects the diversity of the state's agricultural sector, and the method by which the state has and will continue to solicit the input of the agricultural sector in developing the plan, setting grant priorities and selecting projects;
  - A year-by-year work plan, including:
    - General project areas that will be funded;
    - Percent of funding anticipated for each project area; and
    - The expected project selection process for each fiscal year.
- The annual report must include an accounting of projects funded, non-federal funds leveraged, mileposts completed and outcomes achieved, and unobligated funds remaining. The annual report must also include an updated work plan for the current fiscal year.
- The Secretary could reject a state's strategic plan but must give the state an opportunity to submit a revised plan. If the Secretary found that a state was not substantially meeting the outcomes and milestones described in its strategic and yearly work plans, was not meeting the purposes of the grant program and/or was not funding projects reflective of the diversity of the state's agricultural sector, the Secretary could disqualify the state from the program for one or more years.
- States must submit an annual audit, and may use up to 2% of its yearly allocation to perform the audit.
- Any funds not used by a state within two fiscal years would be remitted back to USDA for reallocation.

SEC. 105. FUNDING

- Authorizes $1 billion annually of funds from the Commodity Credit Corporation for fiscal years 2008 through 2013.

SEC. 106. DEFINITIONS

- Defines "State" as the 50 states;
- Defines producer as defined by USDA for the purpose of the Census of Agriculture.

SUBTITLE B: MISCELLANEOUS PROVISIONS

SEC. 107. DEFINITION OF RURAL DEVELOPMENT

- Exempts agricultural producers and producer entities from geographic limitations on eligibility for USDA-Rural Development Business and Cooperative Programs, including Rural Business Enterprise Grants, Rural Business Opportunity Grants, Business Industrial Loan Program, and the Renewable Energy Systems and Energy Efficiency Improvements Program.

SEC. 108. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS

- Increases funding for Technical Assistance for Specialty Crops (TASC) to $4 million in FY08, $6 million in FY09, $8 million in FY10 and $10 million for each of fiscal years 2011 and 2012.

SEC. 109. MARKET ACCESS PROGRAM

- Increases funding for the Market Access Program to $350 million annually

TITLE II—CONSERVATION

SEC. 201. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

- Increase annual funding for EQIP from $1.3 billion to $2.0 billion annually and continue mandatory funding from Commodity Credit Corporation (CCC);
- Increase annual funding for "innovation" grants to $40m in 08, $50m in 09, $60m in 2010, and $75m annually in 2011-2013 (innovation grants can be used for variety of purposes, including methane digesters);
- Reform EQIP to give priority to offers that: are cost-effective; reflect national, state or local priorities; provide comprehensive treatment of resources; encourage higher levels of environmental performance; and improve environmental performance on existing agricultural operations (rather than new operations);
- Direct the Secretary to use 10 percent of EQIP funds to provide additional funding for states satisfying criteria of innovation, effective program delivery, leveraging of state and local funds, and producer collaboration.

SEC. 202. DELIVERY OF TECHNICAL ASSISTANCE

- Give Secretary the authority to use competitive bidding and multi-year contracts and agreements in order to provide technical assistance to producers in addressing conservation needs; require the Secretary to have technical service provider payment rates consistent with prevailing regional market for similar services supplied to other industries;

SEC. 203. COOPERATIVE CONSERVATION PARTNERSHIP INITIATIVE

- Within the conservation title, establish a new cooperative conservation partnership initiative using funding ramped up over 4 years to be 20 percent of working land programs fundsand an appropriate portion of land retirement program acreage. The initiative would provide multi-year competitive grants or agreements to eligible entities (including state agencies, conservation districts, extension associations, farm and conservation organizations, farmer cooperatives) to address conservation priorities through collaborative efforts.
- Seventy-five percent of funds would be distributed back to states (via State Conservationist and State Technical Committees) to make awards based on conservation priorities identified at the *state and local level*. Twenty-five percent of funds would be awarded nationally for multi-state resource issues.
- Secretary would be directed to ensure that *all* states receive funding under this initiative;

SEC. 204. CONSERVATION LOAN GUARANTEE PROGRAM

- Establish a new loan guarantee program to enable eligible entities to obtain financing to install conservation systems and practices on their agricultural operations;
- Project size is limited to $1 million per conservation project; government would guarantee the loan and reduce producer's interest rate by up to five percent. No repayment would be required in the first year;

- If other financial assistance from USDA is approved for the project, limits any loan principle amount to be the producer's share of the cost.
- Require NRCS to certify that loan application is for legitimate conservation purpose and give the Secretary flexibility in which agency administers the rest of the application;

SEC. 205. PILOT PROGRAM FOR COMPREHENSIVE CONSERVATION PLANNING

- Establishes a pilot program of comprehensive conservation planning to assist producers make informed choices when seeking assistance, but prior to making contract commitments under the conservation programs in Title XII
- Establishes four pilot locations, including Chesapeake Bay, Great Lakes, Connecticut River Valley Watershed, and the Highlands Region (as defined in PL 108-421).
- Provides CCC funding of $40 million annually for the pilot program.

SEC. 206. CONSERVATION APPLICATION PROCESS

- Simplify the conservation application process, by directing NRCS to develop single application form for producers; application would describe location and features of farm and identify nature of problem(s) producer wishes to address;
- NRCS would assess application, applying appropriate information and data, and develop recommendation for farm's conservation program eligibility;

SEC. 207. MINIMUM BASE ALLOCATION TO STATES IN FUNDING OF CERTAIN DEPARTMENT OF AGRICULTURE CONSERVATION PROGRAMS

- Require a *base allocation for every state* of no less than $15 million a year for state allocations of working lands conservation funding; programs subject to regional equity would include FRPP, EQIP and WHIP;

SEC. 208. CONSERVATION SECURITY PROGRAM

- Revisions to CSP should incorporate the following principles:
    - Be fully funded and implemented on a nationwide basis.
    - Simplify and streamline payments and eligibility requirements to increase transparency, clarity, and ease of use by producers.
    - Create better balance between rewards for current stewardship and incentives for new conservation.
    - Emphasize payments based on management intensity, that is, the level of treatment, as well as the breadth of resource concerns addressed.
    - Reward producers for addressing the most important resources of concern as determined by states.
    - Greater flexibility should be given to states (state technical committees) to determine and rank priority resource concerns.

- Provide adequate technical assistance to ensure that there is the capacity to enroll participants, provide on-site assessment and planning, and to facilitate timely contract renewals and modifications.
- Provide a predictable and reliable stream of revenue based on environmental measures;
- Be universally available and adaptable to all types of farm operations in all regions of the country;
- Expand eligibility to include non-industrial private forested land that is not necessarily incidental to an agricultural operation;
- Provide a minimum annual base payment;
- Ensure program complements and is run in coordination with other NRCS working lands conservation programs;
- Encourage payments based on carbon sequestration;
- Encourage environmentally sound methods and practices for the production of sustainable cellulosic bioenergy feedstocks;
- Ensure "dual eligibility" for certified organic farms.

SEC. 209. REAUTHORIZATION OF AND INCREASED FUNDING FOR FARMLAND PROTECTION PROGRAM

- Increase funding for FRPP to $300 million annually;
- Expand purposes of program beyond protection of top soil;
- For "qualified" state and local farmland protection programs and land trusts, funding would be provided through grants and qualified entities would determine most easement terms, including any related to impervious surfaces. Qualified entities could use up to ten percent of a grant for reasonable costs of purchasing and enforcing conservation easements;
- Require an impervious surface limit for each easement to be set at state, county or local level
- Eliminate the federal property interest in easements purchased under FRPP for qualified entities or for land trusts and local programs that partner with qualified entities.

SEC. 210. FARMLAND PROTECTION POLICY ACT

- Strengthen FPPA to ensure that federal projects are not converting farmland unnecessarily;
- Establish a National Agricultural Lands Commission to undertake a study of the importance of protecting an adequate agricultural land base to the nation's homeland, food and energy security and environmental quality.

SEC. 211. DEBT FOR AGRICULTURAL EASEMENTS

- Authorize USDA debt forgiveness in exchange for agricultural conservation easements, similar to FSA Debt for Nature program but without restrictions on future agricultural use)

SEC. 212. PLANNING FOR AGRICULTURE GRANTS

- Authorize new program that provides matching grants to state and local governments to develop comprehensive plans for the future of agriculture; fund at $40 million annually;

- Grants could be used to develop plans that assess needs and identify strategies for supporting: farm and ranch land protection and transition; agricultural economic development; local and regional food security; and/or local and regional food processing and agricultural infrastructure needs.

SEC. 213. EXCLUSION OF PAYMENTS UNDER DEPARTMENT OF AGRICULTURE CONSERVATION PROGRAMS FROM ADJUSTED GROSS INCOME LIMITATION

- Exempt conservation payments from the adjusted gross income limitation

SEC. 214. REAUTHORIZATION OF AND INCREASED FUNDING FOR WILDLIFE HABITAT INCENTIVE PROGRAM

- Reauthorize and stepwise increase funding to $300 million annually; allow payments for habitat management as part of state wildlife plan;

SEC. 215. CONSERVATION RESERVE PROGRAM

- Reauthorize CRP at current 39.2 million acre level and establish 7 million acre enrollment goal for CRP continuous signup and Conservation Reserve Enhancement Program (CREP);
- Limit general signup to no more than 80 percent of CRP acreage and require 15% higher threshold for the environmental benefit index (EBI) score for general signup offers;
- Allow an optional early termination clause for those enrollees wishing to exit CRP to produce cellulosic crop for conversion into bio-energy;
- Gives priority in enrollment to land that cannot produce comparable environmental benefits if maintained in production with other conservation assistance to improve environmental performance of working lands.

SEC. 216. WETLANDS RESERVE PROGRAM

- Increase maximum acreage enrollment in WRP to 5 million acres;
- Authorize payment of management cost to maintain functional value of wetlands.

SEC. 217. PILOT PROGRAM FOR CONSERVATION RISK MANAGEMENT

- Establishes a pilot program to encourage the adoption of conservation practices and best management practices on working lands by offering producers innovative tools to manage the business and production risk of implementing conservation and/or best management practices on some portion of their operations. Such risk management tools include price and yield guarantees that are contingent on conversion to conservation and/or best management practices, such as reduced application rates of nutrients.
- Establishes four pilot locations, including Chesapeake Bay, Great Lakes, New York Finger Lakes region, and the Ohio River watershed.
- Provides CCC funding of $20 million annually for the pilot program.

TITLE III—ENERGY

SEC. 301. DEFINITION OF BIOMASS

- Expand the definition of biomass to include "crop waste," thus explicitly allowing funding for development of cellulosic ethanol from crop residue.

SEC. 302. RESEARCH ON BIOBASED PRODUCTS

- Reauthorize Section 9002 of 2002 Farm Bill, which provides funding for bio-based product research and creates federal purchasing preference for bio-based products.
- Increase authorized funding from $1 million annually to $10 million per year.

SEC. 303. DEVELOPMENT OF BIOREFINERIES

- Reauthorize Section 9003 of 2002 Farm Bill, which authorizes grants or loans to demonstrate the commercial viability of processes for converting biomass to fuels or chemicals; focused on development of new and emerging technologies. Retain current standards regarding eligibility.
- Make funding mandatory through CCC, at $100 million annually.

SEC. 304. ENERGY AUDIT AND RENEWABLE ENERGY DEVELOPMENT PROGRAM

- Reauthorize Section 9005 of the 2002 Farm Bill, which provides assistance to producers in analyzing energy usage and developing, plans to reduce energy costs.
- Authorize funding at $25 million annually.

SEC. 305. RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENTS PROGRAM

- Reauthorize Section 9006 of the 2002 Farm Bill, which provides loan, loan guarantees, and grants to farmers, ranchers and rural small businesses to purchase renewable energy systems and make energy efficiency improvements.
- Create grant payment option that avoids a reduction in the value of the renewable energy production tax credit (the so-called "Production Tax Credit haircut") for renewable electricity systems, including wind, solar, and methane digesters.
- Give preference to projects that foster community or cooperative approaches to renewable energy development.
- Give priority to projects that provide the greatest energy efficiency and/or net environmental benefit.
- Increase funding as follows: $60 million in 2008; $90m in 2009; $130m in 2010; $180m in 2011; $250m in 2012.

SEC. 306. BIOMASS RESEARCH AND DEVELOPMENT

- Reauthorize Section 9008 of 2002 Farm Bill, which funds research and development on production of bio-based fuels, including feedstock production, harvesting, transport, and storage.
- Increase mandatory CCC funding to $25 million annually; retain program authorization of $200 million annually.

SEC. 307. COOPERATIVE RESEARCH AND EXTENSION PROJECTS FOR CARBON CYCLE, RENEWABLE ENERGY, AND CLIMATE CHANGE IN THE NORTHEAST AND MID-ATLANTIC UNITED STATES

- Expand Section 9009 of 2002 Farm Bill, which authorizes research and extension projects by Midwestern universities into aspects of carbon sequestration, to include: research on developing standardized protocols for aggregation rates for various practices, including soils, forestry, and wetlands, and research that analyzes economic and environmental impact of climate change on agriculture, in addition to carbon sequestration by agriculture.
- Include Northeast universities as eligible grant recipients.

SEC. 308. INDUSTRIAL SITE REDEVELOPMENT THROUGH CELLULOSIC PROGRAM

- Replace Section 9010 of the 2002 Farm Bill to provide a mix of incentives to encourage retooling of industrial sites such as paper mills, distilleries, food processing facilities, and traditional grain and oilseed biofuel plants into advanced cellulosic biofuel production sites.
- Authorize funding at $150 million annually.

SEC. 309. FARM AND RANCH ENERGY EFFICIENCY REBATE PROGRAM

- Create new program that authorizes the Secretary to provide block grants to states that have eligible energy efficiency technology rebate programs. Eligible programs would be those that provide easy-access cost-share assistance to farmers and ranchers who install off-the-shelf energy efficiency improvements.
- Authorize funding at $10 million per year.

SEC. 310. ALTERNATIVE USES FOR BIOFUEL BYPRODUCTS

- Create a new program to fund research on alternative uses for byproducts produced during refining of biofuels.
- Authorize funding at $10 million annually.

SEC. 311. NATIONAL NET METERING FOR FARM ENERGY

- Require that all states allow net metering with reasonable requirements on all farm renewable energy systems (including methane digesters, windmills, solar systems, and other renewable energy systems). Net metering allows owners of renewable energy systems to "bank" their electricity in the grid so they can get the full benefit of the energy system and reduce their electricity costs.
- This provision will not affect any state net metering provisions already in place, or prohibit a state from imposing additional net metering requirements on electric power providers within their jurisdiction.
- No funding needed.

TITLE IV—HEALTHY DIETS

SEC. 401. EXPANSION OF FRESH FRUIT AND VEGETABLE PROGRAM

- Expand to a minimum of 100 schools in each state.
- Increase funding to $300 million annually from 2008-2013.

SEC. 402. SECTION 32 SPECIALTY CROP PURCHASES

- Increase funding to $400 million for purchase of fruits, vegetables and specialty crops through Section 32 program.
- Mandate that an increasing amount be used to purchase fresh fruits and vegetables for distribution to schools and service institutions through Department of Defense Fresh program; $50 million in 2008, $75 million in 2009 and 2010, $100 million in 2011, $125 million in 2012 and 2013.

SEC. 403. SCHOOL PREFERENCE STUDY

- Require analyses of Section 32 and Department of Defense Fresh commodity purchases to determine what changes should be made to better meet the needs of schools and to improve program logistics.

SEC. 404. INDEPENDENT EVALUATION OF DEPARTMENT OF AGRICULTURE COMMODITY PURCHASE PROCESS

- Require an independent evaluation of the commodity purchasing processes used by USDA to remove surplus commodities from the market and support commodity prices and producers income with regard to the importance of increasing purchases of perishable specialty crops.

SEC. 405. ALLOW GEOGRAPHIC PREFERENCES IN FOOD PURCHASING PROGRAMS

- Change language to allow purchase of locally produced foods.

SEC. 406. AUTHORIZATION LEVEL FOR FARM-TO-CAFETERIA ACTIVITIES

- Increase to $20 million annually from 2008-2013

SEC. 407. EXTENSION OF WIC FARMER'S MARKET NUTRITION PROGRAM

- Increase funding and make it mandatory through CCC; $20 million in 2008, $30m in 2009, $45m in 2010, $60m in 2011, and $75m thereafter.

SEC. 408. SENIOR FARMERS' MARKET NUTRITION PROGRAM

- Increase funding and make it mandatory through CCC; $20 million in 2008, $30m in 2009, $45m in 2010, $60m in 2011, and $75m thereafter.

SEC. 409. FARMERS' MARKET PROMOTION PROGRAM

- Increase funding to $25 million annually and make mandatory through Commodity Credit Corporation (CCC) from 2008-2013.
- Use $5 million to support electronic benefit transfers.

SEC. 410. DEPARTMENT OF DEFENSE AND DEPARTMENT OF AGRICULTURE PROCUREMENT OF LOCALLY PRODUCED FRUITS AND VEGETABLES

- Encourage institutions to purchase locally produced foods to the maximum extent practicable and appropriate and clarifies that USDA and Department of Defense may use a geographic preference to purchase locally produced agricultural products.

TITLE V—FORESTRY

SEC. 501. NATIONAL AND STATE FOREST PRIORITIZATION AND PLANNING

- Creates a new state planning and prioritization process for private forestlands within the Cooperative Forestry Assistance Act; requires development of state forest plans that outline threats to the sustainability, management and conservation of the State's privately-owned forests, goals and strategies for addressing identified threats, and a program to monitor progress toward reaching goals and implementing strategies in the plan.
- Authorizes $10 million annually to USDA and the States in fiscal years 2008, 2009 and 2010, with sum sums as may be necessary in the future for updating plans as the Secretary deems appropriate.

SEC. 502. HEALTHY FORESTS RESERVE PROGRAM

- Authorizes permanent easements;
- Funds at $50 million annually, through CCC.

SEC. 503. COMMUNITY FOREST AND OPEN SPACE CONSERVATION PROGRAM

- Authorizes new program within the US Forest Service to enable municipalities and counties to acquire economically, culturally and environmentally important forest areas that are threatened by conversion to non-forest uses;
- Lands acquired would be owned in fee and public access would be required;
- Federal share of total project costs could not exceed 50% for any project;
- 10% of annual funding would be allocated to participating states to administer the program and to provide technical assistance to municipalities and counties for forest stewardship;
- Authorizes such sums as may be necessary
- Stipulates that program is voluntary for landowners and does not modify any authority of Federal, State or local governments to regulate land use.

TITLE VI—NUTRITION

SUBTITLE A—FOOD STAMP PROGRAM

SEC. 601. PREVENTING REDUCTIONS IN BENEFITS

- This provision ensures that the maximum food stamp benefit cannot decrease from one year to the next.

SEC. 602. STRENGTHENING THE FOOD PURCHASING POWER OF LOW-INCOME AMERICANS

- Stops the annual erosion of benefits and increases benefit levels to most households.

SEC. 603. CHILD CARE DEDUCTION

- Eliminate the cap on the amount of child-care expenses a family may deduct from their gross income.

SEC. 604. EXCLUSION OF COMBAT-RELATED MILITARY PAY FROM COUNTABLE INCOME

- Exclude “Special” military pay to help support families with military personnel serving overseas.

SEC. 605. EXCLUSION OF RETIREMENT ACCOUNTS FROM COUNTABLE FINANCIAL RESOURCES

- Exclude retirement savings accounts from the consideration of a household’s assets.

SEC. 606. ALLOWABLE COUNTABLE RESOURCES

- Index the current asset limit so that it keeps pace with inflation.

SEC. 607. FACILITATING SIMPLIFIED REPORTING

- Reduce paperwork requirements on elderly and disabled households.

SEC. 608. SIMPLIFYING WORK REQUIREMENT

- Allow unemployed persons without children full participation in the Food Stamp Program.

SEC. 609. MINIMUM BENEFIT

- Raise the minimum benefit to $34 and reform it to ensure it keeps pace with inflation.

SEC. 610. REAUTHORIZATION OF FOOD STAMP PROGRAM AND FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS

SEC. 611. ACCOUNTABILITY FOR PAPERWORK REQUIREMENTS

- Limit states' authority to devolve the authority to deny applicants to non-governmental entities.

SEC. 612. PERFORMANCE STANDARDS FOR BIOMETRIC IDENTIFICATION TECHNOLOGY

- Prohibit states from requiring biometric information from applicants as a condition of issuing benefits.

SEC. 613. PREVENTING CONFLICTS OF INTEREST

- Ensure that private contractors do not have a financial interest in an applicant household failing to provide complete information.

SEC. 614. LIMITATION ON CONTRACTING

- Restricts USDA from waiving its own regulations and approving contracts retrospectively.

SEC. 615-618. FAIRNESS FOR LEGAL IMMIGRANTS

- Restore eligibility to legal immigrants.

SUBTITLE B—OTHER NUTRITION PROGRAMS

SEC 631. COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM

- Increase funding to $250 million per year.

SEC. 632. REAUTHORIZE THE COMMODITY SUPPLEMENTAL FOOD PROGRAM (CFSP)

- Reauthorize the program.

SEC. 633. REAUTHORIZATION OF AND INCREASED FUNDING FOR COMMUNITY FOOD PROJECT COMPETITIVE GRANTS

- Increase funding to $30 million annually and expand projects to include transportation, processing and access to food.

TITLE VII—CROP INSURANCE

SEC. 701. REAUTHORIZATION OF AND ADDITIONAL FUNDING FOR AGRICULTURAL MANAGEMENT ASSISTANCE PROGRAM (AMA)

- Double annual funding level to $40 million annually
- Retain current *flexibility* of use (which includes risk-management, conservation, and organic certification cost-sharing).

SEC. 702. REAUTHORIZATION, EXPANSION, AND IMPROVEMENT OF ADJUSTED GROSS REVENUE (AGR) INSURANCE PILOT PROGRAM

- Reauthorize pilot revenue insurance program through 2010 reinsurance year
- Expand pilot revenue insurance eligibility to all counties in U.S. that meet selection criteria
- Specific program improvements:
    1) Provide higher levels of coverage on AGR/AGR-Lite whole farm revenue programs. Change to an 85% coverage level and 100% payment rate. To maximum extent possible, provide coverage levels that accurately reflect a producer's risk under conditions of increasing intended revenue.
    2) Provide a 10 percent "floor" to declines in a producer's 5-year income history used to determine coverage levels. Low revenue can reduce the approved AGR to the point where the insurance will not provide adequate coverage.
    3) Include crop insurance payments and Noninsured Crop Disaster Assistance (NAP) as allowable income in a producer's 5-year history, which is used to determine coverage levels. .Adding MPCI indemnities and NAP to allowable income would provide a floor to compensate for low revenue years.
    4) Require additional analysis to more accurately reflect risk of dairy and livestock commodities. More analysis is needed to see which risk pool livestock commodities should go into versus simply putting all livestock in the highest risk pool.
    5) Carryover commodities still in the production phase present some unique beginning and ending inventory challenges. Provide greater clarity and direction regarding coverage and inventory rules for these commodities, including Christmas trees, shellfish, nursery, and livestock.
    6) Add the peril of quarantine and bio-terrorism as insurable causes of loss. These are the two catastrophic events that many producers fear most, and either one could destroy their farming business.
    7) Strengthen how local market values are established for direct marketers, by using the best available estimate from direct marketers rather than commercial buyers. Require, to the maximum extent possible, that the value for estimating the revenue for the producer's intention report for the current year be determined at the time the intentions report is filed.
    8) Remove the 83.35% single crop income requirement that effectively excludes many potato growers from participating in the program.

9) Revise definition of 'animals' to ensure it is inclusive of production agriculture, including fryers and shellfish. Clarify that animals grown under contract are insurable.
10) Develop a pilot program that provides opportunities for beginning farmers to use the AGR program, such as providing premium rates based on information for similar farms that have sufficient historical information to meet the program requirements.
11) Develop a pilot program that offers small farm operations streamlined, reasonably priced access to risk management.
12) Revise program requirements to ensure that producers who file income taxes in a fiscal year that does not match the calendar year are treated equitably as compared to calendar year filers.
13) Revise program requirements to include commodities produced for on-farm feed as an intended commodity.

SEC. 703. CROP INSURANCE INCENTIVES FOR BEGINNING FARMERS

- Authorize USDA to offer beginning farmers a higher subsidy on crop insurance premiums as incentive to enter agriculture (50 percent additional premium subsidy in the first year of farming, decreasing by 10 percent each year for five years)

SEC. 704. CROP INSURANCE APPEALS

- Provide for alternative claims procedures under which the Corporation, or an approved provider, can settle appeals for denied claims using the state committee of the Farm Services Agency as a third-party arbiter.

SEC. 705. EXPANDED COVERAGE BASED ON HISTORICAL DATA

- Provide protection for all crops/commodities produced commercially within each county, using the producer's historical production as the basis for protection.

SEC. 706. COVERAGE AREA FLEXIBILITY

- Provide flexibility to producers to separate insurance units for each FSA tract (portion of an FSA farm serial number) or to use section equivalents as originally implemented by RMA in areas of the U.S. where the mile-square section surveys are not in effect.

SEC. 707. PROVISION OF ORGANIC INSURANCE PROGRAMS

- Prohibit a premium surcharge on policies that provide coverage for producers using scientifically sound sustainable and organic farming practices and systems.
- No later than October 1, 2009, use the expected or the actual organic market price of the agricultural commodity, as determined by the Corporation, to determine indemnities.

SEC. 708. EDUCATION AND RISK MANAGEMENT ASSISTANCE

- Authorize multi-year funding on crop insurance education grants.

TITLE VIII—DAIRY

SEC. 801. CONTINUATION OF THE MILK INCOME LOSS CONTRACT PROGRAM

- Continues the current MILC program.
- Raises the cap to 4.8 million pounds for max payment.

SEC. 802. MINIMUM PRICE FOR CLASS I MILK UNDER FEDERAL MILK MARKETING ORDERS

- Raises the Class I target price to $15.58/hwt.

SEC. 803. DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAMS

- Continues the current program.

SEC. 804. FUNDING OF DAIRY PROMOTION AND RESEARCH PROGRAM

- Continues the current program.

SEC. 805. FEDERAL MILK MARKETING ORDERS

- Requires USDA to conduct a study, to be reported back to Congress, of the economic benefits to milk producers of establishing a 2-class system for classifying milk.

SEC. 806. DAIRY PROCESSING EQUIPMENT LOAN GUARANTEE FUND

- Establishes a low interest loan program for the purchase of dairy equipment.

SEC. 807. FEDERAL LOAN FORGIVENESS PROGRAM

- Establishes a loan forgiveness program for students who return to the dairy after studying agriculture in college.

SEC. 808. MANDATORY REPORTING OF DAIRY COMMODITIES

- Establishes a system to require the mandatory, and timely reporting of dairy commodities.

TITLE IX—MISCELLANEOUS

SEC. 901. NATIONAL ORGANIC TRANSITION COST SHARE AND STEWARDSHIP INCENTIVE PROGRAM

- Authorize a new program that provides cost share assistance to producers to assist producers developing and implementing organic practices for conversion of land and animals to certified organic production and for the adoption of advanced organic farming conservation systems
- Provide CCC funding of $50 million annually for the organic transition program.
- Requires a producer to submit an organic transition plan to the Secretary in order to receive cost share assistance under the program.
- Establishes a National Organic Technical Committee to oversee and review program

SEC. 902. EXCLUSION OF 100 PERCENT OF GAIN ON SALES OF DEVELOPMENT RIGHTS OR CONSERVATION EASMENTS ON AGRICULTURAL LANDTO ELIGIBLE ENTITIES FOR CONSERVATION PURPOSES

- Exclude the federal capital gain from the sale of development rights on agricultural land, provided the land remains available for agricultural use;

SEC. 903. ESTABLISHMENT OF RESEARCH GRANTS PROGRAM FOR PRODUCERS TO IMPROVE SURVIVAIBILITY OF SPECIALITY CROPS AND LIVESTOCK.

- Establishes a program to fund research on invasive species and improving survivability of crops.
- Provides funding of $100 million/year.

SEC. ___. AMENDS NATIONAL ORGANIC COST SHARE PROGRAM

- Increases program funding
- Establishes recordkeeping and reporting requirements