

Agricultural Act of 2014

_____, 2014.—Ordered to be printed

Mr. Lucas, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 2642]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 2642), to provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2018, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

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

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Agricultural Act of 2014”.

4 (b) **TABLE OF CONTENTS.**—The table of contents of
5 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definition of Secretary of Agriculture.

TITLE I—COMMODITIES

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Sec. 1101. Repeal of direct payments.

Sec. 1102. Repeal of counter-cyclical payments.

Sec. 1103. Repeal of average crop revenue election program.

PART II—COMMODITY POLICY

Sec. 1111. Definitions.

Sec. 1112. Base acres.

Sec. 1113. Payment yields.

Sec. 1114. Payment acres.

Sec. 1115. Producer election.

Sec. 1116. Price loss coverage.

Sec. 1117. Agriculture risk coverage.

Sec. 1118. Producer agreements.

Sec. 1119. Transition assistance for producers of upland cotton.

Subtitle B—Marketing Loans

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.

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. Adjustments of loans.

Subtitle C—Sugar

Sec. 1301. Sugar policy.

Subtitle D—Dairy

PART I—MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS

- Sec. 1401. Definitions.
- Sec. 1402. Calculation of average feed cost and actual dairy production margins.
- Sec. 1403. Establishment of margin protection program for dairy producers.
- Sec. 1404. Participation of dairy operations in margin protection program.
- Sec. 1405. Production history of participating dairy operations.
- Sec. 1406. Margin protection payments.
- Sec. 1407. Premiums for margin protection program.
- Sec. 1408. Effect of failure to pay administrative fees or premiums.
- Sec. 1409. Duration.
- Sec. 1410. Administration and enforcement.

PART II—REPEAL OR REAUTHORIZATION OF OTHER DAIRY-RELATED PROVISIONS

- Sec. 1421. Repeal of dairy product price support program.
- Sec. 1422. Temporary continuation and eventual repeal of milk income loss contract program.
- Sec. 1423. Repeal of dairy export incentive program.
- Sec. 1424. Extension of dairy forward pricing program.
- Sec. 1425. Extension of dairy indemnity program.
- Sec. 1426. Extension of dairy promotion and research program.
- Sec. 1427. Repeal of Federal Milk Marketing Order Review Commission.

PART III—DAIRY PRODUCT DONATION PROGRAM

- Sec. 1431. Dairy product donation program.

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

- Sec. 1501. Supplemental agricultural disaster assistance.

Subtitle F—Administration

- Sec. 1601. Administration generally.
- Sec. 1602. Suspension of permanent price support authority.
- Sec. 1603. Payment limitations.
- Sec. 1604. Rulemaking related to significant contribution for active personal management.
- Sec. 1605. Adjusted gross income limitation.
- Sec. 1606. Geographically disadvantaged farmers and ranchers.
- Sec. 1607. Personal liability of producers for deficiencies.
- Sec. 1608. Prevention of deceased individuals receiving payments under farm commodity programs.
- Sec. 1609. Technical corrections.
- Sec. 1610. Appeals.
- Sec. 1611. Assignment of payments.
- Sec. 1612. Tracking of benefits.
- Sec. 1613. Signature authority.
- Sec. 1614. Implementation.
- Sec. 1615. Research option.

TITLE II—CONSERVATION

Subtitle A—Conservation Reserve Program

- Sec. 2001. Extension and enrollment requirements of conservation reserve program.
- Sec. 2002. Farmable wetland program.
- Sec. 2003. Duties of owners and operators.
- Sec. 2004. Duties of the Secretary.
- Sec. 2005. Payments.
- Sec. 2006. Contract requirements.
- Sec. 2007. Conversion of land subject to contract to other conserving uses.
- Sec. 2008. Effect on existing contracts.

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- Sec. 2101. Conservation stewardship program.

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- Sec. 2201. Purposes.
- Sec. 2202. Definitions.
- Sec. 2203. Establishment and administration.
- Sec. 2204. Evaluation of applications.
- Sec. 2205. Duties of producers.
- Sec. 2206. Limitation on payments.
- Sec. 2207. Conservation innovation grants and payments.
- Sec. 2208. Effect on existing contracts.

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- Sec. 2301. Agricultural conservation easement program.

Subtitle E—Regional Conservation Partnership Program

- Sec. 2401. Regional conservation partnership program.

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- Sec. 2501. Conservation of private grazing land.
- Sec. 2502. Grassroots source water protection program.
- Sec. 2503. Voluntary public access and habitat incentive program.
- Sec. 2504. Agriculture conservation experienced services program.
- Sec. 2505. Small watershed rehabilitation program.
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- Sec. 2507. Terminal Lakes.
- Sec. 2508. Soil and Water Resources Conservation.

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- Sec. 2604. Reservation of funds to provide assistance to certain farmers or ranchers for conservation access.
- Sec. 2605. Annual report on program enrollments and assistance.
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- Sec. 2607. Standards for State technical committees.
- Sec. 2608. Rulemaking authority.
- Sec. 2609. Wetlands mitigation.

- Sec. 2610. Lesser prairie-chicken conservation report.
- Sec. 2611. Highly erodible land and wetland conservation for crop insurance.

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- Sec. 2702. Emergency forestry conservation reserve program.
- Sec. 2703. Wetlands reserve program.
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- Sec. 3005. Food Aid Consultative Group.
- Sec. 3006. Oversight, monitoring, and evaluation.
- Sec. 3007. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods.
- Sec. 3008. Impact on local farmers and economy and report on use of funds.
- Sec. 3009. Prepositioning of agricultural commodities.
- Sec. 3010. Annual report regarding food aid programs and activities.
- Sec. 3011. Deadline for agreements to finance sales or to provide other assistance.
- Sec. 3012. Minimum level of nonemergency food assistance.
- Sec. 3013. Micronutrient fortification programs.
- Sec. 3014. John Ogonowski and Doug Bereuter Farmer-to-Farmer Program.
- Sec. 3015. Coordination of foreign assistance programs report.

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- Sec. 3101. Export credit guarantee program.
- Sec. 3102. Funding for market access program.
- Sec. 3103. Foreign market development cooperator program.

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- Sec. 3201. Food for Progress Act of 1985.
- Sec. 3202. Bill Emerson Humanitarian Trust Act.
- Sec. 3203. Promotion of agricultural exports to emerging markets.
- Sec. 3204. McGovern-Dole International Food for Education and Child Nutrition Program.
- Sec. 3205. Technical assistance for specialty crops.

- Sec. 3206. Global Crop Diversity Trust.
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- Sec. 3208. Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs.

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- Sec. 4001. Preventing payment of cash to recipients of supplemental nutrition assistance benefits for the return of empty bottles and cans used to contain food purchased with benefits provided under the program.
- Sec. 4002. Retail food stores.
- Sec. 4003. Enhancing services to elderly and disabled supplemental nutrition assistance program participants.
- Sec. 4004. Food distribution program on Indian reservations.
- Sec. 4005. Exclusion of medical marijuana from excess medical expense deduction.
- Sec. 4006. Standard utility allowances based on the receipt of energy assistance payments.
- Sec. 4007. Eligibility disqualifications.
- Sec. 4008. Eligibility disqualifications for certain convicted felons.
- Sec. 4009. Ending supplemental nutrition assistance program benefits for lottery or gambling winners.
- Sec. 4010. Improving security of food assistance.
- Sec. 4011. Technology modernization for retail food stores.
- Sec. 4012. Use of benefits for purchase of community-supported agriculture share.
- Sec. 4013. Improved wage verification using the National Directory of New Hires.
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- Sec. 4021. Performance bonus payments.
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- Sec. 4028. Nutrition education.
- Sec. 4029. Retail food store and recipient trafficking.
- Sec. 4030. Technical and conforming amendments.
- Sec. 4031. Commonwealth of the Northern Mariana Islands pilot program.
- Sec. 4032. Annual State report on verification of SNAP participation.
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- Sec. 4102. Commodity supplemental food program.
- Sec. 4103. Distribution of surplus commodities to special nutrition projects.
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- Sec. 4202. Pilot project for procurement of unprocessed fruits and vegetables.
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- Sec. 4208. Food insecurity nutrition incentive.
- Sec. 4209. Food and agriculture service learning program.
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- Sec. 4211. Termination of existing agreement.
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- Sec. 4213. Pulse crop products.
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- Sec. 6003. Rural water and wastewater circuit rider program.
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- Sec. 6202. Agricultural transportation.
- Sec. 6203. Value-added agricultural product market development grants.
- Sec. 6204. Agriculture innovation center demonstration program.
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- Sec. 7102. National Agricultural Research, Extension, Education, and Economics Advisory Board.
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- Sec. 7106. Agricultural and food policy research centers.
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- Sec. 7108. Repeal of human nutrition intervention and health promotion research program.
- Sec. 7109. Repeal of pilot research program to combine medical and agricultural research.
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- Sec. 7118. Repeal of research equipment grants.
- Sec. 7119. University research.
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- Sec. 7301. Relevance and merit of agricultural research, extension, and education funded by the Department.
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- Sec. 7303. Support for research regarding diseases of wheat, triticale, and barley caused by *Fusarium graminearum* or by *Tilletia indica*.
- Sec. 7304. Repeal of Bovine Johne's disease control program.
- Sec. 7305. Grants for youth organizations.
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- Sec. 8303. Extension of stewardship contracts authority regarding use of designation by prescription to all thinning sales under National Forest Management Act of 1976.
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- Sec. 12407. Market survey and consumer protection.
- Sec. 12408. Lobbying restrictions.
- Sec. 12409. Noncompliance.
- Sec. 12410. Sunset.

1 **SEC. 2. DEFINITION OF SECRETARY OF AGRICULTURE.**

2 In this Act, the term “Secretary” means the Sec-
3 retary of Agriculture.

4 **TITLE I—COMMODITIES**

5 **Subtitle A—Repeals and Reforms**

6 **PART I—REPEALS**

7 **SEC. 1101. REPEAL OF DIRECT PAYMENTS.**

8 Sections 1103 and 1303 of the Food, Conservation,
9 and Energy Act of 2008 (7 U.S.C. 8713, 8753) are re-
10 pealed.

1 **SEC. 1102. REPEAL OF COUNTER-CYCLICAL PAYMENTS.**

2 (a) REPEAL.—Sections 1104 and 1304 of the Food,
3 Conservation, and Energy Act of 2008 (7 U.S.C. 8714,
4 8754) are repealed.

5 (b) CONTINUED APPLICATION FOR 2013 CROP
6 YEAR.—Sections 1104 and 1304 of the Food, Conserva-
7 tion, and Energy Act of 2008 (7 U.S.C. 8714, 8754), as
8 in effect on the day before the date of enactment of this
9 Act, shall continue to apply through the 2013 crop year
10 with respect to all covered commodities (as defined in sec-
11 tion 1001 of that Act (7 U.S.C. 8702)) and peanuts on
12 a farm.

13 **SEC. 1103. REPEAL OF AVERAGE CROP REVENUE ELECTION**
14 **PROGRAM.**

15 (a) REPEAL.—Section 1105 of the Food, Conserva-
16 tion, and Energy Act of 2008 (7 U.S.C. 8715) is repealed.

17 (b) CONTINUED APPLICATION FOR 2013 CROP
18 YEAR.—Section 1105 of the Food, Conservation, and En-
19 ergy Act of 2008 (7 U.S.C. 8715), as in effect on the day
20 before the date of enactment of this Act, shall continue
21 to apply through the 2013 crop year with respect to all
22 covered commodities (as defined in section 1001 of that
23 Act (7 U.S.C. 8702)) and peanuts on a farm for which
24 the irrevocable election under section 1105 of that Act was
25 made before the date of enactment of this Act.

1 **PART II—COMMODITY POLICY**

2 **SEC. 1111. DEFINITIONS.**

3 In this subtitle and subtitle B:

4 (1) **ACTUAL CROP REVENUE.**—The term “ac-
5 tual crop revenue”, with respect to a covered com-
6 modity for a crop year, means the amount deter-
7 mined by the Secretary under section 1117(b).

8 (2) **AGRICULTURE RISK COVERAGE.**—The term
9 “agriculture risk coverage” means coverage provided
10 under section 1117.

11 (3) **AGRICULTURE RISK COVERAGE GUAR-**
12 **ANTEE.**—The term “agriculture risk coverage guar-
13 antee”, with respect to a covered commodity for a
14 crop year, means the amount determined by the Sec-
15 retary under section 1117(c).

16 (4) **BASE ACRES.**—

17 (A) **IN GENERAL.**—The term “base acres”,
18 with respect to a covered commodity on a farm,
19 means the number of acres in effect under sec-
20 tions 1001 and 1301 of the Food, Conservation,
21 and Energy Act of 2008 (7 U.S.C. 8702,
22 8751), as adjusted pursuant to sections 1101,
23 1108, and 1302 of such Act (7 U.S.C. 8711,
24 8718, 8752), as in effect on September 30,
25 2013, subject to any reallocation, adjustment,
26 or reduction under section 1112 of this Act.

1 (B) INCLUSION OF GENERIC BASE
2 ACRES.—The term “base acres” includes any
3 generic base acres planted to a covered com-
4 modity as determined in section 1114(b).

5 (5) COUNTY COVERAGE.—The term “county
6 coverage” means agriculture risk coverage selected
7 under section 1115(b)(1) to be obtained at the coun-
8 ty level.

9 (6) COVERED COMMODITY.—The term “covered
10 commodity” means wheat, oats, and barley (includ-
11 ing wheat, oats, and barley used for haying and
12 grazing), corn, grain sorghum, long grain rice, me-
13 dium grain rice, pulse crops, soybeans, other oil-
14 seeds, and peanuts.

15 (7) EFFECTIVE PRICE.—The term “effective
16 price”, with respect to a covered commodity for a
17 crop year, means the price calculated by the Sec-
18 retary under section 1116(b) to determine whether
19 price loss coverage payments are required to be pro-
20 vided for that crop year.

21 (8) EXTRA LONG STAPLE COTTON.—The term
22 “extra long staple cotton” means cotton that—

23 (A) is produced from pure strain varieties
24 of the Barbadosense species or any hybrid of the
25 species, or other similar types of extra long sta-

1 ple cotton, designated by the Secretary, having
2 characteristics needed for various end uses for
3 which United States upland cotton is not suit-
4 able and grown in irrigated cotton-growing re-
5 gions of the United States designated by the
6 Secretary or other areas designated by the Sec-
7 retary as suitable for the production of the vari-
8 eties or types; and

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

12 (9) GENERIC BASE ACRES.—The term “generic
13 base acres” means the number of base acres for cot-
14 ton in effect under section 1001 of the Food, Con-
15 servation, and Energy Act of 2008 (7 U.S.C. 8702),
16 as adjusted pursuant to section 1101 of such Act (7
17 U.S.C. 8711), as in effect on September 30, 2013,
18 subject to any adjustment or reduction under section
19 1112 of this Act.

20 (10) INDIVIDUAL COVERAGE.—The term “indi-
21 vidual coverage” means agriculture risk coverage se-
22 lected under section 1115(b)(2) to be obtained at the
23 farm level.

1 (11) MEDIUM GRAIN RICE.—The term “medium
2 grain rice” includes short grain rice and temperate
3 japonica rice.

4 (12) OTHER OILSEED.—The term “other oil-
5 seed” means a crop of sunflower seed, rapeseed,
6 canola, safflower, flaxseed, mustard seed, crambe,
7 sesame seed, or any oilseed designated by the Sec-
8 retary.

9 (13) PAYMENT ACRES.—The term “payment
10 acres”, with respect to the provision of price loss
11 coverage payments and agriculture risk coverage
12 payments, means the number of acres determined
13 for a farm under section 1114.

14 (14) PAYMENT YIELD.—The term “payment
15 yield”, for a farm for a covered commodity—

16 (A) means the yield used to make pay-
17 ments pursuant to section 1104 or 1304 of the
18 Food, Conservation, and Energy Act of 2008 (7
19 U.S.C. 8714, 8754), as in effect on September
20 30, 2013; or

21 (B) means the yield established under sec-
22 tion 1113 of this Act.

23 (15) PRICE LOSS COVERAGE.—The term “price
24 loss coverage” means coverage provided under sec-
25 tion 1116.

1 (16) PRODUCER.—

2 (A) IN GENERAL.—The term “producer”
3 means an owner, operator, landlord, tenant, or
4 sharecropper that shares in the risk of pro-
5 ducing a crop and is entitled to share in the
6 crop available for marketing from the farm, or
7 would have shared had the crop been produced.

8 (B) HYBRID SEED.—In determining
9 whether a grower of hybrid seed is a producer,
10 the Secretary shall—

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

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

17 (17) PULSE CROP.—The term “pulse crop”
18 means dry peas, lentils, small chickpeas, and large
19 chickpeas.

20 (18) REFERENCE PRICE.—The term “reference
21 price”, with respect to a covered commodity for a
22 crop year, means the following:

23 (A) For wheat, \$5.50 per bushel.

24 (B) For corn, \$3.70 per bushel.

25 (C) For grain sorghum, \$3.95 per bushel.

- 1 (D) For barley, \$4.95 per bushel.
- 2 (E) For oats, \$2.40 per bushel.
- 3 (F) For long grain rice, \$14.00 per hun-
- 4 dredweight.
- 5 (G) For medium grain rice, \$14.00 per
- 6 hundredweight.
- 7 (H) For soybeans, \$8.40 per bushel.
- 8 (I) For other oilseeds, \$20.15 per hundred-
- 9 weight.
- 10 (J) For peanuts, \$535.00 per ton.
- 11 (K) For dry peas, \$11.00 per hundred-
- 12 weight.
- 13 (L) For lentils, \$19.97 per hundredweight.
- 14 (M) For small chickpeas, \$19.04 per hun-
- 15 dredweight.
- 16 (N) For large chickpeas, \$21.54 per hun-
- 17 dredweight.
- 18 (19) SECRETARY.—The term “Secretary”
- 19 means the Secretary of Agriculture.
- 20 (20) STATE.—The term “State” means—
- 21 (A) a State;
- 22 (B) the District of Columbia;
- 23 (C) the Commonwealth of Puerto Rico;
- 24 and

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

3 (21) TEMPERATE JAPONICA RICE.—The term
4 “temperate japonica rice” means rice that is grown
5 in high altitudes or temperate regions of high lati-
6 tudes with cooler climate conditions, in the Western
7 United States, as determined by the Secretary, for
8 the purpose of—

9 (A) the reallocation of base acres under
10 section 1112;

11 (B) the establishment of a reference price
12 (as required under section 1116(g)) and an ef-
13 fective price pursuant to section 1116; and

14 (C) the determination of the actual crop
15 revenue and agriculture risk coverage guarantee
16 pursuant to section 1117.

17 (22) TRANSITIONAL YIELD.—The term “transi-
18 tional yield” has the meaning given the term in sec-
19 tion 502(b) of the Federal Crop Insurance Act (7
20 U.S.C. 1502(b)).

21 (23) UNITED STATES.—The term “United
22 States”, when used in a geographical sense, means
23 all of the States.

24 (24) UNITED STATES PREMIUM FACTOR.—The
25 term “United States Premium Factor” means the

1 percentage by which the difference in the United
2 States loan schedule premiums for Strict Middling
3 (SM) 1¹/₈-inch upland cotton and for Middling (M)
4 1³/₃₂-inch upland cotton exceeds the difference in the
5 applicable premiums for comparable international
6 qualities.

7 **SEC. 1112. BASE ACRES.**

8 (a) RETENTION OR 1-TIME REALLOCATION OF BASE
9 ACRES.—

10 (1) ELECTION REQUIRED.—

11 (A) NOTICE OF ELECTION OPPOR-
12 TUNITY.—As soon as practicable after the date
13 of enactment of this Act, the Secretary shall
14 provide notice to the owners of a farm regard-
15 ing their opportunity to make an election, in
16 the manner provided in this subsection—

17 (i) to retain base acres, including any
18 generic base acres, as provided in para-
19 graph (2); or

20 (ii) in lieu of retaining base acres, to
21 reallocate base acres, other than any ge-
22 neric base acres, as provided in paragraph
23 (3).

1 (B) CONTENT OF NOTICE.—The notice
2 under subparagraph (A) shall include the fol-
3 lowing:

4 (i) Information that the opportunity
5 of an owner to make the election is being
6 provided only once.

7 (ii) Information regarding the manner
8 in which the owner must make the election
9 and the manner of notifying the Secretary
10 of the election.

11 (iii) Information regarding the dead-
12 line before which the owner must notify
13 the Secretary of the election to be in effect
14 beginning with the 2014 crop year.

15 (C) EFFECT OF FAILURE TO MAKE ELEC-
16 TION.—If the owner of a farm fails to make the
17 election under this subsection, or fails to timely
18 notify the Secretary of the election as required
19 by subparagraph (B)(iii), the owner shall be
20 deemed to have elected to retain base acres, in-
21 cluding generic base acres, as provided in para-
22 graph (2).

23 (2) RETENTION OF BASE ACRES.—

24 (A) ELECTION TO RETAIN.—For the pur-
25 pose of applying this part to a covered com-

1 modity, the Secretary shall give an owner of a
2 farm an opportunity to elect to retain all of the
3 base acres for each covered commodity on the
4 farm.

5 (B) TREATMENT OF GENERIC BASE
6 ACRES.—Generic base acres are automatically
7 retained.

8 (3) REALLOCATION OF BASE ACRES.—

9 (A) ELECTION TO REALLOCATE.—For the
10 purpose of applying this part to covered com-
11 modities, the Secretary shall give an owner of
12 a farm an opportunity to elect to reallocate all
13 of the base acres for covered commodities on
14 the farm, as in effect on September 30, 2013,
15 among those covered commodities planted on
16 the farm at any time during the 2009 through
17 2012 crop years.

18 (B) REALLOCATION FORMULA.—The re-
19 allocation of base acres among covered commod-
20 ities on a farm shall be in proportion to the
21 ratio of—

22 (i) the 4-year average of—

23 (I) the acreage planted on the
24 farm to each covered commodity for
25 harvest, grazing, haying, silage, or

1 other similar purposes for the 2009
2 through 2012 crop years; and

3 (II) any acreage on the farm that
4 the producers were prevented from
5 planting during the 2009 through
6 2012 crop years to that covered com-
7 modity because of drought, flood, or
8 other natural disaster, or other condi-
9 tion beyond the control of the pro-
10 ducers, as determined by the Sec-
11 retary; to

12 (ii) the 4-year average of—

13 (I) the acreage planted on the
14 farm to all covered commodities for
15 harvest, grazing, haying, silage, or
16 other similar purposes for such crop
17 years; and

18 (II) any acreage on the farm that
19 the producers were prevented from
20 planting during such crop years to
21 covered commodities because of
22 drought, flood, or other natural dis-
23 aster, or other condition beyond the
24 control of the producers, as deter-
25 mined by the Secretary.

1 (C) TREATMENT OF GENERIC BASE
2 ACRES.—Generic base acres are retained and
3 may not be reallocated under this paragraph.

4 (D) INCLUSION OF ALL 4 YEARS IN AVER-
5 AGE.—For the purpose of determining a 4-year
6 acreage average under subparagraph (B) for a
7 farm, the Secretary shall not exclude any crop
8 year in which a covered commodity was not
9 planted.

10 (E) TREATMENT OF MULTIPLE PLANTING
11 OR PREVENTED PLANTING.—For the purpose of
12 determining under subparagraph (B) the acre-
13 age on a farm that producers planted or were
14 prevented from planting during the 2009
15 through 2012 crop years to covered commod-
16 ities, if the acreage that was planted or pre-
17 vented from being planted was devoted to an-
18 other covered commodity in the same crop year
19 (other than a covered commodity produced
20 under an established practice of double crop-
21 ping), the owner may elect the commodity to be
22 used for that crop year in determining the 4-
23 year average, but may not include both the ini-
24 tial commodity and the subsequent commodity.

1 (F) LIMITATION.—The reallocation of base
2 acres among covered commodities on a farm
3 under this paragraph may not result in a total
4 number of base acres (including generic base
5 acres) for the farm in excess of the number of
6 base acres in effect for the farm on September
7 30, 2013.

8 (4) APPLICATION OF ELECTION TO ALL COV-
9 ERED COMMODITIES.—The election made under this
10 subsection, or deemed to be made under paragraph
11 (1)(C), with respect to a farm shall apply to all of
12 the covered commodities on the farm.

13 (b) ADJUSTMENT OF BASE ACRES.—

14 (1) IN GENERAL.—Notwithstanding the election
15 made under subsection (a), the Secretary shall pro-
16 vide for an adjustment, as appropriate, in the base
17 acres for covered commodities for a farm and any
18 generic base acres for the farm whenever any of the
19 following circumstances occur:

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

1 (B) Cropland is released from coverage
2 under a conservation reserve contract by the
3 Secretary.

4 (C) The producer has eligible oilseed acre-
5 age as the result of the Secretary designating
6 additional oilseeds, which shall be determined in
7 the same manner as eligible oilseed acreage
8 under section 1101(a)(1)(D) of the Food, Con-
9 servation, and Energy Act of 2008 (7 U.S.C.
10 8711(a)(1)(D)).

11 (2) SPECIAL CONSERVATION RESERVE ACREAGE
12 PAYMENT RULES.—For the crop year in which a
13 base acres adjustment under subparagraph (A) or
14 (B) of paragraph (1) is first made, the owner of the
15 farm shall elect to receive price loss coverage or ag-
16 riculture risk coverage with respect to the acreage
17 added to the farm under this subsection or a pro-
18 rated payment under the conservation reserve con-
19 tract, but not both.

20 (c) PREVENTION OF EXCESS BASE ACRES.—

21 (1) REQUIRED REDUCTION.—Notwithstanding
22 the election made under subsection (a), if the sum
23 of the base acres for a farm, including generic base
24 acres, and the acreage described in paragraph (2)
25 exceeds the actual cropland acreage of the farm, the

1 Secretary shall reduce the base acres for 1 or more
2 covered commodities or generic base acres for the
3 farm so that the sum of the base acres, including ge-
4 neric base acres, and the acreage described in para-
5 graph (2) does not exceed the actual cropland acre-
6 age of the farm.

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

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

14 (B) Any other acreage on the farm en-
15 rolled in a Federal conservation program for
16 which payments are made in exchange for not
17 producing an agricultural commodity on the
18 acreage.

19 (C) If the Secretary designates additional
20 oilseeds, any eligible oilseed acreage, which shall
21 be determined in the same manner as eligible
22 oilseed acreage under subsection (b)(1)(C).

23 (3) SELECTION OF ACRES.—The Secretary shall
24 give the owner of the farm the opportunity to select
25 the base acres for a covered commodity or generic

1 base acres for the farm against which the reduction
2 required by paragraph (1) will be made.

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

7 (d) REDUCTION IN BASE ACRES.—

8 (1) REDUCTION AT OPTION OF OWNER.—

9 (A) IN GENERAL.—The owner of a farm
10 may reduce, at any time, the base acres for any
11 covered commodity or generic base acres for the
12 farm.

13 (B) EFFECT OF REDUCTION.—A reduction
14 under subparagraph (A) shall be permanent
15 and made in a manner prescribed by the Sec-
16 retary.

17 (2) REQUIRED ACTION BY SECRETARY.—

18 (A) IN GENERAL.—The Secretary shall
19 proportionately reduce base acres, including any
20 generic base acres, on a farm for land that has
21 been subdivided and developed for multiple resi-
22 dential units or other nonfarming uses if the
23 size of the tracts and the density of the subdivi-
24 sion is such that the land is unlikely to return

1 to the previous agricultural use, unless the pro-
2 ducers on the farm demonstrate that the land—

3 (i) remains devoted to commercial ag-
4 ricultural production; or

5 (ii) is likely to be returned to the pre-
6 vious agricultural use.

7 (B) REQUIREMENT.—The Secretary shall
8 establish procedures to identify land described
9 in subparagraph (A).

10 **SEC. 1113. PAYMENT YIELDS.**

11 (a) ESTABLISHMENT AND PURPOSE.—For the pur-
12 pose of making price loss coverage payments under section
13 1116, the Secretary shall provide for the establishment of
14 a yield for each farm for any designated oilseed for which
15 a payment yield was not established under section 1102
16 of the Food, Conservation, and Energy Act of 2008 (7
17 U.S.C. 8712) in accordance with this section.

18 (b) PAYMENT YIELDS FOR DESIGNATED OIL-
19 SEEDS.—

20 (1) DETERMINATION OF AVERAGE YIELD.—In
21 the case of designated oilseeds, the Secretary shall
22 determine the average yield per planted acre for the
23 designated oilseed on a farm for the 1998 through
24 2001 crop years, excluding any crop year in which

1 the acreage planted to the designated oilseed was
2 zero.

3 (2) ADJUSTMENT FOR PAYMENT YIELD.—

4 (A) IN GENERAL.—The payment yield for
5 a farm for a designated oilseed shall be equal
6 to the product of the following:

7 (i) The average yield for the des-
8 ignated oilseed determined under para-
9 graph (1).

10 (ii) The ratio resulting from dividing
11 the national average yield for the des-
12 ignated oilseed for the 1981 through 1985
13 crops by the national average yield for the
14 designated oilseed for the 1998 through
15 2001 crops.

16 (B) NO NATIONAL AVERAGE YIELD INFOR-
17 MATION AVAILABLE.—To the extent that na-
18 tional average yield information for a des-
19 ignated oilseed is not available, the Secretary
20 shall use such information as the Secretary de-
21 termines to be fair and equitable to establish a
22 national average yield under this section.

23 (3) USE OF COUNTY AVERAGE YIELD.—If the
24 yield per planted acre for a crop of a designated oil-
25 seed for a farm for any of the 1998 through 2001

1 crop years was less than 75 percent of the county
2 yield for that designated oilseed, the Secretary shall
3 assign a yield for that crop year equal to 75 percent
4 of the county yield for the purpose of determining
5 the average under paragraph (1).

6 (c) EFFECT OF LACK OF PAYMENT YIELD.—

7 (1) ESTABLISHMENT BY SECRETARY.—In the
8 case of a covered commodity on a farm for which
9 base acres have been established or that is planted
10 on generic base acres, if no payment yield is other-
11 wise established for the covered commodity on the
12 farm, the Secretary shall establish an appropriate
13 payment yield for the covered commodity on the
14 farm under paragraph (2).

15 (2) USE OF SIMILARLY SITUATED FARMS.—To
16 establish an appropriate payment yield for a covered
17 commodity on a farm as required by paragraph (1),
18 the Secretary shall take into consideration the farm
19 program payment yields applicable to that covered
20 commodity for similarly situated farms. The use of
21 such data in an appeal, by the Secretary or by the
22 producer, shall not be subject to any other provision
23 of law.

1 (d) SINGLE OPPORTUNITY TO UPDATE YIELDS
2 USED TO DETERMINE PRICE LOSS COVERAGE PAY-
3 MENTS.—

4 (1) ELECTION TO UPDATE.—At the sole discre-
5 tion of the owner of a farm, the owner of a farm
6 shall have a 1-time opportunity to update, on a cov-
7 ered commodity-by-covered-commodity basis, the
8 payment yield that would otherwise be used in calcu-
9 lating any price loss coverage payment for each cov-
10 ered commodity on the farm for which the election
11 is made.

12 (2) TIME FOR ELECTION.—The election under
13 paragraph (1) shall be made at a time and manner
14 to be in effect beginning with the 2014 crop year as
15 determined by the Secretary.

16 (3) METHOD OF UPDATING YIELDS.—If the
17 owner of a farm elects to update yields under this
18 subsection, the payment yield for a covered com-
19 modity on the farm, for the purpose of calculating
20 price loss coverage payments only, shall be equal to
21 90 percent of the average of the yield per planted
22 acre for the crop of the covered commodity on the
23 farm for the 2008 through 2012 crop years, as de-
24 termined by the Secretary, excluding any crop year

1 in which the acreage planted to the crop of the cov-
2 ered commodity was zero.

3 (4) USE OF COUNTY AVERAGE YIELD.—If the
4 yield per planted acre for a crop of the covered com-
5 modity for a farm for any of the 2008 through 2012
6 crop years was less than 75 percent of the average
7 of the 2008 through 2012 county yield for that com-
8 modity, the Secretary shall assign a yield for that
9 crop year equal to 75 percent of the average of the
10 2008 through 2012 county yield for the purposes of
11 determining the average yield under paragraph (3).

12 **SEC. 1114. PAYMENT ACRES.**

13 (a) DETERMINATION OF PAYMENT ACRES.—

14 (1) GENERAL RULE.—For the purpose of price
15 loss coverage and agriculture risk coverage when
16 county coverage has been selected under section
17 1115(b)(1), but subject to subsection (e), the pay-
18 ment acres for each covered commodity on a farm
19 shall be equal to 85 percent of the base acres for the
20 covered commodity on the farm.

21 (2) EFFECT OF INDIVIDUAL COVERAGE.—In
22 the case of agriculture risk coverage when individual
23 coverage has been selected under section 1115(b)(2),
24 but subject to subsection (e), the payment acres for

1 a farm shall be equal to 65 percent of the base acres
2 for all of the covered commodities on the farm.

3 (b) TREATMENT OF GENERIC BASE ACRES.—

4 (1) IN GENERAL.—In the case of generic base
5 acres, price loss coverage payments and agriculture
6 risk coverage payments are made only with respect
7 to generic base acres planted to a covered com-
8 modity for the crop year.

9 (2) ATTRIBUTION.—With respect to a farm
10 containing generic base acres, for the purpose of ap-
11 plying paragraphs (1)(B) and (2)(B) of subsection
12 (a), generic base acres on the farm are attributed to
13 a covered commodity in the following manner:

14 (A) If a single covered commodity is plant-
15 ed and the total acreage planted exceeds the ge-
16 neric base acres on the farm, the generic base
17 acres are attributed to that covered commodity
18 in an amount equal to the total number of ge-
19 neric base acres.

20 (B) If multiple covered commodities are
21 planted and the total number of acres planted
22 to all covered commodities on the farm exceeds
23 the generic base acres on the farm, the generic
24 base acres are attributed to each of the covered

1 commodities on the farm on a pro rata basis to
2 reflect the ratio of—

3 (i) the acreage planted to a covered
4 commodity on the farm; to

5 (ii) the total acreage planted to all
6 covered commodities on the farm.

7 (C) If the total number of acres planted to
8 all covered commodities on the farm does not
9 exceed the generic base acres on the farm, the
10 number of acres planted to a covered com-
11 modity is attributed to that covered commodity.

12 (3) TREATED AS ADDITIONAL ACREAGE.—When
13 generic base acres are planted to a covered com-
14 modity or acreage planted to a covered commodity is
15 attributed to generic base acres, the generic base
16 acres are in addition to other base acres on the
17 farm.

18 (c) EXCLUSION.—The quantity of payment acres de-
19 termined under subsection (a) may not include any crop
20 subsequently planted during the same crop year on the
21 same land for which the first crop is eligible for price loss
22 coverage payments or agriculture risk coverage payments,
23 unless the crop was approved for double cropping in the
24 county, as determined by the Secretary.

25 (d) EFFECT OF MINIMAL PAYMENT ACRES.—

1 (1) PROHIBITION ON PAYMENTS.—Notwith-
2 standing any other provision of this title, a producer
3 on a farm may not receive price loss coverage pay-
4 ments or agriculture risk coverage payments if the
5 sum of the base acres on the farm is 10 acres or
6 less, as determined by the Secretary.

7 (2) EXCEPTIONS.—Paragraph (1) does not
8 apply to a producer that is—

9 (A) a socially disadvantaged farmer or
10 rancher (as defined in section 355(e) of the
11 Consolidated Farm and Rural Development Act
12 (7 U.S.C. 2003(e))); or

13 (B) a limited resource farmer or rancher,
14 as defined by the Secretary.

15 (e) EFFECT OF PLANTING FRUITS AND VEGETA-
16 BLES.—

17 (1) REDUCTION REQUIRED.—In the manner
18 provided in this subsection, payment acres on a farm
19 shall be reduced in any crop year in which fruits,
20 vegetables (other than mung beans and pulse crops),
21 or wild rice have been planted on base acres on a
22 farm.

23 (2) PRICE LOSS COVERAGE AND COUNTY COV-
24 ERAGE.—In the case of price loss coverage payments
25 and agricultural risk coverage payments using coun-

1 ty coverage, the reduction under paragraph (1) shall
2 be the amount equal to the base acres planted to
3 crops referred to in such paragraph in excess of 15
4 percent of base acres.

5 (3) INDIVIDUAL COVERAGE.—In the case of ag-
6 ricultural risk coverage payments using individual
7 coverage, the reduction under paragraph (1) shall be
8 the amount equal to the base acres planted to crops
9 referred to in such paragraph in excess of 35 per-
10 cent of base acres.

11 (4) REDUCTION EXCEPTIONS.—No reduction to
12 payment acres shall be made under this subsection
13 if—

14 (A) cover crops or crops referred to in
15 paragraph (1) are grown solely for conservation
16 purposes and not harvested for use or sale, as
17 determined by the Secretary; or

18 (B) in any region in which there is a his-
19 tory of double-cropping covered commodities
20 with crops referred to in paragraph (1) and
21 such crops were so double-cropped on the base
22 acres, as determined by the Secretary.

1 **SEC. 1115. PRODUCER ELECTION.**

2 (a) **ELECTION REQUIRED.**—For the 2014 through
3 2018 crop years, all of the producers on a farm shall make
4 a 1-time, irrevocable election to obtain—

5 (1) price loss coverage under section 1116 on a
6 covered commodity-by-covered-commodity basis; or

7 (2) agriculture risk coverage under section
8 1117.

9 (b) **COVERAGE OPTIONS.**—In the election under sub-
10 section (a), the producers on a farm that elect under para-
11 graph (2) of such subsection to obtain agriculture risk cov-
12 erage under section 1117 shall unanimously select whether
13 to receive agriculture risk coverage payments based on—

14 (1) county coverage applicable on a covered
15 commodity-by-covered-commodity basis; or

16 (2) individual coverage applicable to all of the
17 covered commodities on the farm.

18 (c) **EFFECT OF FAILURE TO MAKE UNANIMOUS**
19 **ELECTION.**—If all the producers on a farm fail to make
20 a unanimous election under subsection (a) for the 2014
21 crop year—

22 (1) the Secretary shall not make any payments
23 with respect to the farm for the 2014 crop year
24 under section 1116 or 1117; and

25 (2) the producers on the farm shall be deemed
26 to have elected price loss coverage under section

1 1116 for all covered commodities on the farm for the
2 2015 through 2018 crop years.

3 (d) EFFECT OF SELECTION OF COUNTY COV-
4 ERAGE.—If all the producers on a farm select county cov-
5 erage for a covered commodity under subsection (b)(1),
6 the Secretary may not make price loss coverage payments
7 under section 1116 to the producers on the farm with re-
8 spect to that covered commodity.

9 (e) EFFECT OF SELECTION OF INDIVIDUAL COV-
10 ERAGE.—If all the producers on a farm select individual
11 coverage under subsection (b)(2), in addition to the selec-
12 tion and election under this section applying to each pro-
13 ducer on the farm, the Secretary shall consider, for pur-
14 poses of making the calculations required by subsections
15 (b)(2) and (c)(3) of section 1117, the producer's share of
16 all farms in the same State—

17 (1) in which the producer has an interest; and
18 (2) for which individual coverage has been se-
19 lected.

20 (f) PROHIBITION ON RECONSTITUTION.—The Sec-
21 retary shall ensure that producers on a farm do not recon-
22 stitute the farm to void or change an election or selection
23 made under this section.

1 **SEC. 1116. PRICE LOSS COVERAGE.**

2 (a) **PRICE LOSS COVERAGE PAYMENTS.**—If all of the
3 producers on a farm make the election under subsection
4 (a) of section 1115 to obtain price loss coverage or, subject
5 to subsection (c)(1) of such section, are deemed to have
6 made such election under subsection (c)(2) of such section,
7 the Secretary shall make price loss coverage payments to
8 producers on the farm on a covered commodity-by-cov-
9 ered-commodity basis if the Secretary determines that, for
10 any of the 2014 through 2018 crop years—

11 (1) the effective price for the covered com-
12 modity for the crop year; is less than

13 (2) the reference price for the covered com-
14 modity for the crop year.

15 (b) **EFFECTIVE PRICE.**—The effective price for a cov-
16 ered commodity for a crop year shall be the higher of—

17 (1) the national average market price received
18 by producers during the 12-month marketing year
19 for the covered commodity, as determined by the
20 Secretary; or

21 (2) the national average loan rate for a mar-
22 keting assistance loan for the covered commodity in
23 effect for such crop year under subtitle B.

24 (c) **PAYMENT RATE.**—The payment rate shall be
25 equal to the difference between—

1 (1) the reference price for the covered com-
2 modity; and

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

5 (d) PAYMENT AMOUNT.—If price loss coverage pay-
6 ments are required to be provided under this section for
7 any of the 2014 through 2018 crop years for a covered
8 commodity, the amount of the price loss coverage payment
9 to be paid to the producers on a farm for the crop year
10 shall be equal to the product obtained by multiplying—

11 (1) the payment rate for the covered commodity
12 under subsection (c);

13 (2) the payment yield for the covered com-
14 modity; and

15 (3) the payment acres for the covered com-
16 modity.

17 (e) TIME FOR PAYMENTS.—If the Secretary deter-
18 mines under this section that price loss coverage payments
19 are required to be provided for the covered commodity,
20 the payments shall be made beginning October 1, or as
21 soon as practicable thereafter, after the end of the applica-
22 ble marketing year for the covered commodity.

23 (f) EFFECTIVE PRICE FOR BARLEY.—In determining
24 the effective price for barley under subsection (b), the Sec-
25 retary shall use the all-barley price.

1 (g) REFERENCE PRICE FOR TEMPERATE JAPONICA
2 RICE.—The Secretary shall provide a reference price with
3 respect to temperate japonica rice in an amount equal to
4 115 percent of the amount established in subparagraphs
5 (F) and (G) of section 1111(18) in order to reflect price
6 premiums.

7 **SEC. 1117. AGRICULTURE RISK COVERAGE.**

8 (a) AGRICULTURE RISK COVERAGE PAYMENTS.—If
9 all of the producers on a farm make the election under
10 section 1115(a) to obtain agriculture risk coverage, the
11 Secretary shall make agriculture risk coverage payments
12 to producers on the farm if the Secretary determines that,
13 for any of the 2014 through 2018 crop years—

14 (1) the actual crop revenue determined under
15 subsection (b) for the crop year; is less than

16 (2) the agriculture risk coverage guarantee de-
17 termined under subsection (c) for the crop year.

18 (b) ACTUAL CROP REVENUE.—

19 (1) COUNTY COVERAGE.—In the case of county
20 coverage, the amount of the actual crop revenue for
21 a county for a crop year of a covered commodity
22 shall be equal to the product obtained by multi-
23 plying—

1 (A) the actual average county yield per
2 planted acre for the covered commodity, as de-
3 termined by the Secretary; and

4 (B) the higher of—

5 (i) the national average market price
6 received by producers during the 12-month
7 marketing year for the covered commodity,
8 as determined by the Secretary; or

9 (ii) the national average loan rate for
10 a marketing assistance loan for the covered
11 commodity in effect for such crop year
12 under subtitle B.

13 (2) INDIVIDUAL COVERAGE.—In the case of in-
14 dividual coverage, the amount of the actual crop rev-
15 enue for a producer on a farm for a crop year shall
16 be based on the producer's share of all covered com-
17 modities planted on all farms for which individual
18 coverage has been selected and in which the pro-
19 ducer has an interest, to be determined by the Sec-
20 retary as follows:

21 (A) For each covered commodity, the prod-
22 uct obtained by multiplying—

23 (i) the total production of the covered
24 commodity on such farms, as determined
25 by the Secretary; and

1 (ii) the higher of—

2 (I) the national average market
3 price received by producers during the
4 12-month marketing year, as deter-
5 mined by the Secretary; or

6 (II) the national average loan
7 rate for a marketing assistance loan
8 for the covered commodity in effect
9 for such crop year under subtitle B.

10 (B) The sum of the amounts determined
11 under subparagraph (A) for all covered com-
12 modities on such farms.

13 (C) The quotient obtained by dividing the
14 amount determined under subparagraph (B) by
15 the total planted acres of all covered commod-
16 ities on such farms.

17 (c) AGRICULTURE RISK COVERAGE GUARANTEE.—

18 (1) IN GENERAL.—The agriculture risk cov-
19 erage guarantee for a crop year for a covered com-
20 modity shall equal 86 percent of the benchmark rev-
21 enue.

22 (2) BENCHMARK REVENUE FOR COUNTY COV-
23 ERAGE.—In the case of county coverage, the bench-
24 mark revenue shall be the product obtained by mul-
25 tiplying—

1 (A) subject to paragraph (4), the average
2 historical county yield as determined by the
3 Secretary for the most recent 5 crop years, ex-
4 cluding each of the crop years with the highest
5 and lowest yields; and

6 (B) subject to paragraph (5), the national
7 average market price received by producers dur-
8 ing the 12-month marketing year for the most
9 recent 5 crop years, excluding each of the crop
10 years with the highest and lowest prices.

11 (3) BENCHMARK REVENUE FOR INDIVIDUAL
12 COVERAGE.—In the case of individual coverage, the
13 benchmark revenue for a producer on a farm for a
14 crop year shall be based on the producer's share of
15 all covered commodities planted on all farms for
16 which individual coverage has been selected and in
17 which the producer has an interest, to be determined
18 by the Secretary as follows:

19 (A) For each covered commodity for each
20 of the most recent 5 crop years, the product ob-
21 tained by multiplying—

22 (i) subject to paragraph (4), the yield
23 per planted acre for the covered commodity
24 on such farms, as determined by the Sec-
25 retary; by

1 (ii) subject to paragraph (5), the na-
2 tional average market price received by
3 producers during the 12-month marketing
4 year.

5 (B) For each covered commodity, the aver-
6 age of the revenues determined under subpara-
7 graph (A) for the most recent 5 crop years, ex-
8 cluding each of the crop years with the highest
9 and lowest revenues.

10 (C) For each of the 2014 through 2018
11 crop years, the sum of the amounts determined
12 under subparagraph (B) for all covered com-
13 modities on such farms, but adjusted to reflect
14 the ratio between the total number of acres
15 planted on such farms to a covered commodity
16 and the total acres of all covered commodities
17 planted on such farms.

18 (4) YIELD CONDITIONS.—If the yield per plant-
19 ed acre for the covered commodity or historical
20 county yield per planted acre for the covered com-
21 modity for any of the 5 most recent crop years, as
22 determined by the Secretary, is less than 70 percent
23 of the transitional yield, as determined by the Sec-
24 retary, the amounts used for any of those years in

1 paragraph (2)(A) or (3)(A)(i) shall be 70 percent of
2 the transitional yield.

3 (5) REFERENCE PRICE.—If the national aver-
4 age market price received by producers during the
5 12-month marketing year for any of the 5 most re-
6 cent crop years is lower than the reference price for
7 the covered commodity, the Secretary shall use the
8 reference price for any of those years for the
9 amounts in paragraph (2)(B) or (3)(A)(ii).

10 (d) PAYMENT RATE.—The payment rate for a cov-
11 ered commodity, in the case of county coverage, or a farm,
12 in the case of individual coverage, shall be equal to the
13 lesser of—

14 (1) the amount that—

15 (A) the agriculture risk coverage guarantee
16 for the crop year applicable under subsection
17 (c); exceeds

18 (B) the actual crop revenue for the crop
19 year applicable under subsection (b); or

20 (2) 10 percent of the benchmark revenue for
21 the crop year applicable under subsection (c).

22 (e) PAYMENT AMOUNT.—If agriculture risk coverage
23 payments are required to be paid for any of the 2014
24 through 2018 crop years, the amount of the agriculture

1 risk coverage payment for the crop year shall be deter-
2 mined by multiplying—

3 (1) the payment rate determined under sub-
4 section (d); and

5 (2) the payment acres determined under section
6 1114.

7 (f) TIME FOR PAYMENTS.—If the Secretary deter-
8 mines that agriculture risk coverage payments are re-
9 quired to be provided for the covered commodity, pay-
10 ments shall be made beginning October 1, or as soon as
11 practicable thereafter, after the end of the applicable mar-
12 keting year for the covered commodity.

13 (g) ADDITIONAL DUTIES OF THE SECRETARY.—In
14 providing agriculture risk coverage, the Secretary shall—

15 (1) to the maximum extent practicable, use all
16 available information and analysis, including data
17 mining, to check for anomalies in the determination
18 of agriculture risk coverage payments;

19 (2) to the maximum extent practicable, cal-
20 culate a separate actual crop revenue and agri-
21 culture risk coverage guarantee for irrigated and
22 nonirrigated covered commodities;

23 (3) in the case of individual coverage, assign an
24 average yield for a farm on the basis of the yield his-
25 tory of representative farms in the State, region, or

1 crop reporting district, as determined by the Sec-
2 retary, if the Secretary determines that the farm has
3 planted acreage in a quantity that is insufficient to
4 calculate a representative average yield for the farm;
5 and

6 (4) in the case of county coverage, assign an ac-
7 tual or benchmark county yield for each planted acre
8 for the crop year for the covered commodity on the
9 basis of the yield history of representative farms in
10 the State, region, or crop reporting district, as deter-
11 mined by the Secretary, if—

12 (A) the Secretary cannot establish the ac-
13 tual or benchmark county yield for each planted
14 acre for a crop year for a covered commodity in
15 the county in accordance with subsection (b)(1)
16 or (c)(2); or

17 (B) the yield determined under subsection
18 (b)(1) or (c)(2) is an unrepresentative average
19 yield for the county, as determined by the Sec-
20 retary.

21 **SEC. 1118. PRODUCER AGREEMENTS.**

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

23 (1) **REQUIREMENTS.**—Before the producers on
24 a farm may receive payments under this subtitle
25 with respect to the farm, the producers shall agree,

1 during the crop year for which the payments are
2 made and in exchange for the payments—

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

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

10 (C) to effectively control noxious weeds
11 and otherwise maintain the land in accordance
12 with sound agricultural practices, as determined
13 by the Secretary; and

14 (D) to use the land on the farm, in a
15 quantity equal to the attributable base acres for
16 the farm and any base acres for an agricultural
17 or conserving use, and not for a nonagricultural
18 commercial, industrial, or residential use, as de-
19 termined by the Secretary.

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

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

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

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

6 (1) TERMINATION.—

7 (A) IN GENERAL.—Except as provided in
8 paragraph (2), a transfer of (or change in) the
9 interest of the producers on a farm for which
10 payments under this subtitle are provided shall
11 result in the termination of the payments, un-
12 less the transferee or owner of the acreage
13 agrees to assume all obligations under sub-
14 section (a).

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

18 (2) EXCEPTION.—If a producer entitled to a
19 payment under this subtitle dies, becomes incom-
20 petent, or is otherwise unable to receive the pay-
21 ment, the Secretary shall make the payment in ac-
22 cordance with rules issued by the Secretary.

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

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

3 (d) PRODUCTION REPORTS.—As an additional condi-
4 tion on receiving agriculture risk coverage payments for
5 individual coverage, the Secretary shall require a producer
6 on a farm to submit to the Secretary annual production
7 reports with respect to all covered commodities produced
8 on all farms in the same State—

- 9 (1) in which the producer has an interest; and
10 (2) for which individual coverage has been se-
11 lected.

12 (e) EFFECT OF INACCURATE REPORTS.—No penalty
13 with respect to benefits under this subtitle or subtitle B
14 shall be assessed against a producer on a farm for an inac-
15 curate acreage or production report unless the Secretary
16 determines that the producer on the farm knowingly and
17 willfully falsified the acreage or production report.

18 (f) TENANTS AND SHARECROPPERS.—In carrying
19 out this subtitle, the Secretary shall provide adequate safe-
20 guards to protect the interests of tenants and share-
21 croppers.

22 (g) SHARING OF PAYMENTS.—The Secretary shall
23 provide for the sharing of payments made under this sub-
24 title among the producers on a farm on a fair and equi-
25 table basis.

1 **SEC. 1119. TRANSITION ASSISTANCE FOR PRODUCERS OF**
2 **UPLAND COTTON.**

3 (a) **AVAILABILITY.—**

4 (1) **PURPOSE.**—It is the purpose of this section
5 to provide transition assistance to producers of up-
6 land cotton in light of the repeal of section 1103 of
7 the Food, Conservation, and Energy Act of 2008 (7
8 U.S.C. 8713), the inapplicability of sections 1116
9 and 1117 to upland cotton, and the delayed imple-
10 mentation of the Stacked Income Protection Plan re-
11 quired by section 508B of the Federal Crop Insur-
12 ance Act (7 U.S.C. 1508b), as added by section
13 11017 of this Act.

14 (2) **2014 CROP YEAR.**—For the 2014 crop of
15 upland cotton, the Secretary shall provide transition
16 assistance, pursuant to the terms and conditions of
17 this section, to producers on a farm for which cotton
18 base acres were in existence for the 2013 crop year.

19 (3) **2015 CROP YEAR.**—For the 2015 crop of
20 upland cotton, the Secretary shall provide transition
21 assistance, pursuant to the terms and conditions of
22 this section, to producers on a farm—

23 (A) for which cotton base acres were in ex-
24 istence for the 2013 crop year; and

25 (B) that is located in a county in which the
26 Stacked Income Protection Plan required by

1 section 508B of the Federal Crop Insurance
2 Act (7 U.S.C. 1508b) is not available to pro-
3 ducers of upland cotton for the 2015 crop year.

4 (b) TRANSITION ASSISTANCE RATE.—The transition
5 assistance rate shall be equal to the product obtained by
6 multiplying—

7 (1) the June 12, 2013, midpoint estimate for
8 the marketing year average price of upland cotton
9 received by producers for the marketing year begin-
10 ning August 1, 2013, minus the December 10, 2013,
11 midpoint estimate for the marketing year average
12 price of upland cotton received by producers for the
13 marketing year beginning August 1, 2013, as con-
14 tained in the applicable World Agricultural Supply
15 and Demand Estimates report published by the De-
16 partment of Agriculture; and

17 (2) the national program yield for upland cot-
18 ton of 597 pounds per acre.

19 (c) CALCULATION OF TRANSITION ASSISTANCE
20 AMOUNT.—The amount of transition assistance to be pro-
21 vided under this section to producers on a farm for a crop
22 year shall be equal to the product obtained by multi-
23 plying—

24 (1) for the 2014 crop year, 60 percent, and for
25 the 2015 crop year, 36.5 percent, of the cotton base

1 acres referred to in subsection (a) for the farm, sub-
2 ject to adjustment or reduction for conservation
3 measures as provided in subsections (b) and (c) of
4 section 1112;

5 (2) the transition assistance rate in effect for
6 the crop year under subsection (b); and

7 (3) the payment yield for upland cotton for the
8 farm established for purposes of section 1103(c)(3)
9 of the Food, Conservation, and Energy Act of 2008
10 (7 U.S.C. 8713(e)(3)), divided by the national pro-
11 gram yield for upland cotton of 597 pounds per
12 acre.

13 (d) TIME FOR PAYMENT.—The Secretary may not
14 make transition assistance payments for a crop year under
15 this section before October 1 of the calendar year in which
16 the crop of upland cotton is harvested.

17 (e) PAYMENT LIMITATIONS.—Sections 1001 through
18 1001C of the Food Security Act of 1985 (7 U.S.C. 1308
19 through 1308C), as in effect on September 30, 2013, shall
20 apply to the receipt of transition assistance under this sec-
21 tion in the same manner as such sections applied to sec-
22 tion 1103 of the Food, Conservation, and Energy Act of
23 2008 (7 U.S.C. 8713).