

Farm Bill

House Committee on Agriculture

On June 18, Congress overrode the President's veto on H.R. 6124, the Food, Conservation, and Energy Act of 2008, ensuring that all parts of the Farm Bill are enacted into law. Previously, Congress had passed H.R. 2419 over the President's veto, containing 14 of 15 Farm Bill titles.

Inside the Committee

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- The bipartisan House vote on H.R. 6124 was 317-109. The Committee press release can be read [here](#).
 - [House roll call vote](#) (Roll Call 417)
 - [Senate roll call vote](#) (Vote Number 151)
- The House vote on H.R. 2419, which took place on May 21, was 316-108. The Senate vote of May 22 was 82-13. The Committee press release can be read [here](#).
 - [House roll call vote](#) (Roll Call 346)
 - [Senate roll call vote](#) (Vote Number 140)
- On May 20, 2008, Congress sent H.R. 2419, the Food, Conservation and Energy Act of 2008 to President Bush. The bill passed the House of Representatives with a vote of 318-106 on May 14, and passed the Senate with a vote of 81-15 the following day. You can read the Committee press release [here](#). (*Correction: Previously listed as May 21*)
- A [letter](#) from more than 1,000 farm, conservation, nutrition, consumer and religious groups urging a YES vote to override the President's veto.

H.R. 2419, the Food, Conservation, and Energy Act of 2008

- [Complete Legal Language of Conference Reports](#) (Title I - Title XV)
- [Joint Statement of Managers](#) (Title I - Title XV)
- A [one-page fact sheet](#) on the conference agreement (Updated May 13)

Title-by-Title Fact Sheets for the Conference Report:

- [Title I - Commodity Programs](#)
- [Title II - Conservation](#)
- [Title III - Trade](#)
- [Title IV - Nutrition](#)
- [Title V - Credit](#)
- [Title VI - Rural Development](#)
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- [Title XI - Livestock](#)
- [Title XII - Crop Insurance](#)

- [Title XIII - Commodity Futures](#)
- [Title XIV - Miscellaneous](#)

(All documents are in .pdf format)

Farm Bill Conference

- [Archived May 14, 2008, Farm Bill press conference](#): On Wednesday, May 14, House Agriculture Committee Chairman Collin Peterson and Ranking Member Bob Goodlatte were joined by members of the Farm Bill Conference Committee and members of the House Agriculture Committee to discuss passage of the 2008 Farm Bill conference report.
 - [Audio only stream](#)
 - [Video stream](#)
- [Archived May 8, 2008, Farm Bill press conference](#): Congressional negotiators announced a final farm bill conference agreement at a press conference on May 8, 2008. A bipartisan, bicameral group discussed the details of the final bill, which makes investments in conservation, energy, nutrition and rural development while continuing and strengthening farm income protection. *(Over 70 minutes in length)*
 - [Audio only stream](#)
 - [Video stream](#)
- On Thursday, May 1, the House of Representatives and the Senate each passed by unanimous consent, S. 2954, a bill to temporarily extend farm programs through May 16, 2008. Additional details on this extension and previous extensions can be found on the Library of Congress [Legislative Information](#) page.
- On Friday, April 25, the President signed into law S. 2903, a bill to temporarily extend farm programs through May 2, 2008.
- On April 16, the House of Representatives passed H.R. 5813, a bill to extend farm programs until April 25, 2008, in order to give conferees time to resolve remaining issues.
- [House Framework](#) presented to conferees at the April 10, 2008, Farm Bill conference meeting. (.pdf format)
- On April 9, the Speaker of the House of Representatives appointed conferees to participate in the conference committee to negotiate the 2008 Farm Bill. You can read the news release with the full list of conferees [here](#).
- On March 12, the House and Senate both approved S. 2745, a bill to extend agricultural programs to April 18, 2008.

[House-Senate Conference Side-by-Side Documents:](#)

| | |
|--|------------------------------------|
| Title I - Commodity Programs | Section-by-Section |
| Title II - Conservation | Section-by-Section |
| Title III - Trade | Section-by-Section |

| | |
|---|---|
| <u>Title IV - Nutrition Programs</u> | <u>Section-by-Section</u> |
| <u>Title V - Credit</u> | <u>Section-by-Section</u> |
| <u>Title VI - Rural Development</u> | <u>Section-by-Section</u> |
| <u>Title VII - Research</u> | <u>Section-by-Section</u> |
| <u>Title VIII - Forestry</u> | <u>Section-by-Section</u> |
| <u>Title IX - Energy</u> | <u>Section-by-Section</u> |
| <u>Title X - Horticulture and Organic Agriculture (House Bill) and applicable Senate Amendment provisions</u> | <u>Section-by-Section</u> |
| <u>Title XI - Miscellaneous Provisions</u> | <u>Section-by-Section</u> |
| <u>Title XII and House Title XIII - Tax & Disaster Provisions</u> | <u>Section-by-Section</u> |
| <u>Senate Amendment Title XIII - CEA Reauthorization and applicable House provisions</u> | <u>Section-by-Section</u> |

Farm Bill Framework released by Chairman Peterson and Ranking Member Goodlatte - Feb. 14, 2008

Peterson-Goodlatte Letter to the Senate - Feb. 12, 2008

Open Letter to the Farm Bill Community - Feb. 9, 2008

(All documents are in .pdf format)

House Passage

On July 27, 2007, the U.S. House of Representatives passed a Farm Bill that makes historic investments in fruit and vegetable production, conservation, nutrition and renewable energy while maintaining a strong safety net for America's farmers. The bill passed by a vote of 231-191.

You can read the House Agriculture Committee news release about House passage [here](#).

The legislative progress of the 2007 Farm Bill from Subcommittee consideration to the House floor is below, with the most recent legislative activity placed at the top. You can keep track of the status of H.R. 2419, as passed by the House, at the Library of Congress website [here](#).

This page will be updated as necessary.

Full Committee Passage

H.R. 2419 as Reported by the House Agriculture Committee

- [Bill Text](#) (Posted July 23, 2007 - 1MB file)

- House Report 110-256 accompanying H.R. 2419 (Posted July 24, 2007 - 13MB file)

Chairman's Mark for Full Committee Consideration

- Section-by-Section Analysis of Chairman's Mark - Titles I through XI (Posted July 17, 2007)
- Manager's Amendment to Chairman's Mark (Posted July 17, 2007)
 - Summary of Manager's Amendment (Posted July 17, 2007)
 - Amendments Adopted: (Posted July 20, 2007)
 - Adopted Amendments File 1
 - Adopted Amendments File 2
 - Adopted Amendments File 3
 - Adopted Amendments File 4
 - Adopted Amendments File 5
- Title I - Commodity Programs
 - Adopted Amendments:
 - Conaway Amendment as amended, by voice vote, regarding de minimis payments
 - Graves Amendment, by voice vote, regarding permanent debarment authority
 - Lampson Amendment, by voice vote, regarding the Healthy Oils Incentive Program
 - Costa Amendment, by voice vote, regarding the Federal Milk Marketing Order Review Commission
 - Everett Amendment, by voice vote, amending peanut loan repayments
 - Pomeroy Amendment, by voice vote, on the Federal crop insurance 508(h) process
- Title II - Conservation
 - Adopted Amendments:
 - Goodlatte Amendments considered en bloc, by voice vote, regarding 1)EQIP and pest management and 2) priorities and evaluation criteria under the Conservation Title
 - Etheridge Amendment, by voice vote, regarding gasifier technology
 - Costa Amendment, by voice vote, regarding the Regional Water Enhancement Program
 - Musgrave Amendment, by voice vote, regarding "in stream flows" under EQIP
 - Walz Amendment, by voice vote, regarding the Conservation Security Program evaluation and ranking process, and application process
 - Holden second-degree Amendment to a Goodlatte Amendment, by voice vote, regarding the Farm and Ranchland Protection Program
 - Moran Amendment, by voice vote, regarding the Conservation Reserve Enhancement Program
- Title III - Trade
 - Adopted Amendments:

- Etheridge/Hayes Amendment, by division of the question, regarding tobacco leaf eligibility for the Market Access Program
- Cardoza Amendment, by voice vote, regarding germplasm conservation
- Moran Amendment, by voice vote, regarding non-emergency food assistance
- Title IV - Nutrition
 - Adopted Amendments:
 - Kagen/Fortenberry Amendment, by voice vote, regarding geographic preference on food procurement
 - King Amendment, by voice vote, regarding residential drug treatment programs
 - Schmidt Amendment, by voice vote, regarding nutrition education
- Title V - Credit
 - Adopted Amendment:
 - Goodlatte Amendment regarding rural development and farm loan program sourcing
- Title VI - Rural Development
 - Adopted Amendments:
 - Peterson Amendment, by voice vote, regarding the manager's amendment language on broadband
 - Boswell Amendment, by voice vote, regarding historic barn preservation
 - Boswell Amendment, by voice vote, regarding the Rural Strategic Investment Program
 - Gillibrand Amendment, by voice vote, regarding local purchase preferences
 - Space Amendment as amended, by voice vote, regarding the USDA broadband loan program
 - Pomeroy Amendment, by voice vote, regarding the Rural Cooperative Development Program
 - Herseth Sandlin Amendment, by voice vote, regarding rural public television stations
 - Walz Amendment as amended, by voice vote, regarding a rail study
- Title VII - Research
 - Adopted Amendments:
 - Smith Amendment, by voice vote, regarding ethanol by-products
 - Conaway Amendment, by voice vote, regarding the Foreign Agriculture Service Grant overhead limitation
 - Kagen Amendment, by voice vote, expressing the sense of Congress on organic research
- Title VIII - Forestry
- Title IX - Energy
 - Adopted Amendments:
 - Herseth Sandlin Amendment, by voice vote, regarding biomass enzyme research
 - Conaway Amendment, by unanimous consent, expressing a sense of Congress on alternative fuels
 - Barrow Amendment, by voice vote, regarding a Future Farmsteads Program

- Herseth Sandlin Amendment, by voice vote, regarding the Biomass Advisory Committee
- Lampson Amendment, by voice vote, regarding biobased procurement guidelines
- Title X - Horticulture and Organic Agriculture
 - Adopted Amendments:
 - Kagen Amendment, by voice vote, regarding the Farmer's Market Promotion Program
 - Cardoza Amendment, by voice vote, regarding the definition of speciality crops
 - Gillibrand Amendment, by voice vote, regarding organic conversion
- Title XI - Miscellaneous Provisions
 - Adopted Amendments:
 - Herseth Sandlin Amendment, by voice vote, regarding the closing of Farm Service Agency offices
 - Conaway Amendment, by voice vote, regarding the mandatory Country of Origin Labeling program
 - Herseth Sandlin Amendment, by voice vote, regarding the crop insurance access for native grassland
 - McCarthy Amendment, by voice vote, regarding regulation of exports of plants, plant products, biological control organisms, and noxious weeds
 - Etheridge/Neugebauer Amendment, by voice vote, relating to cotton classification services
 - Boswell Amendment, by voice vote, regarding a methamphetamine inhibitor grant program
 - King Amendment, as amended by unanimous consent, expressing a sense of the Committee regarding the classification of hazardous substances
 - Goodlatte Amendment, by voice vote, regarding the USDA Graduate School
 - Rogers Amendment, by roll call vote (26-Y, 17-N), regarding arbitration clauses contained in livestock and poultry contracts

Reserve Fund En Bloc amendment

The Congressional Budget Resolution for FY 2008 includes a reserve fund for agriculture. Under the terms of the resolution, up to \$20 billion in additional budget authority over 5 years may be allocated to the farm bill to the extent that other legislation is passed to offset the additional amount. The Reserve Fund En Bloc amendment includes proposals which will be presented for consideration by the House as offsets are obtained.

- En Bloc Amendment
- Section-by-Section Analysis of En Bloc Amendment (Posted July 16, 2007)
- Manager's Amendment to Reserve Fund En Bloc Amendment (Posted July 17, 2007)
 - Summary of Manager's Amendment to En Bloc (Posted July 17, 2007)

- Summary of Technical Changes (Updated July 15, 2007)
- Approved Amendments:
 - Goodlatte Amendment, by voice vote, regarding the McGovern-Dole International Food for Education and Child Nutrition Program
 - Herseth Sandlin Amendment as amended, by voice vote, regarding non-recourse loans for honey

Subcommittee Action:

- **Subcommittee on General Farm Commodities and Risk Management**
 - Title I - Commodity Programs (Updated. Posted June 15, 2007)
 - Title I - Outline (Posted June 15, 2007)
 - Title I - Section-by-Section Analysis (Posted June 19, 2007)
 - Adopted Amendments: (Posted June 20, 2007)
 - Etheridge Amendment to substitute an extension of the 2002 Farm Bill language in place of the discussion draft
 - Etheridge Extension Substitute Summary
 - Marshall Amendment to adjust premiums and discounts associated with cotton under loan and to recalculate the adjusted world price of cotton basen on Far East markets
 - Boustany Amendment, a second-degree amendment to the Marshall Amendment, to separate marketing loans, loan rates, and target prices for long grain and medium/short grain rice
 - Boustany Amendment to make technical corrections to the target price and loan rate for rice
 - Boyda Amendment to establish a single corn and sorghum loan rate in each county
 - Ellsworth Amendment to create a pilot program in Indiana to allow for the the planting of tomatoes grown and contracted for processing on up to 10,000 base acres
 - Moran Amendment expressing the sense of Congress that money used to fund programs under the Subcommittee's jurisdiction should not be transferred to fund programs under other Farm Bill titles
 - Title I -Crop Insurance (Posted June 18, 2007)
 - Title I - Crop Insurance Section-by-Section Analysis (Posted June 19, 2007)
 - Adopted Amendments: (June 19, 2007)
 - Neugebauer Amendment on supplemental crop insurance coverage
- **Subcommittee on Department Operations, Oversight, Nutrition, and Forestry**
 - Title IV - Nutrition (Updated. Posted June 13, 2007)
 - Nutrition Title Section-by-Section Analysis (Posted June 13, 2007)
 - Summary of Nutrition Title Changes (Posted June 14, 2007)
 - Adopted Amendments: (June 14, 2007)
 - Kagen Amendment on strategies to target obesity

- Baca Amendment on Federal Buy American requirements
 - Baca/Bonner Amendment on renaming the Food Stamp Program
 - Baca/Boustany Amendment on Food Stamp Nutrition Education
 - Title VIII - Forestry (Posted June 12, 2007)
 - Forestry Title Section-by-Section Analysis (Posted June 13, 2007)
- **Subcommittee on Specialty Crops, Rural Development, and Foreign Agriculture**
 - **Title VI - Rural Development** (Revised. Posted June 5, 2007)
 - Rural Development Section-by-Section Analysis (Posted June 5, 2007)
 - Adopted Amendments: (June 6, 2007)
 - McIntyre Amendment on criteria to be applied in considering applications for rural development projects
 - Salazar Amendment on comprehensive rural broadband strategy
 - Barrow Amendment on technology transfer for rural areas
 - Title I - Sugar (Posted June 4, 2007)
 - Sugar Section-by-Section Analysis (Posted June 5, 2007)
 - Title I - Peanuts (Posted June 5, 2007)
 - Peanuts Section-by-Section Analysis (Posted June 5, 2007)
- **Subcommittee on Horticulture and Organic Agriculture**
 - Provisions Under Jurisdiction of Horticulture and Organic Agriculture Subcommittee (Posted June 5, 2007)
 - Horticulture and Organic Agriculture Section-by-Section Analysis (Posted June 6, 2007)
 - Adopted Amendments: (June 7, 2007)
 - Cardoza Amendment on evaluation of USDA commodity purchasing process
 - Foxx Amendment to redirect funds for USDA to collect organic production and market data
 - McCarthy Amendment to establish a Fresh Produce Education Initiative
 - Kuhl Amendment to establish a National Clean Plant Network
 - Kuhl Amendment on payment limitation cap for Tree Assistance Program
- **Subcommittee on Livestock, Dairy, and Poultry**
 - Title I - Provisions Under Jurisdiction of Livestock, Dairy, and Poultry Subcommittee (Posted May 23, 2007)
 - Title I - Section-by-Section Analysis (Posted May 23, 2007)
 - Adopted Amendments: (Posted May 24, 2007)

- [Boswell Amendment](#) on voluntary arbitration for livestock and poultry producers
- [Kagen Amendment](#) on federal support for veal producers

• **Subcommittee on Conservation, Credit, Energy, and Research**

◦ **Conservation** (Posted May 22, 2007)

- [Conservation Title Section-by-Section Analysis](#) (Posted May 21, 2007)

- Adopted Amendments: (all posted May 23, 2007)

- [Costa Amendment](#) on GRP Priority for Long-term Contracts and Easements
- [Walz Amendment](#) on Cooperative Conservation Partnership Initiative
- [Graves Amendment](#) on Cooperative Conservation Partnership Initiative
- [Cardoza Amendment](#) on Adjusted Gross Income Limitation on Conservation Programs
- [Herseth Sandlin Amendment](#) on Bison and Livestock Definitions
- [Cardoza Amendment](#) on Voluntary Sustainability Practices

- **Credit** (Posted May 22, 2007)

- [Credit Title Section-by-Section Analysis](#) (Posted May 21, 2007)

- **Energy** (Posted May 21, 2007)

- [Energy Title Technical Changes](#) (Posted May 21, 2007)
- [Energy Title Section-by-Section Analysis](#) (Posted May 21, 2007)

- Adopted Amendments: (All Posted May 23, 2007)

- [Kagen Amendment](#) on Energy Independent Farm Pilot Program
- [Herseth Sandlin Amendment](#) on Renewable Energy Systems
- [Salazar Amendment](#) on Agricultural Cellulosic biomass
- [Fortenberry Amendment](#) on Rural Energy Self Sufficiency Initiative
- [Cardoza Amendment](#) on Agricultural Biofuels Internship Program

- **Research** (Posted May 21, 2007)

- [Research Title Section-by-Section Analysis](#) (Posted May 22, 2007)

110TH CONGRESS
1ST SESSION

H. R. 2419

[Report No. 110–]

To provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2007

Mr. PETERSON of Minnesota introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JULY --, 2007

Reported from the Committee on Agriculture with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on May 22, 2007]

A BILL

To provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.

- 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 AND TABLE OF CONTENTS.**
4 (a) *SHORT TITLE.*—*This Act may be cited as the*
5 *“Farm, Nutrition, and Bioenergy Act of 2007”.*

- 1 (b) *TABLE OF CONTENTS.*—*The table of contents for*
2 *this Act is as follows:*

Sec. 1. Short title and table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 1001. Definitions.

Subtitle A—Direct Payments and Counter-Cyclical Payments

Sec. 1101. Adjustments to base acres.

Sec. 1102. Availability of direct payments.

Sec. 1103. Availability of counter-cyclical payments.

Sec. 1104. Availability of revenue-based counter-cyclical payments.

*Sec. 1105. Producer agreement required as condition of provision of direct pay-
ments and counter-cyclical payments.*

Sec. 1106. Planting flexibility.

Sec. 1107. Period of effectiveness.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

*Sec. 1201. Availability of nonrecourse marketing assistance loans for loan com-
modities.*

Sec. 1202. Loan rates for nonrecourse marketing assistance loans.

Sec. 1203. Term of loans.

Sec. 1204. Repayment of loans.

Sec. 1205. Loan deficiency payments.

Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.

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

Sec. 1208. Special competitive provisions for extra long staple cotton.

*Sec. 1209. Availability of recourse loans for high moisture feed grains and seed
cotton.*

Sec. 1210. Deadline for repayment of marketing assistance loan for peanuts.

Sec. 1211. Commodity quality incentive payments for healthy oilseeds.

Subtitle C—Sugar

Sec. 1301. Sugar program.

Sec. 1302. United States membership in the international sugar organization.

Sec. 1303. Flexible marketing allotments for sugar.

Subtitle D—Dairy-Related Provisions

Sec. 1401. Dairy product price support program.

Sec. 1402. Dairy forward pricing program.

Sec. 1403. Dairy export incentive program.

Sec. 1404. Revision of Federal marketing order amendment procedures.

Sec. 1405. Dairy indemnity program.

Sec. 1406. Extension of milk income loss contract program.

Sec. 1407. Dairy promotion and research program.

*Sec. 1408. Report on Department of Agriculture reporting procedures for nonfat
dry milk.*

Sec. 1409. Federal Milk Marketing Order Review Commission.

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

Sec. 1001. Definitions.

Subtitle A—Direct Payments and Counter-Cyclical Payments

Sec. 1101. Adjustments to base acres.

Sec. 1102. Availability of direct payments.

Sec. 1103. Availability of counter-cyclical payments.

Sec. 1104. Availability of revenue-based counter-cyclical payments.

Sec. 1105. Producer agreement required as condition of provision of direct payments and counter-cyclical payments.

Sec. 1106. Planting flexibility.

Sec. 1107. Period of effectiveness.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

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

Sec. 1202. Loan rates for nonrecourse marketing assistance loans.

Sec. 1203. Term of loans.

Sec. 1204. Repayment of loans.

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Sec. 1208. Special competitive provisions for extra long staple cotton.

Sec. 1209. Availability of recourse loans for high moisture feed grains and seed cotton.

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Subtitle C—Sugar

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Sec. 1402. Dairy forward pricing program.

Sec. 1403. Dairy export incentive program.

Sec. 1404. Revision of Federal marketing order amendment procedures.

Sec. 1405. Dairy indemnity program.

Sec. 1406. Extension of milk income loss contract program.

Sec. 1407. Dairy promotion and research program.

Sec. 1408. Report on Department of Agriculture reporting procedures for nonfat dry milk.

Sec. 1409. Federal Milk Marketing Order Review Commission.

Subtitle E—Administration

Sec. 1501. Administration generally.

Sec. 1502. Suspension of permanent price support authority.

Sec. 1503. Payment Limitations.

Sec. 1504. Adjusted gross income limitation.

Sec. 1505. Adjustments of loans.

Sec. 1506. Personal liability of producers for deficiencies.

Sec. 1507. Extension of existing administrative authority regarding loans.

Sec. 1508. Assignment of payments.

Sec. 1509. Tracking of benefits.

Sec. 1510. Upland cotton storage payments.

Sec. 1511. Government publication of cotton price forecasts.

1 SEC. 1001. DEFINITIONS.

2 *In this title:*

3 (1) *AGRICULTURAL ACT OF 1949.*—The term “Ag-
4 ricultural Act of 1949” means the Agricultural Act of
5 1949 (7 U.S.C. 1421 et seq.), as in effect prior to the
6 suspensions under section 171 of the Federal Agri-
7 culture Improvement and Reform Act of 1996 (7
8 U.S.C. 7301), section 1602(b) of the Farm Security
9 and Rural Investment Act of 2002 (7 U.S.C.
10 7992(b)), and section 1502(b) of this Act.

11 (2) *BASE ACRES.*—The term “base acres”, with
12 respect to a covered commodity on a farm, means the
13 number of acres established under sections 1101 and
14 1302 of the Farm Security and Rural Investment Act
15 of 2002 (7 U.S.C. 7911, 7952), as in effect on the day
16 before the date of the enactment of this Act, subject to
17 any adjustment under section 1101 of this Act.

18 (3) *COMPARABLE UNITED STATES QUALITY.*—
19 The term “Comparable United States Quality”, with
20 respect to upland cotton, means upland cotton classi-
21 fied as Middling (M) 1³/₃₂-inch cotton with a

1 *micronaire of 3.7 to 4.2, strength 30 grams per tex,*
2 *and uniformity of 83.*

3 (4) *COUNTER-CYCLICAL PAYMENT.*—*The term*
4 *“counter-cyclical payment” means a payment made*
5 *to producers on a farm under section 1103 or 1104.*

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

10 (6) *DIRECT PAYMENT.*—*The term “direct pay-*
11 *ment” means a payment made to producers on a*
12 *farm under section 1102.*

13 (7) *EFFECTIVE PRICE.*—*The term “effective*
14 *price”, with respect to a covered commodity for a*
15 *crop year, means the price calculated by the Secretary*
16 *under section 1103 to determine whether counter-cy-*
17 *clical payments are required to be made for that crop*
18 *year under that section.*

19 (8) *EXTRA LONG STAPLE COTTON.*—*The term*
20 *“extra long staple cotton” means cotton that—*

21 (A) *is produced from pure strain varieties*
22 *of the Barbadosense species or any hybrid of the*
23 *species, or other similar types of extra long sta-*
24 *ple cotton, designated by the Secretary, having*
25 *characteristics needed for various end uses for*

1 *which United States upland cotton is not suit-*
2 *able and grown in irrigated cotton-growing re-*
3 *gions of the United States designated by the Sec-*
4 *retary or other areas designated by the Secretary*
5 *as suitable for the production of the varieties or*
6 *types; and*

7 *(B) is ginned on a roller-type gin or, if au-*
8 *thorized by the Secretary, ginned on another*
9 *type gin for experimental purposes.*

10 (9) *FAR EAST PRICE.*—*The term “Far East*
11 *price” means the Friday through Thursday average*
12 *price quotation for the three lowest-priced growths of*
13 *upland cotton, as quoted for Middling (M) 1³/₃₂-inch*
14 *cotton, delivered C/F Far East.*

15 (10) *LOAN COMMODITY.*—*The term “loan com-*
16 *modity” means wheat, corn, grain sorghum, feed bar-*
17 *ley, malt barley, oats, upland cotton, extra long staple*
18 *cotton, long grain rice, medium grain rice, short*
19 *grain rice, soybeans, peanuts, other oilseeds, wool, mo-*
20 *hair, honey, dry peas, lentils, and small chickpeas.*

21 (11) *OTHER OILSEED.*—*The term “other oilseed”*
22 *means a crop of sunflower seed, rapeseed, canola, saf-*
23 *flower, flaxseed, mustard seed, crambe, sesame seed,*
24 *or, if designated by the Secretary, another oilseed.*

1 (12) *PAYMENT ACRES.*—The term “payment
2 *acres*”, with respect to a covered commodity on a
3 *farm*, means 85 percent of the base acres for the cov-
4 *ered commodity*, on which direct payments and
5 *counter-cyclical payments* are made.

6 (13) *PAYMENT YIELD.*—The term “payment
7 *yield*” means the yield established for direct payments
8 *and counter-cyclical payments* under section 1102 or
9 *1302 of the Farm Security and Rural Investment Act*
10 *of 2002 (7 U.S.C. 7912; 7952), as in effect on the day*
11 *before the date of the enactment of this Act, for a farm*
12 *for a covered commodity.*

13 (14) *PRODUCER.*—

14 (A) *IN GENERAL.*—The term “producer”
15 *means an owner, operator, landlord, tenant, or*
16 *sharecropper that shares in the risk of producing*
17 *a crop and is entitled to share in the crop avail-*
18 *able for marketing from the farm, or would have*
19 *shared had the crop been produced.*

20 (B) *HYBRID SEED.*—In determining wheth-
21 *er a grower of hybrid seed is a producer, the Sec-*
22 *retary shall—*

23 (i) *not take into consideration the ex-*
24 *istence of a hybrid seed contract; and*

1 (ii) ensure that program requirements
2 do not adversely affect the ability of the
3 grower to receive a payment under this
4 title.

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

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

11 (17) TARGET PRICE.—The term “target price”
12 means the price per bushel (or other appropriate unit
13 in the case of upland cotton, rice, peanuts, and other
14 oilseeds) of a covered commodity used to determine
15 the payment rate for counter-cyclical payments under
16 section 1103.

17 (18) UNITED STATES.—The term “United
18 States”, when used in a geographical sense, means all
19 of the States.

20 (19) UNITED STATES PREMIUM FACTOR.—The
21 term “United States Premium Factor” means the
22 percentage by which the difference in the United
23 States loan schedule premiums for Strict Middling
24 (SM) 1¹/₈-inch cotton and for M 1³/₃₂-inch exceeds the

1 *difference in the applicable premiums for comparable*
2 *international qualities delivered C/F Far East.*

3 ***Subtitle A—Direct Payments and***
4 ***Counter-Cyclical Payments***

5 ***SEC. 1101. ADJUSTMENTS TO BASE ACRES.***

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

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

12 *(A) A conservation reserve contract entered*
13 *into under section 1231 of the Food Security Act*
14 *of 1985 (16 U.S.C. 3831) with respect to the*
15 *farm expires or is voluntarily terminated.*

16 *(B) Cropland is released from coverage*
17 *under a conservation reserve contract by the Sec-*
18 *retary.*

19 *(2) SPECIAL PAYMENT RULES.—For the crop*
20 *year in which a base acres adjustment under para-*
21 *graph (1) is first made, the owner of the farm shall*
22 *elect to receive either direct payments and counter-cy-*
23 *clical payments with respect to the acreage added to*
24 *the farm under this subsection or a prorated payment*
25 *under the conservation reserve contract, but not both.*

1 (b) *PREVENTION OF EXCESS BASE 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 cropland
5 acreage of the farm, the Secretary shall reduce the
6 base acres for 1 or more covered commodities for the
7 farm so that the sum of the base acres and acreage
8 described in paragraph (2) does not exceed the actual
9 cropland acreage of the farm.

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

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

17 (B) Any other acreage on the farm enrolled
18 in a conservation program for which payments
19 are made in exchange for not producing an agri-
20 cultural commodity on the acreage.

21 (3) *SELECTION OF ACRES.*—The Secretary shall
22 give the owner of the farm the opportunity to select
23 the base acres against which the reduction required by
24 paragraph (1) will be made.

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

5 (c) *PERMANENT REDUCTION IN BASE ACRES.*—

6 (1) *IN GENERAL.*—*The owner of a farm may re-*
7 *duce, at any time, the base acres for any covered com-*
8 *modity for the farm.*

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

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

13 (a) *PAYMENT REQUIRED.*—*For each of the 2008*
14 *through 2012 crop years of each covered commodity, the*
15 *Secretary shall make direct payments to producers on farms*
16 *for which payment yields and base acres are established.*

17 (b) *PAYMENT RATE.*—*The payment rates used to make*
18 *direct payments with respect to covered commodities for a*
19 *crop year are as follows:*

20 (1) *Wheat, \$0.52 per bushel.*

21 (2) *Corn, \$0.28 per bushel.*

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

23 (4) *Barley, \$0.24 per bushel.*

24 (5) *Oats, \$0.024 per bushel.*

25 (6) *Upland cotton, \$0.0667 per pound.*

1 (7) *Rice, \$2.35 per hundredweight.*

2 (8) *Soybeans, \$0.44 per bushel.*

3 (9) *Other oilseeds, \$0.0080 per pound.*

4 (10) *Peanuts, \$36.00 per ton.*

5 (c) *PAYMENT AMOUNT.—The amount of the direct pay-*
6 *ment to be paid to the producers on a farm for a covered*
7 *commodity for a crop year shall be equal to the product*
8 *of the following:*

9 (1) *The payment rate specified in subsection (b).*

10 (2) *The payment acres of the covered commodity*
11 *on the farm.*

12 (3) *The payment yield for the covered commodity*
13 *for the farm.*

14 (d) *TIME FOR PAYMENT.—*

15 (1) *IN GENERAL.—In the case of each of the 2008*
16 *through 2012 crop years, the Secretary may not make*
17 *direct payments before October 1 of the calendar year*
18 *in which the crop of the covered commodity is har-*
19 *vested.*

20 (2) *ADVANCE PAYMENTS.—*

21 (A) *OPTION.—At the option of the producers*
22 *on a farm, up to 22 percent of the direct pay-*
23 *ment for a covered commodity for any of the*
24 *2008 through 2011 crop years shall be paid to*
25 *the producers in advance.*

1 (B) MONTH.—

2 (i) SELECTION.—The producers shall
3 select the month within which the advance
4 payment for a crop year will be made.

5 (ii) OPTIONS.—The month selected
6 may be any month during the period begin-
7 ning on December 1 of the calendar year be-
8 fore the calendar year in which the crop of
9 the covered commodity is harvested through
10 the month within which the direct payment
11 would otherwise be made.

12 (iii) CHANGE.—The producers may
13 change the selected month for a subsequent
14 advance payment by providing advance no-
15 tice to the Secretary.

16 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a
17 producer on a farm that receives an advance direct
18 payment for a crop year ceases to be a producer on
19 that farm, or the extent to which the producer shares
20 in the risk of producing a crop changes, before the
21 date the remainder of the direct payment is made, the
22 producer shall be responsible for repaying the Sec-
23 retary the applicable amount of the advance payment,
24 as determined by the Secretary.

1 (e) *PROHIBITION ON DE MINIMIS PAYMENTS.*—If the
2 total direct payment to be paid to a producer on a farm
3 for all covered commodities is less than \$25.00, the Sec-
4 retary shall not tender the direct payment to the producer.

5 **SEC. 1103. AVAILABILITY OF COUNTER-CYCLICAL PAY-**
6 **MENTS.**

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

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

18 (1) *The higher of the following:*

19 (A) *The national average market price re-*
20 *ceived by producers during the 12-month mar-*
21 *keting year for the covered commodity, as deter-*
22 *mined by the Secretary.*

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

1 *subtitle B, except that, for the purpose of calcu-*
2 *lating counter-cyclical payments under this sec-*
3 *tion for rice and barley, the Secretary shall es-*
4 *tablish national average all rice and all barley*
5 *loan rates.*

6 *(2) The payment rate in effect for the covered*
7 *commodity under section 1102 for the purpose of*
8 *making direct payments with respect to the covered*
9 *commodity.*

10 *(c) TARGET PRICE.—For purposes of subsection (a),*
11 *the target prices for covered commodities shall be as follows:*

- 12 *(1) Wheat, \$4.15 per bushel.*
13 *(2) Corn, \$2.63 per bushel.*
14 *(3) Grain sorghum, \$2.57 per bushel.*
15 *(4) Barley, \$2.73 per bushel.*
16 *(5) Oats, \$1.50 per bushel.*
17 *(6) Upland cotton, \$0.70 per pound.*
18 *(7) Rice, \$10.50 per hundredweight.*
19 *(8) Soybeans, \$6.10 per bushel.*
20 *(9) Other oilseeds, \$0.1150 per pound.*
21 *(10) Peanuts, \$495.00 per ton.*

22 *(d) PAYMENT RATE.—The payment rate used to make*
23 *counter-cyclical payments with respect to a covered com-*
24 *modity for a crop year shall be equal to the difference be-*
25 *tween—*

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

2 *and*

3 (2) *the effective price determined under sub-*
4 *section (b) for the covered commodity.*

5 (e) *PAYMENT AMOUNT.—If counter-cyclical payments*
6 *are required to be paid under this section for any of the*
7 *2008 through 2012 crop years of a covered commodity, the*
8 *amount of the counter-cyclical payment to be paid to the*
9 *producers on a farm for that crop year shall be equal to*
10 *the product of the following:*

11 (1) *The payment rate specified in subsection (d).*

12 (2) *The payment acres of the covered commodity*
13 *on the farm.*

14 (3) *The payment yield for the covered commodity*
15 *for the farm.*

16 (f) *TIME FOR PAYMENTS.—*

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

24 (2) *AVAILABILITY OF PARTIAL PAYMENTS.—If,*
25 *before the end of the 12-month marketing year for a*

1 *covered commodity, the Secretary estimates that*
2 *counter-cyclical payments will be required for the*
3 *crop of the covered commodity, the Secretary shall*
4 *give producers on a farm the option to receive partial*
5 *payments of the counter-cyclical payment projected to*
6 *be made for that crop of the covered commodity.*

7 (3) *TIME FOR PARTIAL PAYMENTS FOR 2008*
8 *THROUGH 2010 CROP YEARS.—If the Secretary is re-*
9 *quired to make partial payments available under*
10 *paragraph (2) for a covered commodity for any of the*
11 *2008 through 2010 crop years—*

12 (A) *the first partial payment shall be made*
13 *after completion of the first 6 months of the mar-*
14 *keting year for the covered commodity; and*

15 (B) *the final partial payment shall be made*
16 *as soon as practicable after the end of the 12-*
17 *month marketing year for the covered com-*
18 *modity.*

19 (4) *AMOUNT OF PARTIAL PAYMENTS.—*

20 (A) *FIRST PARTIAL PAYMENT.—For each of*
21 *the 2008 through 2010 crop years, the first par-*
22 *tial payment under paragraph (3) to the pro-*
23 *ducers on a farm may not exceed 40 percent of*
24 *the projected counter-cyclical payment for the*

1 *covered commodity for the crop year, as deter-*
2 *mined by the Secretary.*

3 *(B) FINAL PAYMENT.—The final payment*
4 *for each of the 2008 through 2010 crop years*
5 *shall be equal to the difference between—*

6 *(i) the actual counter-cyclical payment*
7 *to be made to the producers for the covered*
8 *commodity for that crop year; and*

9 *(ii) the amount of the partial payment*
10 *made to the producers under subparagraph*
11 *(A).*

12 *(5) REPAYMENT.—The producers on a farm that*
13 *receive a partial payment under this subsection for a*
14 *crop year shall repay to the Secretary the amount, if*
15 *any, by which the total of the partial payments exceed*
16 *the actual counter-cyclical payment to be made for*
17 *the covered commodity for that crop year.*

18 *(g) PROHIBITION ON DE MINIMIS PAYMENTS.—If the*
19 *total counter-cyclical payment to be paid to a producer on*
20 *a farm for all covered commodities is less than \$25.00, the*
21 *Secretary shall not tender the counter-cyclical payment to*
22 *the producer.*

1 **SEC. 1104. AVAILABILITY OF REVENUE-BASED COUNTER-CY-**
2 **CLICAL PAYMENTS.**

3 (a) *AVAILABILITY AND ELECTION OF ALTERNATIVE*
4 *APPROACH.—*

5 (1) *AVAILABILITY OF REVENUE-BASED COUNTER-*
6 *CYCLICAL PAYMENTS.—As an alternative to receiving*
7 *counter-cyclical payments under section 1103 with re-*
8 *spect to each covered commodity on a farm, the Sec-*
9 *retary shall give the producers on the farm an oppor-*
10 *tunity to elect to instead receive revenue-based*
11 *counter-cyclical payments under this section for the*
12 *2008 through 2012 crop years.*

13 (2) *SINGLE ELECTION; TIME FOR ELECTION.—As*
14 *soon as practicable after the date of enactment of this*
15 *Act, the Secretary shall provide notice to producers*
16 *regarding their opportunity to make the election de-*
17 *scribed in paragraph (1). The notice shall include the*
18 *following:*

19 (A) *Notice that the opportunity of the pro-*
20 *ducers on a farm to make the election is being*
21 *provided only once.*

22 (B) *Information regarding the manner in*
23 *which the election must be made and the time*
24 *periods and manner in which notice of the elec-*
25 *tion must be submitted to the Secretary.*

1 (3) *ELECTION DEADLINE.*—Within the time pe-
2 riod and in the manner prescribed pursuant to para-
3 graph (2), the producers on a farm shall submit to the
4 Secretary notice of the election made under para-
5 graph (1).

6 (4) *EFFECT OF FAILURE TO MAKE ELECTION.*—
7 If the producers on a farm fail to make the election
8 under paragraph (1) or fail to timely notify the Sec-
9 retary of the election made, as required by paragraph
10 (3), the producers shall be deemed to have made the
11 election to receive counter-cyclical payments under
12 section 1103 for all covered commodities on the farm.

13 (b) *PAYMENT REQUIRED.*—In the case of producers on
14 a farm who make the election under subsection (a) to receive
15 revenue-based counter-cyclical payments, the Secretary
16 shall make revenue-based counter-cyclical payments to such
17 producers with respect to a covered commodity on the farm,
18 if the Secretary determines that the national actual revenue
19 per acre for the covered commodity is less than the national
20 target revenue per acre for the covered commodity, as deter-
21 mined pursuant to this section.

22 (c) *NATIONAL ACTUAL REVENUE PER ACRE.*—For
23 each covered commodity for each of the 2008 through 2012
24 crop years, the Secretary shall establish a national actual

1 *revenue per acre by multiplying the national average yield*
2 *for the given year by the higher of—*

3 (1) *the national average market price received by*
4 *producers of the covered commodity during the 12-*
5 *month marketing year established by the Secretary; or*

6 (2) *the loan rate for the covered commodity*
7 *under section 1202, except that, for the purpose of cal-*
8 *culating national actual revenue per acre for rice and*
9 *barley, the Secretary shall establish national average*
10 *all rice and all barley loan rates.*

11 (d) *NATIONAL TARGET REVENUE PER ACRE.—The na-*
12 *tional target revenue per acre shall be, on a per acre basis,*
13 *as follows:*

14 (1) *Wheat, \$149.92.*

15 (2) *Corn, \$344.12.*

16 (3) *Grain Sorghum, \$131.28.*

17 (4) *Barley, \$153.30.*

18 (5) *Oats, \$92.10*

19 (6) *Upland cotton, \$496.93.*

20 (7) *Rice, \$548.06.*

21 (8) *Soybeans, \$231.87.*

22 (9) *Other oilseeds, \$129.18.*

23 (10) *Peanuts, \$683.83.*

24 (e) *NATIONAL PAYMENT YIELD.—The national pay-*
25 *ment yield shall be as follows:*

- 1 (1) *Wheat, 36.1 bushels per acre.*
- 2 (2) *Corn, 114.4 bushels per acre.*
- 3 (3) *Grain Sorghum, 58.2 bushels per acre.*
- 4 (4) *Barley, 48.6 bushels per acre.*
- 5 (5) *Oats, 49.8 bushels per acre.*
- 6 (6) *Upland cotton, 634 pounds per acre.*
- 7 (7) *Rice, 51.28 hundredweight per acre.*
- 8 (8) *Soybeans, 34.1 bushels per acre.*
- 9 (9) *Other oilseeds, 1167.6 pounds per acre.*
- 10 (10) *Peanuts, 1.496 tons per acre.*

11 (f) *NATIONAL PAYMENT RATE.—The national pay-*
12 *ment rate used to make revenue-based counter-cyclical pay-*
13 *ments for a crop year shall be the result of—*

14 (1) *the difference between the national target rev-*
15 *enue per acre for the covered commodity and the na-*
16 *tional actual revenue per acre for the covered com-*
17 *modity; divided by*

18 (2) *the national payment yield for the covered*
19 *commodity.*

20 (g) *PAYMENT AMOUNT.—If revenue-based counter-cy-*
21 *clical payments are required to be paid for any of the 2008*
22 *through 2012 crop years of a covered commodity, the*
23 *amount of the counter-cyclical payment to be paid to the*
24 *producers on a farm for that crop year for the covered com-*
25 *modity shall be equal to the product of—*

1 (1) *the national payment rate for the covered*
2 *commodity;*

3 (2) *the payment acres of the covered commodity*
4 *on the farm; and*

5 (3) *the payment yield for counter-cyclical pay-*
6 *ments for the covered commodity.*

7 (h) *TIME FOR PAYMENTS.—*

8 (1) *GENERAL RULE.—If the Secretary deter-*
9 *mines that revenue-based counter-cyclical payments*
10 *are required to be made under this section for the*
11 *crop of a covered commodity, the Secretary shall*
12 *make the counter-cyclical payments for the crop as*
13 *soon as practicable after the end of the 12-month*
14 *marketing year for the covered commodity.*

15 (2) *AVAILABILITY OF PARTIAL PAYMENTS.—If,*
16 *before the end of the 12-month marketing year for a*
17 *covered commodity, the Secretary estimates that rev-*
18 *enue-based counter-cyclical payments will be required*
19 *for the crop of the covered commodity, the Secretary*
20 *shall give producers on a farm the option to receive*
21 *partial payments of the revenue-based counter-cyclical*
22 *payments projected to be made for that crop of the*
23 *covered commodity.*

24 (3) *TIME FOR PARTIAL PAYMENTS FOR 2008*
25 *THROUGH 2010 CROP YEARS.—If the Secretary is re-*

1 *quired to make partial payments available under*
2 *paragraph (2) for a covered commodity for any of the*
3 *2008 through 2010 crop years—*

4 *(A) the first partial payment shall be made*
5 *after completion of the first 6 months of the mar-*
6 *keting year for the covered commodity; and*

7 *(B) the final partial payment shall be made*
8 *as soon as practicable after the end of the 12-*
9 *month marketing year for the covered com-*
10 *modity.*

11 *(4) AMOUNT OF PARTIAL PAYMENTS.—*

12 *(A) FIRST PARTIAL PAYMENT.—For each of*
13 *the 2008 through 2010 crop years, the first par-*
14 *tial payment under paragraph (3) to the pro-*
15 *ducers on a farm may not exceed 40 percent of*
16 *the projected revenue-based counter-cyclical pay-*
17 *ment for the covered commodity for the crop*
18 *year, as determined by the Secretary.*

19 *(B) FINAL PAYMENT.—The final payment*
20 *for each of the 2008 through 2010 crop years*
21 *shall be equal to the difference between—*

22 *(i) the actual revenue-based counter-cy-*
23 *clical payments to be made to the producers*
24 *for the covered commodity for that crop*
25 *year; and*

1 (ii) the amount of the partial payment
2 made to the producers on a farm under sub-
3 paragraph (A) for that crop year.

4 (5) *REPAYMENT.*—Producers on a farm that re-
5 ceive a partial payment under this subsection for a
6 crop year shall repay to the Secretary the amount, if
7 any, by which the total of the partial payments exceed
8 the actual revenue-based counter-cyclical payments to
9 be made for the covered commodity for that crop year.

10 (i) *PROHIBITION ON DE MINIMIS PAYMENTS.*—If the
11 total revenue-based counter-cyclical payment to be paid to
12 a producer on a farm for all covered commodities is less
13 than \$25.00, the Secretary shall not tender the revenue-
14 based counter-cyclical payment to the producer.

15 **SEC. 1105. PRODUCER AGREEMENT REQUIRED AS CONDI-**
16 **TION OF PROVISION OF DIRECT PAYMENTS**
17 **AND COUNTER-CYCLICAL PAYMENTS.**

18 (a) *COMPLIANCE WITH CERTAIN REQUIREMENTS.*—

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

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

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

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

6 *(C) to comply with the planting flexibility*
7 *requirements of section 1106;*

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

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

17 (2) *COMPLIANCE.*—*The Secretary may issue such*
18 *rules as the Secretary considers necessary to ensure*
19 *producer compliance with the requirements of para-*
20 *graph (1).*

21 (3) *MODIFICATION.*—*At the request of the trans-*
22 *feree or owner, the Secretary may modify the require-*
23 *ments of this subsection if the modifications are con-*
24 *sistent with the objectives of this subsection, as deter-*
25 *mined by the Secretary.*

1 (b) *TRANSFER OR CHANGE OF INTEREST IN FARM.*—

2 (1) *TERMINATION.*—

3 (A) *IN GENERAL.*—*Except as provided in*
4 *paragraph (2), a transfer of (or change in) the*
5 *interest of the producers on a farm in base acres*
6 *for which direct payments or counter-cyclical*
7 *payments are made shall result in the termi-*
8 *nation of the payments with respect to the base*
9 *acres, unless the transferee or owner of the acre-*
10 *age agrees to assume all obligations under sub-*
11 *section (a).*

12 (B) *EFFECTIVE DATE.*—*The termination*
13 *shall take effect on the date determined by the*
14 *Secretary.*

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

20 (c) *ACREAGE REPORTS.*—*As a condition on the receipt*
21 *of any benefits under this subtitle or subtitle B, the Sec-*
22 *retary shall require producers on a farm to submit to the*
23 *Secretary annual acreage reports with respect to all crop-*
24 *land on the farm.*

1 (d) *TENANTS AND SHARECROPPERS.*—*In carrying out*
2 *this subtitle, the Secretary shall provide adequate safe-*
3 *guards to protect the interests of tenants and sharecroppers.*

4 (e) *SHARING OF PAYMENTS.*—*The Secretary shall pro-*
5 *vide for the sharing of direct payments and counter-cyclical*
6 *payments among the producers on a farm on a fair and*
7 *equitable basis.*

8 **SEC. 1106. PLANTING FLEXIBILITY.**

9 (a) *PERMITTED CROPS.*—*Subject to subsection (b),*
10 *any commodity or crop may be planted on base acres on*
11 *a farm.*

12 (b) *LIMITATIONS REGARDING CERTAIN COMMOD-*
13 *ITIES.*—

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

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

23 (3) *COVERED AGRICULTURAL COMMODITIES.*—
24 *Paragraphs (1) and (2) apply to the following agri-*
25 *cultural commodities:*

1 (A) *Fruits.*

2 (B) *Vegetables (other than lentils, mung*
3 *beans, and dry peas).*

4 (C) *Wild rice.*

5 (c) *EXCEPTIONS.—Paragraphs (1) and (2) of sub-*
6 *section (b) shall not limit the planting of an agricultural*
7 *commodity specified in paragraph (3) of that subsection—*

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

13 (2) *on a farm that the Secretary determines has*
14 *a history of planting agricultural commodities speci-*
15 *fied in subsection (b)(3) on base acres, except that di-*
16 *rect payments and counter-cyclical payments shall be*
17 *reduced by an acre for each acre planted to such an*
18 *agricultural commodity; or*

19 (3) *by the producers on a farm that the Sec-*
20 *retary determines has an established planting history*
21 *of a specific agricultural commodity specified in sub-*
22 *section (b)(3), except that—*

23 (A) *the quantity planted may not exceed the*
24 *average annual planting history of such agricul-*
25 *tural commodity by the producers on the farm in*

1 *the 1991 through 1995 or 1998 through 2001*
2 *crop years (excluding any crop year in which no*
3 *plantings were made), as determined by the Sec-*
4 *retary; and*

5 *(B) direct payments and counter-cyclical*
6 *payments shall be reduced by an acre for each*
7 *acre planted to such agricultural commodity.*

8 *(d) PLANTING TRANSFERABILITY PILOT PROJECT.—*

9 *(1) PILOT PROJECT AUTHORIZED.—In addition*
10 *to the exceptions provided in subsection (c), the Sec-*
11 *retary shall carry out a pilot project in the State of*
12 *Indiana under which paragraphs (1) and (2) of sub-*
13 *section (b) shall not limit the planting of tomatoes*
14 *grown for processing on up to 10,000 base acres dur-*
15 *ing each of the 2008 through 2012 crop years.*

16 *(2) CONTRACT AND MANAGEMENT REQUIRE-*
17 *MENTS.— To be eligible for selection to participate in*
18 *the pilot project, a producer must—*

19 *(A) have a contract to grow tomatoes for*
20 *processing; and*

21 *(B) agree to produce the tomatoes as part of*
22 *a program of crop rotation on the farm to*
23 *achieve agronomic and pest and disease manage-*
24 *ment benefits.*

1 (3) *TEMPORARY REDUCTION IN BASE ACRES.*—

2 *The base acres on a farm for a crop year shall be re-*
3 *duced by an acre for each acre planted to tomatoes*
4 *under the pilot program.*

5 (4) *DURATION OF REDUCTIONS.*—*The reduction*
6 *in the base acres of a farm for a crop year under*
7 *paragraph (3) shall expire at the end of the crop year,*
8 *unless the producers on the farm elect to continue to*
9 *participate in the pilot project for the subsequent crop*
10 *year.*

11 (5) *RECALCULATION OF BASE ACRES.*—*If the*
12 *Secretary recalculates base acres for a farm while the*
13 *farm is included in the pilot project, the planting and*
14 *production of tomatoes under the pilot project shall be*
15 *considered to be the same as the planting, prevented*
16 *planting, or production of a covered commodity.*
17 *Nothing in this paragraph provides authority for the*
18 *Secretary to recalculate base acres for a farm.*

19 **SEC. 1107. PERIOD OF EFFECTIVENESS.**

20 *This subtitle shall be effective beginning with the 2008*
21 *crop year of each covered commodity through the 2012 crop*
22 *year.*