

In the Senate of the United States,

March 23, 2000.

Resolved, That the bill from the House of Representatives (H.R. 2559) entitled “An Act to amend the Federal Crop Insurance Act to strengthen the safety net for agricultural producers by providing greater access to more affordable risk management tools and improved protection from production and income loss, to improve the efficiency and integrity of the Federal crop insurance program, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

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

2 (a) *SHORT TITLE.*—*This Act may be cited as the*
3 *“Risk Management for the 21st Century Act”.*

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

Sec. 1. Short title; table of contents.

TITLE I—CROP INSURANCE COVERAGE

Sec. 101. Quality adjustment.

Sec. 102. Prevented planting.

Sec. 103. Payment of portion of premium by Corporation.

- Sec. 104. Assigned yields.*
Sec. 105. Multiyear disaster actual production history adjustment.
Sec. 106. Noninsured crop disaster assistance program.
Sec. 107. Crop insurance coverage for rice.

TITLE II—RESEARCH AND PILOT PROGRAMS

- Sec. 201. Research and pilot programs.*
Sec. 202. Research and development contracting authority.
Sec. 203. Choice of risk management options.
Sec. 204. Options pilot program.
Sec. 205. Risk management innovation and competition pilot program.
Sec. 206. Education and research.
Sec. 207. Conforming amendments.

TITLE III—ADMINISTRATION

- Sec. 301. Board of Directors of Corporation.*
Sec. 302. Good farming practices.
Sec. 303. Sanctions for program noncompliance and fraud.
Sec. 304. Oversight of agents and loss adjusters.
Sec. 305. Adequate coverage for States.
Sec. 306. Records and reporting.
Sec. 307. Fees for plans of insurance.
Sec. 308. Limitation on double insurance.
Sec. 309. Specialty crops.
Sec. 310. Federal Crop Insurance Improvement Commission.
Sec. 311. Highly erodible land and wetland conservation.
Sec. 312. Projected loss ratio.
Sec. 313. Compliance with State licensing requirements.

TITLE IV—MISCELLANEOUS PROVISIONS

- Sec. 401. Improved risk management education.*
Sec. 402. Sense of the Senate regarding the Federal crop insurance program.
Sec. 403. Sense of Congress on Rally for Rural America and rural crisis.

TITLE V—EFFECTIVE DATES; TERMINATION OF AUTHORITY

- Sec. 501. Effective dates.*
Sec. 502. Termination of authority.

1 **TITLE I—CROP INSURANCE**
2 **COVERAGE**

3 **SEC. 101. QUALITY ADJUSTMENT.**

4 *Section 508(a) of the Federal Crop Insurance Act (7*
5 *U.S.C. 1508(a)) is amended by striking paragraph (6) and*
6 *inserting the following:*

7 “(6) *QUALITY ADJUSTMENT POLICIES.—*

1 “(A) *IN GENERAL.*—*The Corporation shall*
2 *offer coverage that permits a reduction in the*
3 *quantity of production of an agricultural com-*
4 *modity produced during a crop year, or any*
5 *similar adjustment, that results from the agricul-*
6 *tural commodity not meeting the quality stand-*
7 *ards established in the policy.*

8 “(B) *ELECTION NOT TO RECEIVE COV-*
9 *ERAGE.*—

10 “(i) *IN GENERAL.*—*A producer may*
11 *elect not to receive quality adjustment cov-*
12 *erage.*

13 “(ii) *PREMIUM REDUCTION.*—*In the*
14 *case of an election described in clause (i),*
15 *the Corporation shall provide a reduction in*
16 *the premium payable by the producer for a*
17 *plan of insurance in an amount equal to*
18 *the premium for the quality adjustment cov-*
19 *erage, as determined by the Corporation.*

20 “(C) *REVIEW OF CRITERIA AND PROCE-*
21 *DURES.*—*The Corporation shall—*

22 “(i) *contract with a qualified person to*
23 *analyze the quality loss adjustment proce-*
24 *dures of the Corporation; and*

1 “(ii) based on the analysis, make ad-
2 justments in the quality loss adjustment
3 procedures of the Corporation necessary to
4 more accurately reflect local quality dis-
5 counts that are applied to agricultural com-
6 modities insured under this title, taking
7 into consideration the actuarial soundness
8 of the adjustment and the prevention of
9 fraud, waste, and abuse.”.

10 **SEC. 102. PREVENTED PLANTING.**

11 (a) *IN GENERAL.*—Section 508(a) of the Federal Crop
12 Insurance Act (7 U.S.C. 1508(a)) (as amended by section
13 101) is amended by inserting after paragraph (6) the fol-
14 lowing:

15 “(7) *PREVENTED PLANTING.*—

16 “(A) *ELECTION NOT TO RECEIVE COV-*
17 *ERAGE.*—

18 “(i) *IN GENERAL.*—A producer may
19 elect not to receive coverage for prevented
20 planting of an agricultural commodity.

21 “(ii) *PREMIUM REDUCTION.*—In the
22 case of an election described in clause (i),
23 the Corporation shall provide a reduction in
24 the premium payable by the producer for a
25 plan of insurance in an amount equal to

1 *the premium for the prevented planting cov-*
2 *erage, as determined by the Corporation.*

3 “(B) *EQUAL COVERAGE.*—*For each agricul-*
4 *tural commodity for which prevented planting*
5 *coverage is available, the Corporation shall offer*
6 *an equal percentage level of prevented planting*
7 *coverage.*

8 “(C) *AREA CONDITIONS REQUIRED FOR PAY-*
9 *MENT.*—*The Corporation shall limit prevented*
10 *planting payments to producers in the area in*
11 *which the farm is located that are generally af-*
12 *ected by the conditions that prevent an agricul-*
13 *tural commodity from being planted.*

14 “(D) *SUBSTITUTE COMMODITY.*—

15 “(i) *AUTHORITY TO PLANT.*—*Subject to*
16 *clause (v), a producer that has prevented*
17 *planting coverage and is eligible to receive*
18 *an indemnity under the coverage may plant*
19 *an agricultural commodity, other than the*
20 *commodity covered by the prevented plant-*
21 *ing coverage, on the acreage originally pre-*
22 *vented from being planted.*

23 “(ii) *NONAVAILABILITY OF INSUR-*
24 *ANCE.*—*A substitute agricultural com-*
25 *modity planted under clause (i) for harvest*

1 *in the same crop year shall not be eligible*
2 *for coverage under a policy or plan of in-*
3 *surance under this title or for noninsured*
4 *crop disaster assistance under section 196 of*
5 *the Agricultural Market Transition Act (7*
6 *U.S.C. 7333).*

7 “(iii) *RELATIONSHIP TO OTHER RE-*
8 *QUIREMENTS.—The producer of a substitute*
9 *agricultural commodity under clause (ii)*
10 *shall remain eligible for the benefits de-*
11 *scribed in subsection (b)(7).*

12 “(iv) *EFFECT ON ACTUAL PRODUCTION*
13 *HISTORY.—If a producer plants a substitute*
14 *agricultural commodity under clause (i) for*
15 *a crop year, the Corporation shall assign*
16 *the producer a yield, for that crop year for*
17 *the commodity that was prevented from*
18 *being planted, equal to 60 percent of the*
19 *producer’s actual production history for*
20 *that commodity for purposes of determining*
21 *the producer’s actual production history for*
22 *subsequent crop years.*

23 “(v) *EFFECT ON PREVENTED PLANTING*
24 *PAYMENT.—If a producer plants a sub-*
25 *stitute agricultural commodity under clause*

1 (i) before the latest planting date established
2 by the Corporation for the agricultural com-
3 modity prevented from being planted, the
4 Corporation shall not make a prevented
5 planting payment with regard to the com-
6 modity prevented from being planted.

7 “(E) *RELATIONSHIP TO OTHER LAW.*—This
8 paragraph shall supersede subsection (h)(7) to
9 the extent that this paragraph is inconsistent
10 with subsection (h)(7).

11 “(F) *CROP YEARS.*—This paragraph shall
12 apply to each of the 2001 through 2004 crop
13 years.”.

14 (b) *APPLICATION.*—The amendment made by sub-
15 section (a) shall be reflected in the rates for applicable plans
16 of insurance not later than the 2001 reinsurance year.

17 **SEC. 103. PAYMENT OF PORTION OF PREMIUM BY CORPORA-**
18 **TION.**

19 (a) *EXPECTED MARKET PRICE.*—Section 508(c) of the
20 Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended
21 by striking paragraph (5) and inserting the following:

22 “(5) *EXPECTED MARKET PRICE.*—

23 “(A) *IN GENERAL.*—For the purposes of this
24 title, the Corporation shall establish or approve
25 the price level (referred to in this title as the ‘ex-

1 pected market price’) of each agricultural com-
2 modity for which insurance is offered.

3 “(B) AMOUNT.—The expected market price
4 of an agricultural commodity—

5 “(i) except as otherwise provided in
6 this subparagraph, shall be not less than the
7 projected market price of the agricultural
8 commodity, as determined by the Corpora-
9 tion;

10 “(ii) may be based on the actual mar-
11 ket price of the agricultural commodity at
12 the time of harvest, as determined by the
13 Corporation;

14 “(iii) in the case of revenue and other
15 similar plans of insurance, shall be the ac-
16 tual market price of the agricultural com-
17 modity, as determined by the Corporation;
18 or

19 “(iv) in the case of cost of production
20 or similar plans of insurance, shall be the
21 projected cost of producing the agricultural
22 commodity, as determined by the Corpora-
23 tion.”.

24 (b) PREMIUM AMOUNTS.—Section 508(d)(2) of the
25 Federal Crop Insurance Act (7 U.S.C. 1508(d)(2)) is

1 *amended by striking subparagraph (C) and inserting the*
2 *following:*

3 “(C) *In the case of additional coverage at*
4 *greater than or equal to 65 percent of the re-*
5 *corded or appraised average yield indemnified at*
6 *100 percent of the expected market price, or a*
7 *comparable coverage for a plan of insurance that*
8 *is not based on yield, but less than 75 percent*
9 *of the recorded or appraised average yield in-*
10 *demnified at 100 percent of the expected market*
11 *price, or a comparable coverage for a plan of in-*
12 *surance that is not based on yield, the amount*
13 *of the premium shall—*

14 “(i) *be sufficient to cover anticipated*
15 *losses and a reasonable reserve; and*

16 “(ii) *include an amount for operating*
17 *and administrative expenses, as determined*
18 *by the Corporation, on an industry-wide*
19 *basis as a percentage of the amount of the*
20 *premium used to define loss ratio.*

21 “(D) *In the case of additional coverage*
22 *equal to 75, 80, or 85 percent of the recorded or*
23 *appraised average yield indemnified at 100 per-*
24 *cent of the expected market price, or a com-*
25 *parable coverage for a plan of insurance that is*

1 *not based on yield, the amount of the premium*
2 *shall—*

3 *“(i) be sufficient to cover anticipated*
4 *losses and a reasonable reserve; and*

5 *“(ii) include an amount for operating*
6 *and administrative expenses, as determined*
7 *by the Corporation, on an industry-wide*
8 *basis as a percentage of the amount of the*
9 *premium used to define loss ratio.”.*

10 *(c) PAYMENT OF PORTION OF PREMIUM BY CORPORA-*
11 *TION.—Section 508(e) of the Federal Crop Insurance Act*
12 *(7 U.S.C. 1508(e)) is amended—*

13 *(1) by striking paragraph (1) and inserting the*
14 *following:*

15 *“(1) IN GENERAL.—*

16 *“(A) MANDATORY PAYMENTS.—For the pur-*
17 *pose of encouraging the broadest possible partici-*
18 *pation of producers in the crop insurance plans*
19 *of insurance described in subsections (b) and (c),*
20 *the Corporation shall pay a part of the premium*
21 *in the amounts determined under this subsection.*

22 *“(B) DISCRETIONARY PAYMENTS.—For the*
23 *purpose of encouraging the broadest possible par-*
24 *ticipation of producers, in the case of a plan of*
25 *insurance approved by the Corporation under*

1 *subsection (h), the Corporation may pay a part*
2 *of the premium as determined under this sub-*
3 *section.”; and*

4 *(2) in paragraph (2), by striking subparagraphs*
5 *(B) and (C) and inserting the following:*

6 *“(B) In the case of additional coverage less*
7 *than or equal to 50 percent of the recorded or*
8 *appraised average yield indemnified at 100 per-*
9 *cent of the expected market price, or a com-*
10 *parable coverage for a plan of insurance that is*
11 *not based on yield, the amount shall be equal to*
12 *the sum of—*

13 *“(i) 60 percent of the amount of the*
14 *premium established under subsection*
15 *(d)(2)(B)(i); and*

16 *“(ii) the amount of operating and ad-*
17 *ministrative expenses determined under sub-*
18 *section (d)(2)(B)(ii).*

19 *“(C) In the case of additional coverage at*
20 *55 percent or 60 percent of the recorded or ap-*
21 *praised average yield indemnified at 100 percent*
22 *of the expected market price, or a comparable*
23 *coverage for a plan of insurance that is not*
24 *based on yield, the amount shall be equal to the*
25 *sum of—*

1 “(i) 45 percent of the amount of the
2 premium established under subsection
3 (d)(2)(B)(i); and

4 “(ii) the amount of operating and ad-
5 ministrative expenses determined under sub-
6 section (d)(2)(B)(ii).

7 “(D) In the case of additional coverage at
8 65 percent or 70 percent of the recorded or ap-
9 praised average yield indemnified at 100 percent
10 of the expected market price, or a comparable
11 coverage for a plan of insurance that is not
12 based on yield, the amount shall be equal to the
13 sum of—

14 “(i) 50 percent of the amount of the
15 premium established under subsection
16 (d)(2)(C)(i); and

17 “(ii) the amount of operating and ad-
18 ministrative expenses determined under sub-
19 section (d)(2)(C)(ii).

20 “(E) In the case of additional coverage
21 equal to 75 percent of the recorded or appraised
22 average yield indemnified at 100 percent of the
23 expected market price, or a comparable coverage
24 for a plan of insurance that is not based on
25 yield, the amount shall be equal to the sum of—

1 “(i) 55 percent of the amount of the
2 premium established for coverage at 75 per-
3 cent of the recorded or appraised average
4 yield indemnified at 100 percent of the ex-
5 pected market price under subsection
6 (d)(2)(D)(i); and

7 “(ii) the amount of operating and ad-
8 ministrative expenses determined under sub-
9 section (d)(2)(D)(ii).

10 “(F) In the case of additional coverage
11 equal to 80 percent of the recorded or appraised
12 average yield indemnified at 100 percent of the
13 expected market price, or a comparable coverage
14 for a plan of insurance that is not based on
15 yield, the amount shall be equal to the sum of—

16 “(i) 38 percent of the amount of the
17 premium established for coverage at 80 per-
18 cent of the recorded or appraised average
19 yield indemnified at 100 percent of the ex-
20 pected market price under subsection
21 (d)(2)(D)(i); and

22 “(ii) the amount of operating and ad-
23 ministrative expenses determined under sub-
24 section (d)(2)(D)(ii).

1 “(G) *In the case of additional coverage*
2 *equal to 85 percent of the recorded or appraised*
3 *average yield indemnified at 100 percent of the*
4 *expected market price, or a comparable coverage*
5 *for a plan of insurance that is not based on*
6 *yield, the amount shall be equal to the sum of—*

7 “(i) *28 percent of the amount of the*
8 *premium established for coverage at 85 per-*
9 *cent of the recorded or appraised average*
10 *yield indemnified at 100 percent of the ex-*
11 *pected market price under subsection*
12 *(d)(2)(D)(i); and*

13 “(ii) *the amount of operating and ad-*
14 *ministrative expenses determined under sub-*
15 *section (d)(2)(D)(ii).*

16 “(H) *Subparagraphs (A) through (G) shall*
17 *apply to each of fiscal years 2001 through*
18 *2004.”.*

19 (d) *REVENUE COVERAGE FOR POTATOES.—Section*
20 *508(a) of the Federal Crop Insurance Act (7 U.S.C.*
21 *1508(a)) is amended by striking paragraph (3) and insert-*
22 *ing the following:*

23 “(3) *EXCLUSIONS.—*

1 “(A) *IN GENERAL.*—*Insurance provided*
2 *under this subsection shall not cover losses due*
3 *to—*

4 “(i) *the neglect or malfeasance of the*
5 *producer;*

6 “(ii) *the failure of the producer to re-*
7 *seed to the same crop in such areas and*
8 *under such circumstances as it is customary*
9 *to reseed; or*

10 “(iii) *the failure of the producer to fol-*
11 *low good farming practices (as determined*
12 *by the Secretary).*

13 “(B) *REVENUE COVERAGE FOR POTATOES.*—*No plan of insurance provided under*
14 *this title (including a plan of insurance ap-*
15 *proved by the Board under subsection (h)) shall*
16 *cover losses due to a reduction in revenue for po-*
17 *tatoes except as covered under a whole farm plan*
18 *of insurance, as determined by the Corpora-*
19 *tion.”.*

21 (e) *CONFORMING AMENDMENTS.*—*Section 508 of the*
22 *Federal Crop Insurance Act (7 U.S.C. 1508) is amended—*

23 (1) *in subsection (e), by striking paragraph (4);*

24 *and*

1 (2) in subsection (g)(2)(D), by striking “(as pro-
2 vided in subsection (e)(4))”.

3 **SEC. 104. ASSIGNED YIELDS.**

4 Section 508(g)(2)(B) of the Federal Crop Insurance
5 Act (7 U.S.C. 1508(g)(2)(B)) is amended—

6 (1) by striking “assigned a yield” and inserting
7 “assigned—

8 “(i) a yield”;

9 (2) by striking the period at the end and insert-
10 ing “; or”; and

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

12 “(ii) a yield determined by the Cor-
13 poration, in the case of—

14 “(I) a producer that has not had
15 a share of the production of the insured
16 crop for more than 2 crop years, as de-
17 termined by the Secretary;

18 “(II) a producer that produces an
19 agricultural commodity on land that
20 has not been farmed by the producer;
21 and

22 “(III) a producer that rotates a
23 crop produced on a farm to a crop that
24 has not been produced on the farm.”.

1 **SEC. 105. MULTIYEAR DISASTER ACTUAL PRODUCTION HIS-**
2 **TORY ADJUSTMENT.**

3 *Section 508(g) of the Federal Crop Insurance Act (7*
4 *U.S.C. 1508(g)) is amended by adding at the end the fol-*
5 *lowing:*

6 “(4) *TRANSITIONAL ADJUSTMENT FOR DISAS-*
7 *TERS.—*

8 “(A) *DEFINITION OF A PRODUCER THAT*
9 *HAS SUFFERED A MULTIYEAR DISASTER.—In*
10 *this paragraph, the term ‘a producer that has*
11 *suffered a multiyear disaster’ means a producer*
12 *(or a successor entity through which the actual*
13 *production history of the producer can be traced)*
14 *that has suffered a natural disaster during at*
15 *least 3 of the immediately preceding 5 crop years*
16 *that resulted in a cumulative reduction of at*
17 *least 25 percent in the actual production history*
18 *of the crop of an agricultural commodity.*

19 “(B) *ELIMINATION OF CERTAIN YEARS OF*
20 *PRODUCTION HISTORY.—Notwithstanding para-*
21 *graph (2), effective beginning with the 2001 crop*
22 *year, for the purpose of calculating the actual*
23 *production history for a crop of an agricultural*
24 *commodity, a producer that has suffered a*
25 *multiyear disaster with respect to the crop may*
26 *exclude 1 year of production history for each 5*

1 *years included in the actual production history*
2 *calculation of the crop for which the producer*
3 *purchased crop insurance.*

4 *“(C) CORPORATION’S SHARE OF CHANGED*
5 *COSTS.—In the case of an exclusion under sub-*
6 *paragraph (B), in addition to any other author-*
7 *ity to pay any portion of premium, the Corpora-*
8 *tion shall pay—*

9 *“(i) the portion of the premium that*
10 *represents the increase in premium associ-*
11 *ated with the exclusion;*

12 *“(ii) all additional indemnities associ-*
13 *ated with the exclusion; and*

14 *“(iii) any amounts that result from the*
15 *difference in the administrative and oper-*
16 *ating expenses owed to an approved insur-*
17 *ance provider as the result of an exclusion*
18 *in actual production history under this*
19 *paragraph.*

20 *“(D) INCREASE IN ACTUAL PRODUCTION*
21 *HISTORY AFTER EXCLUSIONS.—In the case of a*
22 *producer that has received an exclusion under*
23 *subparagraph (B), the Corporation shall not*
24 *limit the increase of the actual production his-*
25 *tory based on the producer’s actual production of*

1 *the crop of an agricultural commodity in suc-*
 2 *ceeding crop years until the actual production*
 3 *history for the producer reaches the level for the*
 4 *crop year immediately preceding the first year of*
 5 *the multiyear disaster.*

6 “(E) *TERMINATION OF EXCLUSION AUTHOR-*
 7 *ITY.—The authority to apply this paragraph to*
 8 *a producer shall terminate with respect to the*
 9 *first crop year in which crop insurance is avail-*
 10 *able to the producer that adequately insures*
 11 *against natural disasters that occur in multiple*
 12 *crop years, as determined by the Corporation.*

13 “(F) *REINSURANCE YEARS.—This para-*
 14 *graph shall apply to each of the 2001 through*
 15 *2004 reinsurance years.”.*

16 **SEC. 106. NONINSURED CROP DISASTER ASSISTANCE PRO-**
 17 **GRAM.**

18 (a) *OPERATION AND ADMINISTRATION OF PROGRAM.—*
 19 *Section 196(a)(2) of the Agricultural Market Transition Act*
 20 *(7 U.S.C. 7333(a)(2)) is amended by adding at the end the*
 21 *following:*

22 “(C) *COMBINATION OF SIMILAR TYPES OR*
 23 *VARIETIES.—At the option of the Secretary, all*
 24 *types or varieties of a crop or commodity, de-*
 25 *scribed in subparagraphs (A) and (B), may be*

1 *considered to be a single eligible crop under this*
2 *section.”.*

3 **(b) RECORDS AND APPLICATION DATE.**—*Section*
4 *196(b) of the Agricultural Market Transition Act (7 U.S.C.*
5 *7333(b)) is amended—*

6 *(1) in the second sentence of paragraph (1), by*
7 *striking “at such time as the Secretary may require.”*
8 *and inserting “not later than March 15.”;*

9 *(2) by striking paragraph (2) and inserting the*
10 *following:*

11 *“(2) RECORDS.—To be eligible for assistance*
12 *under this section, a producer shall provide annually*
13 *to the Secretary records of crop acreage, acreage*
14 *yields, and production for each crop, as required by*
15 *the Secretary.”; and*

16 *(3) in paragraph (3), by inserting “annual”*
17 *after “shall provide”.*

18 **(c) LOSS REQUIREMENTS.**—*Section 196 of the Agri-*
19 *cultural Market Transition Act (7 U.S.C. 7333) is amended*
20 *by striking subsection (c) and inserting the following:*

21 **“(c) LOSS REQUIREMENTS.—**

22 *“(1) CAUSE.—To be eligible for assistance under*
23 *this section, a producer of an eligible crop shall have*
24 *suffered a loss of a noninsured commodity as the re-*
25 *sult of a cause described in subsection (a)(3).*

1 “(2) *ASSISTANCE*.—On making a determination
2 described in subsection (a)(3), the Secretary shall pro-
3 vide assistance under this section to producers of an
4 eligible crop that have suffered a loss as a result of
5 the cause described in subsection (a)(3).

6 “(3) *PREVENTED PLANTING*.—The Secretary
7 shall make a prevented planting noninsured crop dis-
8 aster assistance payment to a producer if the pro-
9 ducer is prevented from planting more than 15 per-
10 cent of the acreage intended for the eligible crop be-
11 cause of a cause described in subsection (a)(3), as de-
12 termined by the Secretary.

13 “(4) *AREA TRIGGER*.—The Secretary may pro-
14 vide assistance to individual producers without any
15 requirement of an area loss.”.

16 (d) *NEW ELIGIBLE CROPS*.—Section 196 of the Agri-
17 cultural Market Transition Act (7 U.S.C. 7333) is
18 amended—

19 (1) in subsection (d)(1)—

20 (A) by inserting “(except as provided in
21 subsection (j))” after “percent”; and

22 (B) by inserting “determined under sub-
23 section (e)” after “for the crop”;

24 (2) by redesignating subsection (j) as subsection
25 (l); and

1 (3) by inserting after subsection (i) the following:

2 “(j) *NEW ELIGIBLE CROPS.*—

3 “(1) *IN GENERAL.*—Subject to paragraph (2), if
4 a producer produces an eligible crop that is new to
5 an area (as determined by the Secretary), a payment
6 for the producer shall be computed by substituting the
7 following percentages of yields for the percentages of
8 yields specified in subsection (d)(1):

9 “(A) *In the case of the first crop year of the*
10 *eligible crop produced by the producer, 35 per-*
11 *cent of the established yield for the crop deter-*
12 *mined under subsection (e).*

13 “(B) *In the case of each of the second*
14 *through fourth years of the eligible crop produced*
15 *by the producer—*

16 “(i) *45 percent of the established yield*
17 *for the crop determined under subsection*
18 *(e); or*

19 “(ii) *if the producer received a pay-*
20 *ment under this section for the first crop*
21 *year of the eligible crop produced by the*
22 *producer, 35 percent of the established yield*
23 *for the crop determined under subsection*
24 *(e).*

1 “(2) *TEMPORARY INELIGIBILITY.*—If a producer
2 of an eligible crop described in paragraph (1) receives
3 a payment under this section in both the first and
4 second crop years of the eligible crop, the producer
5 shall be ineligible for a payment under this section
6 until the producer has successfully produced the crop
7 for at least 3 consecutive crop years with no loss re-
8 ported, as determined by the Secretary.”.

9 (e) *SERVICE FEE.*—Section 196 of the Agricultural
10 Market Transition Act (7 U.S.C. 7333) (as amended by sub-
11 section (d)) is amended by inserting after subsection (j) the
12 following:

13 “(k) *SERVICE FEE.*—

14 “(1) *IN GENERAL.*—To be eligible to receive as-
15 sistance for an eligible crop for a crop year under this
16 section, a producer shall pay to the Secretary (at the
17 time at which the producer provides reports under
18 subsection (b)(3)) a service fee for the eligible crop in
19 an amount that is equal to the lesser of—

20 “(A) the equivalent of the per policy fee for
21 catastrophic risk protection available under sec-
22 tion 508(b)(5) of the Federal Crop Insurance Act
23 (7 U.S.C. 1508(b)(5)); or

24 “(B) \$200 per producer per county, but not
25 to exceed a total of \$600 per producer.

1 “(2) *WAIVER.*—*The Secretary shall waive the*
2 *service fee required under paragraph (1) in the case*
3 *of a limited resource farmer, as defined by the Sec-*
4 *retary.*”

5 “(3) *USE.*—*The Secretary shall deposit service*
6 *fees collected under this subsection in the Commodity*
7 *Credit Corporation Fund.*”.

8 “(f) *CROP YEARS.*—*This section and the amendments*
9 *made by this section shall apply to each of the 2001 through*
10 *2004 crop years.*”

11 **SEC. 107. CROP INSURANCE COVERAGE FOR RICE.**

12 *Section 508(a) of the Federal Crop Insurance Act (7*
13 *U.S.C. 1508(a)) (as amended by section 102(a)) is amended*
14 *by adding at the end the following:*

15 “(8) *SPECIAL PROVISIONS FOR RICE.*—*Notwith-*
16 *standing any other provision of this title, beginning*
17 *with the 2001 crop of rice, the Corporation shall offer*
18 *plans of insurance, including prevented planting cov-*
19 *erage and replanting coverage, under this title that*
20 *cover losses of rice resulting from failure of irrigation*
21 *water supplies due to drought and saltwater intru-*
22 *sion.*”.

1 **TITLE II—RESEARCH AND PILOT**
2 **PROGRAMS**

3 **SEC. 201. RESEARCH AND PILOT PROGRAMS.**

4 *The Federal Crop Insurance Act (7 U.S.C. 1501 et*
5 *seq.) is amended by adding at the end the following:*

6 **“SEC. 522. RESEARCH AND PILOT PROGRAMS.**

7 **“(a) GENERAL PROVISIONS.—**

8 *“(1) IN GENERAL.—Except as otherwise provided*
9 *in this subsection, the Corporation may conduct re-*
10 *search, surveys, pilot programs, and investigations re-*
11 *lating to crop insurance and agriculture-related risks*
12 *and losses based on proposals developed by the Cor-*
13 *poration or by an approved insurance provider to*
14 *evaluate whether the proposal or new risk manage-*
15 *ment tool is suitable for the marketplace and address-*
16 *es the needs of producers of agricultural commodities.*

17 *“(2) PRIVATE COVERAGE.—Under this section,*
18 *the Corporation shall not conduct any activity that*
19 *provides insurance protection against a risk if insur-*
20 *ance protection against the risk is generally available*
21 *from private companies.*

22 *“(3) COVERED ACTIVITIES.—The activities de-*
23 *scribed in paragraph (1) include insurance on losses*
24 *involving—*

1 “(A) reduced forage on rangeland caused by
2 drought or insect infestation;

3 “(B) livestock poisoning and disease;

4 “(C) destruction of bees due to the use of
5 pesticides;

6 “(D) unique special risks related to fruits,
7 nuts, vegetables, and specialty crops in general,
8 aquacultural species, and forest industry needs
9 (including appreciation);

10 “(E) loss of timber due to drought, flood,
11 fire, or other natural disaster;

12 “(F) other agricultural products as deter-
13 mined by the Board;

14 “(G) after October 1, 2000, insurance cov-
15 erage for livestock and livestock products;

16 “(H) subject to paragraph (7), after October
17 1, 2000, wild salmon; and

18 “(I) subject to paragraph (7), after October
19 1, 2000, loss of or damage to trees or fruit af-
20 fected by plum pox virus (commonly known as
21 ‘sharka’), including quarantined trees or fruit.

22 “(4) SCOPE OF PILOT PROGRAMS.—The Corpora-
23 tion may—

24 “(A) offer a pilot program authorized under
25 this title on a regional, State, or national basis

1 *after considering the interests of affected pro-*
2 *ducers and the interests of, and risks to, the Cor-*
3 *poration;*

4 *“(B) operate the pilot program, including*
5 *any modifications of the pilot program, for a pe-*
6 *riod of up to 4 years;*

7 *“(C) extend the time period for the pilot*
8 *program for additional periods, as determined*
9 *appropriate by the Corporation; and*

10 *“(D) provide pilot programs that would*
11 *allow producers—*

12 *“(i) to receive premium discounts for*
13 *using whole farm units or single crop units*
14 *of insurance; and*

15 *“(ii) to cross State and county bound-*
16 *aries to form insurable units.*

17 *“(5) EVALUATION.—After the completion of any*
18 *pilot program under this section, the Corporation*
19 *shall evaluate the pilot program and submit to the*
20 *Committee on Agriculture of the House of Representa-*
21 *tives and the Committee on Agriculture, Nutrition,*
22 *and Forestry of the Senate, a report on the operations*
23 *of the pilot program, including the evaluation by the*
24 *Corporation of the pilot program and the rec-*

1 *ommendations of the Corporation with respect to im-*
2 *plementing the program on a national basis.*

3 *“(6) FUNDING.—The amount of funds used to*
4 *carry out research and pilot programs that are estab-*
5 *lished after the date of enactment of this section (other*
6 *than subsection (b)(2)) shall not exceed—*

7 *“(A) in the case of fiscal year 2001,*
8 *\$10,000,000;*

9 *“(B) in the case of fiscal year 2002,*
10 *\$30,000,000;*

11 *“(C) in the case of fiscal year 2003,*
12 *\$50,000,000; and*

13 *“(D) in the case of fiscal year 2004,*
14 *\$60,000,000.*

15 *“(7) FISCAL YEARS.—Paragraphs (3)(E), (3)(G),*
16 *(3)(H), (4), and (6) shall apply to each of fiscal years*
17 *2001 through 2004.*

18 *“(8) RELATION TO OTHER LAWS.—*

19 *“(A) IN GENERAL.—The terms and condi-*
20 *tions of any policy or plan of insurance offered*
21 *under this section that is reinsured by the Cor-*
22 *poration shall not—*

23 *“(i) be subject to the jurisdiction of the*
24 *Commodity Futures Trading Commission*

1 *or the Securities and Exchange Commis-*
2 *sion; or*

3 *“(ii) be considered to be accounts,*
4 *agreements (including any transaction that*
5 *is of the character of, or is commonly*
6 *known to the trade as, an ‘option’, ‘privi-*
7 *lege’, ‘indemnity’, ‘bid’, ‘offer’, ‘put’, ‘call’,*
8 *‘advance guaranty’, or ‘decline guaranty’),*
9 *or transactions involving contracts of sale of*
10 *a commodity for future delivery, traded or*
11 *executed on a contract market for the pur-*
12 *poses of the Commodity Exchange Act (7*
13 *U.S.C. 1 et seq.).*

14 *“(B) EFFECT ON CFTC AND COMMODITY EX-*
15 *CHANGE ACT.—Nothing in this paragraph affects*
16 *the jurisdiction of the Commodity Futures Trad-*
17 *ing Commission or the applicability of the Com-*
18 *modity Exchange Act (7 U.S.C. 1 et seq.) to any*
19 *transaction conducted on a contract market*
20 *under that Act by an approved insurance pro-*
21 *vider to offset the approved insurance provider’s*
22 *risk under a plan or policy of insurance under*
23 *this section.”.*

1 **SEC. 202. RESEARCH AND DEVELOPMENT CONTRACTING**

2 **AUTHORITY.**

3 *Section 522 of the Federal Crop Insurance Act (as*
4 *added by section 201) is amended by adding at the end*
5 *the following:*

6 “(b) *RESEARCH AND DEVELOPMENT CONTRACTING*
7 *AUTHORITY.*—

8 “(1) *IN GENERAL.*—*Subject to section 523(a), to*
9 *obtain the best research and analysis concerning any*
10 *significant issue pertaining to crop insurance, includ-*
11 *ing outreach and education, pilot programs, or the*
12 *development of a new plan of insurance, the Corpora-*
13 *tion may use only the authority provided by this sec-*
14 *tion and funds made available under section*
15 *516(b)(2)(A) to—*

16 “(A) *contract on a competitive basis with*
17 *qualified persons;*

18 “(B) *reimburse research costs associated*
19 *with product development; and*

20 “(C) *reimburse costs associated with the re-*
21 *assessment and modification of plans of insur-*
22 *ance.*

23 “(2) *ALTERNATIVE RATING METHODOLOGIES.*—

24 “(A) *IN GENERAL.*—*The Corporation shall*
25 *enter into contracts with qualified persons to*
26 *study and develop alternative methodologies for*

1 *rating plans of insurance for catastrophic risk*
2 *protection and higher levels of additional cov-*
3 *erage under subsections (b) and (c), respectively,*
4 *of section 508, and rates for the plans of insur-*
5 *ance, that take into account—*

6 *“(i) producers that elect not to partici-*
7 *pate in the Federal crop insurance pro-*
8 *gram; and*

9 *“(ii) producers that elect to obtain only*
10 *catastrophic risk protection.*

11 *“(B) PRIORITY.—The studies conducted*
12 *under this paragraph shall provide priority to*
13 *agricultural commodities with—*

14 *“(i) the largest average acreage nation-*
15 *wide; and*

16 *“(ii) the lowest percentage of producers*
17 *that purchase additional coverage.*

18 *“(C) FUNDING.—*

19 *“(i) IN GENERAL.—The Corporation*
20 *shall fund the studies conducted under this*
21 *paragraph from funds in the insurance*
22 *fund available under section 516(b)(2)(A).*

23 *“(ii) AMOUNT.—There are authorized*
24 *for the studies conducted under this*
25 *paragraph—*

1 “(I) in the case of each of fiscal
2 years 2001 and 2002, \$1,000,000; and

3 “(II) in the case of each of fiscal
4 years 2003 and 2004, \$250,000.

5 “(D) FISCAL YEARS.—This paragraph shall
6 apply to each of fiscal years 2001 through 2004.

7 “(3) RESEARCH AND DEVELOPMENT PRIOR-
8 ITIES.—The Corporation shall establish, as 1 of the
9 highest research and development priorities of the
10 Corporation, the development of a pasture, range, and
11 forage program to promote land stewardship.

12 “(4) STUDY OF MULTIYEAR COVERAGE.—

13 “(A) IN GENERAL.—The Corporation shall
14 contract with a qualified person to conduct a
15 study to determine whether offering plans of in-
16 surance that provide coverage for multiple years
17 would reduce fraud and abuse by persons that
18 participate in the Federal crop insurance pro-
19 gram.

20 “(B) REPORT.—Not later than 1 year after
21 the date of enactment of this section, the Cor-
22 poration shall submit to the Committee on Agri-
23 culture of the House of Representatives and the
24 Committee on Agriculture, Nutrition, and For-
25 estry of the Senate a report that describes the re-

1 *sults of the study conducted under subparagraph*
2 *(A).”.*

3 **SEC. 203. CHOICE OF RISK MANAGEMENT OPTIONS.**

4 *(a) IN GENERAL.—Section 522 of the Federal Crop In-*
5 *surance Act (as amended by section 202) is amended by*
6 *adding at the end the following:*

7 *“(c) CHOICE OF RISK MANAGEMENT OPTIONS.—*

8 *“(1) DEFINITIONS.—In this subsection:*

9 *“(A) AGRICULTURAL COMMODITY.—The*
10 *term ‘agricultural commodity’ means each agri-*
11 *cultural commodity specified in section 518—*

12 *“(i) for which catastrophic risk protec-*
13 *tion or additional coverage is available*
14 *under this title, other than solely this sec-*
15 *tion; and*

16 *“(ii) that is selected by the Secretary*
17 *in a manner that—*

18 *“(I) encourages the maximum*
19 *number of participants in the program*
20 *under this subsection;*

21 *“(II) provides a mixture of pro-*
22 *gram, specialty, and regional crops;*

23 *“(III) gives consideration to agri-*
24 *cultural commodities with low crop in-*
25 *surance participation rates; and*

1 “(IV) results in not less than 15
2 percent of payments being made to
3 producers in States in which—

4 “(aa) there is traditionally,
5 and continues to be, a low level of
6 Federal crop insurance participa-
7 tion and availability; and

8 “(bb) the Secretary of Agri-
9 culture determines that the State
10 is underserved by Federal crop in-
11 surance.

12 “(B) *APPLICABLE CROP*.—The term ‘appli-
13 cable crop’ means each of the 2002 through 2004
14 crops of an agricultural commodity produced by
15 a producer.

16 “(C) *APPLICABLE YEAR*.—The term ‘appli-
17 cable year’ means the year in which—

18 “(i) the applicable crop is produced on
19 the farm of a producer; and

20 “(ii) the producer elects to receive a
21 risk management payment or crop insur-
22 ance premium subsidy under this sub-
23 section.

24 “(D) *REGULATED EXCHANGE*.—The term
25 ‘regulated exchange’ means a board of trade (as

1 *defined in section 1a of the Commodity Ex-*
2 *change Act (7 U.S.C. 1a)) that is designated as*
3 *a contract market under section 2(a)(1)(B) of*
4 *that Act (7 U.S.C. 2a).*

5 “(2) *RISK MANAGEMENT PAYMENTS.*—

6 “(A) *OFFER.*—*The Corporation shall offer*
7 *either to make either risk management payments*
8 *or to provide crop insurance premium subsidies*
9 *for each of the 2002 through 2004 crops of an ag-*
10 *ricultural commodity in accordance with sub-*
11 *paragraph (B).*

12 “(B) *TERMS.*—*Not later than the sales clos-*
13 *ing date for obtaining coverage for an agricul-*
14 *tural commodity for each applicable year, an eli-*
15 *gible producer may elect to receive, with respect*
16 *to the agricultural commodity—*

17 “(i) *a risk management payment*
18 *under this subsection; or*

19 “(ii) *a crop insurance premium sub-*
20 *sidy, including a catastrophic risk protec-*
21 *tion subsidy, under this subsection.*

22 “(3) *RISK MANAGEMENT PAYMENT.*—

23 “(A) *IN GENERAL.*—*In the case of a pro-*
24 *ducer that elects to receive a risk management*
25 *payment for an applicable crop of an agricul-*

1 *tural commodity under this subsection, the Cor-*
2 *poration shall make a risk management payment*
3 *to the producer that covers the agricultural com-*
4 *modity produced by the producer for the applica-*
5 *ble crop.*

6 “(B) *BASIS FOR PAYMENT.*—*The amount of*
7 *a risk management payment shall be determined*
8 *in accordance with paragraph (5).*

9 “(4) *QUALIFYING RISK MANAGEMENT PRAC-*
10 *TICES.*—*To be eligible for a risk management pay-*
11 *ment under this subsection for an applicable crop of*
12 *an agricultural commodity, a producer shall obtain*
13 *or use for the applicable crop a qualifying risk man-*
14 *agement practice from at least 2 of the following cat-*
15 *egories:*

16 “(A) *CROP INSURANCE CATEGORY.*—*A pro-*
17 *ducer may purchase coverage for an agricultural*
18 *commodity under a private plan of insurance or*
19 *a Federal plan of insurance that is not sub-*
20 *sidized.*

21 “(B) *MARKETING RISK CATEGORY.*—

22 “(i) *FUTURE OR OPTION.*—*A producer*
23 *may enter into a future or option for an ag-*
24 *ricultural commodity produced on the farm*
25 *of the producer for the applicable crop on a*

1 regulated exchange that is (as determined
2 by the Corporation)—

3 “(I)(aa) in the case of a future, at
4 least 1 regulated futures contract (as
5 defined in section 1256(g) of the Inter-
6 nal Revenue Code of 1986); and

7 “(bb) in the case of an option, at
8 least 1 listed option (as defined in sec-
9 tion 1256(g) of that Code); and

10 “(II) a hedging transaction (as
11 defined in section 1256(e)(2) of that
12 Code) involving an agricultural com-
13 modity that is used to reduce produc-
14 tion, price, or revenue risk.

15 “(ii) *AGRICULTURAL TRADE OPTION.*—
16 A producer may purchase, on other than a
17 regulated exchange, an agricultural trade
18 option for the applicable crop of an agricul-
19 tural commodity produced on the farm of
20 the producer that (as determined by the
21 Corporation)—

22 “(I) provides coverage for at least
23 10 percent of the estimated monetary
24 value of the agricultural commodity;

1 “(II) is an equity option (as de-
2 fined in section 1256(g) of the Internal
3 Revenue Code of 1986); and

4 “(III) is a hedging transaction
5 (as defined in section 1256(e)(2) of
6 that Code) involving an agricultural
7 commodity that is used to reduce pro-
8 duction, price, or revenue risk.

9 “(iii) CASH FORWARD OR OTHER MAR-
10 KETING CONTRACT.—A producer may enter
11 into a cash forward or other type of mar-
12 keting contract for at least 20 percent of the
13 monetary value of an agricultural com-
14 modity produced on the farm of the pro-
15 ducer for the applicable crop, as determined
16 by the Secretary.

17 “(iv) MARKETING THROUGH COOPERA-
18 TIVES.—A producer may market at least 25
19 percent of an agricultural commodity pro-
20 duced by the producer through a cooperative
21 that is owned by agricultural producers.

22 “(C) FINANCIAL RISK CATEGORY.—

23 “(i) TRUST.—A producer may make a
24 deposit of an amount equal to at least 10
25 percent of the payments of the producer for

1 *the applicable year under the Agricultural*
2 *Market Transition Act (7 U.S.C. 7201 et*
3 *seq.) into a trust authorized by statute for*
4 *eligible farming businesses that may be es-*
5 *tablished to accept tax deductible contribu-*
6 *tions.*

7 “(ii) *AGRICULTURAL MARKETING AND*
8 *RISK MANAGEMENT EDUCATION.*—*A pro-*
9 *ducer may attend and complete in the ap-*
10 *plicable year an agricultural marketing or*
11 *risk management class or seminar approved*
12 *by the Corporation.*

13 “(iii) *FINANCIAL RISK REDUCTION.*—*A*
14 *producer may reduce farm financial risk by*
15 *reducing debt in an amount that reduces le-*
16 *verage or by increasing liquidity, as deter-*
17 *mined by the Secretary.*

18 “(iv) *DIVERSIFICATION.*—*A producer*
19 *may address production or financial risk*
20 *by—*

21 “(I) *diversifying production on*
22 *the farm of the producer by producing*
23 *at least 1 additional commodity on the*
24 *farm;*

1 “(II) *significantly increasing*
2 *farm enterprise diversification in the*
3 *applicable year, as determined by the*
4 *Secretary;*

5 “(III) *maintaining an integrated*
6 *farming system with a substantial de-*
7 *gree of diversification, as determined*
8 *by the Secretary; or*

9 “(IV) *implementing a transition*
10 *to organic farming.*

11 “(D) *FARM RESOURCES RISK CATEGORY.—*

12 “(i) *CONSERVATION PRACTICES.—A*
13 *producer may implement new or existing*
14 *conservation practices consisting of—*

15 “(I) *nutrient management;*

16 “(II) *integrated pest management;*

17 “(III) *conservation tillage;*

18 “(IV) *conservation buffers; or*

19 “(V) *other conservation practices*
20 *that are appropriate for the farm, as*
21 *determined by the Secretary.*

22 “(ii) *AGRICULTURAL CONSERVATION*
23 *MANAGEMENT PLAN.—A producer may de-*
24 *velop a plan to mitigate financial risk asso-*

1 *ciated with resource conservation through*
2 *practices consisting of—*

3 *“(I) nutrient management;*

4 *“(II) integrated pest management;*

5 *“(III) soil erosion control;*

6 *“(IV) conservation buffers;*

7 *“(V) soil residue management;*

8 *“(VI) water quantity or quality*
9 *management; or*

10 *“(VII) other conservation prac-*
11 *tices that are appropriate for the farm,*
12 *as determined by the Secretary.*

13 *“(iii) AGRICULTURAL RESOURCE IM-*
14 *PROVEMENTS.—A producer may invest in*
15 *the improvement or development of 1 or*
16 *more of the following capital land improve-*
17 *ments on the farm of the producer to reduce*
18 *production risk:*

19 *“(I) Irrigation management.*

20 *“(II) Watershed management*
21 *structures.*

22 *“(III) Planting trees for*
23 *windbreaks or water quality.*

24 *“(IV) Soil quality management*
25 *options.*

1 “(V) *Animal waste management*
2 *structures.*

3 “(VI) *Other land improvements,*
4 *as determined by the Secretary.*

5 “(E) *OTHER CATEGORY.—A producer may*
6 *engage in any other risk management practice*
7 *approved by the Secretary.*

8 “(5) *DETERMINATION OF RISK MANAGEMENT*
9 *PAYMENT.—*

10 “(A) *IN GENERAL.—The Secretary shall de-*
11 *termine the amount of a risk management pay-*
12 *ment for an agricultural commodity produced on*
13 *the farm of a producer for an applicable crop*
14 *taking into consideration the expenditure by the*
15 *producer on the risk management practices ob-*
16 *tained or used by the producer.*

17 “(B) *MAXIMUM PAYMENT.—No payment*
18 *shall be made in excess of an amount equal to*
19 *the national average of the previous year’s liabil-*
20 *ity for all catastrophic risk protection policies.*

21 “(C) *FUNDING.—*

22 “(i) *IN GENERAL.—Subject to clause*
23 *(ii), there are authorized to be expended to*
24 *carry out this subsection from the insurance*
25 *fund under section 516(a)(2)(C) not more*

1 *than \$500,000,000 for the period of fiscal*
2 *years 2002 through 2004.*

3 “(ii) *ANNUAL LIMITATION.*—*Not more*
4 *than \$200,000,000 may be expended in any*
5 *fiscal year to carry out this subsection.*

6 “(6) *ADMINISTRATIVE PROVISIONS.*—

7 “(A) *CERTIFICATION.*—*A producer shall*
8 *submit to the crop insurance agent or approved*
9 *insurance provider a risk management practices*
10 *form that certifies, in accordance with standards*
11 *prescribed by the Secretary, the qualifying risk*
12 *management practices and associated costs that*
13 *were obtained or used by the producer during the*
14 *applicable year.*

15 “(B) *COMPLIANCE.*—*The Corporation may*
16 *perform random audits of producers that obtain*
17 *a risk management payment to ensure that the*
18 *producers obtained or used the qualifying risk*
19 *management practices described in the form.*

20 “(C) *VIOLATION OF TERMS OF RISK MAN-*
21 *AGEMENT PAYMENT.*—*If a producer has accepted*
22 *a risk management payment or crop insurance*
23 *premium subsidy for an applicable year and the*
24 *producer fails to comply with subparagraph (A),*
25 *or to carry out a qualifying risk management*

1 option elected by the producer under paragraph
2 (4), with respect to the applicable year, the
3 producer—

4 “(i) shall refund to the Corporation an
5 amount equal to the risk management pay-
6 ment; and

7 “(ii) may be subject to debarment from
8 loans and payments for a period of not to
9 exceed 5 years, as provided in section
10 506(n)(3)(B).

11 “(D) ASSIGNMENT AND SHARING OF BENE-
12 FITS.—

13 “(i) ASSIGNMENT OF BENEFITS.—As-
14 signment of a benefit provided under this
15 subsection shall be carried out as provided
16 in section 8(g) of the Soil Conservation and
17 Domestic Allotment Act (16 U.S.C.
18 590h(g)).

19 “(ii) NOTICE.—The producer making
20 the assignment, or the assignee, shall pro-
21 vide the Corporation with notice, in such
22 manner as the Corporation may require, of
23 any assignment.

24 “(iii) SHARING OF BENEFITS.—The
25 Corporation shall provide for the sharing of

1 *benefits under this subsection among all*
2 *producers that are at risk in the production*
3 *of an applicable crop on a fair and equi-*
4 *table basis.*

5 “(7) *FISCAL YEARS.*—*This subsection shall apply*
6 *to each of fiscal years 2002 through 2004.*”.

7 (b) *AUTHORIZATION OF APPROPRIATIONS.*—*Section*
8 *516(a) of the Federal Crop Insurance Act (7 U.S.C.*
9 *1516(a)) is amended—*

10 (1) *by striking paragraph (1) and inserting the*
11 *following:*

12 “(1) *DISCRETIONARY EXPENSES.*—*There are au-*
13 *thorized to be appropriated for fiscal year 1999 and*
14 *each subsequent fiscal year such sums as are nec-*
15 *essary to cover—*

16 “(A) *the salaries and expenses of the Cor-*
17 *poration; and*

18 “(B) *the expenses of approved insurance*
19 *providers incurred in carrying out section*
20 *522(c).*”; *and*

21 (2) *in paragraph (2)—*

22 (A) *in subparagraph (A), by striking “and”*
23 *at the end;*

24 (B) *in subparagraph (B), by striking the*
25 *period at the end and inserting “; and”; and*

1 (C) by adding at the end the following:

2 “(C) risk management payments authorized
3 under section 522(c) in an amount not to exceed
4 \$500,000,000 for the period of fiscal years 2002
5 through 2004, of which not more than
6 \$200,000,000 may be expended for any 1 fiscal
7 year.”.

8 **SEC. 204. OPTIONS PILOT PROGRAM.**

9 (a) *IN GENERAL.*—Section 191 of the Agricultural
10 *Market Transition Act (7 U.S.C. 7331) is amended—*

11 (1) *in the first sentence of subsection (a), by*
12 *striking “2002” and inserting “2004”;*

13 (2) *in subsection (b)—*

14 (A) *in the first sentence, by striking “100*
15 *counties, except that not more than 6” and in-*
16 *serting “300 counties, except that not more than*
17 *25”;* and

18 (B) *in the second sentence, by striking*
19 *“2002” and inserting “2004”;* and

20 (3) *in subsection (c)(2), by inserting before the*
21 *semicolon the following: “during any calendar year in*
22 *which a county in which the farm of the producer is*
23 *located is authorized to operate the pilot program”.*

24 (b) *FUNDING.*—*From amounts made available under*
25 *section 516(a)(2)(C) of the Federal Crop Insurance Act (7*

1 *U.S.C. 1516(a)(2)(C)) (as added by section 203(b)(2)(C))*
2 *for the choice of risk management options pilot program,*
3 *the Federal Crop Insurance Corporation shall transfer to*
4 *the Secretary of Agriculture to carry out the amendments*
5 *made by subsection (a) \$27,000,000 for each of fiscal years*
6 *2002 through 2004.*

7 **SEC. 205. RISK MANAGEMENT INNOVATION AND COMPETI-**
8 **TION PILOT PROGRAM.**

9 *Section 522 of the Federal Crop Insurance Act (as*
10 *amended by section 203(a)) is amended by adding at the*
11 *end the following:*

12 *“(d) RISK MANAGEMENT INNOVATION AND COMPETI-*
13 *TION.—*

14 *“(1) PURPOSE.—The purpose of the pilot pro-*
15 *gram established under this subsection is to determine*
16 *what incentives are necessary to encourage approved*
17 *insurance providers to—*

18 *“(A) develop and offer innovative risk man-*
19 *agement products to producers;*

20 *“(B) rate premiums for risk management*
21 *products; and*

22 *“(C) competitively market the risk manage-*
23 *ment products.*

24 *“(2) ESTABLISHMENT.—*

1 “(A) *IN GENERAL.*—*The Corporation shall*
2 *establish a pilot program under which approved*
3 *insurance providers may propose for approval*
4 *by the Board risk management products*
5 *involving—*

6 “(i) *loss of yield or revenue insurance*
7 *coverage for 1 or more commodities (includ-*
8 *ing commodities that are not insurable*
9 *under this title as of the date of enactment*
10 *of this section, but excluding livestock);*

11 “(ii) *rates of premium for the risk*
12 *management product; or*

13 “(iii) *underwriting systems for the risk*
14 *management product.*

15 “(B) *SUBMISSION TO BOARD.*—*The Board*
16 *shall review and approve a risk management*
17 *product before the risk management product may*
18 *be marketed under this subsection.*

19 “(C) *DETERMINATION BY BOARD.*—*The*
20 *Board may approve a risk management product*
21 *for subsidy and reinsurance under this title if*
22 *the Board determines that—*

23 “(i) *the interests of producers of com-*
24 *modities are adequately protected by the*
25 *risk management product;*

1 “(ii) premium rates charged to pro-
2 ducers are actuarially appropriate (within
3 the meaning of section 508(h)(3)(E));

4 “(iii) the underwriting system of the
5 risk management product is appropriate
6 and adequate;

7 “(iv) the proposed risk management
8 product is reinsured under this title, is re-
9 insured through private reinsurance, or is
10 self-insured;

11 “(v) the size of the proposed pilot area
12 is adequate;

13 “(vi) insurance protection against the
14 risk covered by the proposed risk manage-
15 ment product is not generally available
16 from private plans of insurance that are not
17 covered by this title; and

18 “(vii) such other requirements of this
19 title as the Board determines should apply
20 to the risk management product are met.

21 “(D) CONFIDENTIALITY.—

22 “(i) IN GENERAL.—All information
23 concerning a risk management product
24 shall be considered to be confidential com-
25 mercial or financial information for the

1 *purposes of section 552(b)(4) of title 5,*
2 *United States Code.*

3 “(ii) *STANDARD.*—*If information con-*
4 *cerning a risk management product of an*
5 *approved insurance provider could be with-*
6 *held by the Secretary under the standard*
7 *for privileged or confidential information*
8 *pertaining to trade secrets and commercial*
9 *or financial information under section*
10 *552(b)(4) of title 5, United States Code, the*
11 *information shall not be released to the pub-*
12 *lic.*

13 “(3) *MARKETING OF RISK MANAGEMENT PROD-*
14 *UCTS.*—

15 “(A) *DEFINITION OF ORIGINAL PROVIDER.*—
16 *In this paragraph, the term ‘original provider’*
17 *means an approved insurance provider that sub-*
18 *mits a risk management product to the Board*
19 *for approval under paragraph (2).*

20 “(B) *AUTHORITY TO MARKET.*—*If the*
21 *Board approves a risk management product*
22 *under paragraph (2), subject to subparagraph*
23 *(C), only the original provider may market the*
24 *risk management product.*

25 “(C) *FEE.*—

1 “(i) *IN GENERAL.*—An approved insur-
2 *ance provider (other than the original pro-*
3 *vider) that desires to market a risk manage-*
4 *ment product shall pay a fee to the original*
5 *provider for the right to market the risk*
6 *management product.*

7 “(ii) *AMOUNT.*—The original provider
8 *shall determine the amount of the fee under*
9 *clause (i).”.*

10 **SEC. 206. EDUCATION AND RESEARCH.**

11 *Section 522 of the Federal Crop Insurance Act (as*
12 *amended by section 205) is amended by adding at the end*
13 *the following:*

14 “(e) *EDUCATION AND RESEARCH.*—

15 “(1) *IN GENERAL.*—The Corporation shall estab-
16 *lish the programs described in paragraphs (2) and*
17 *(3), respectively, for the 2001–2004 fiscal years, not*
18 *to exceed the funding limitations established in para-*
19 *graph (4).*

20 “(2) *EDUCATION AND INFORMATION.*—The Cor-
21 *poration shall establish a program of education and*
22 *information for States in which—*

23 “(A) *there is traditionally, and continues to*
24 *be, a low level of Federal crop insurance partici-*
25 *pation and availability; and*

1 “(B) the Secretary of Agriculture deter-
2 mines that the State is underserved by Federal
3 crop insurance.

4 “(3) RESEARCH AND DEVELOPMENT.—The Cor-
5 poration shall establish a program of research and de-
6 velopment to develop new approaches to increasing
7 participation in States in which—

8 “(A) there is traditionally, and continues to
9 be, a low level of Federal crop insurance partici-
10 pation and availability; and

11 “(B) the Secretary of Agriculture deter-
12 mines that the State is underserved by Federal
13 crop insurance.

14 “(4) FUNDING.—The following amounts shall be
15 transferred from funds made available in section
16 516(a)(2)(C) for the Choice of Risk Management Op-
17 tions pilot program—

18 “(A) for the Education, Information and
19 Insurance Provider Recruitmant program in
20 paragraph (2), \$10,000,000 for each of fiscal
21 years 2001 through 2004.

22 “(B) for the Research and Development pro-
23 gram in paragraph (3), \$5,000,000 for each of
24 fiscal years 2001 through 2004.”.

1 **SEC. 207. CONFORMING AMENDMENTS.**

2 (a) Section 508 of the Federal Crop Insurance Act (7
3 U.S.C. 1508) is amended—

4 (1) by striking subsection (m); and

5 (2) by redesignating subsection (n) as subsection
6 (m).

7 (b) Section 516(b)(2)(A) of the Federal Crop Insurance
8 Act (7 U.S.C. 1516(b)(2)(A)) is amended by striking “ex-
9 ceed \$3,500,000 for each fiscal year.” and inserting
10 “exceed—

11 “(i) in the case of each of fiscal years
12 2001 and 2002, \$4,500,000;

13 “(ii) in the case of each of fiscal years
14 2003 and 2004, \$3,750,000; and

15 “(iii) in the case of each subsequent fis-
16 cal year, \$3,500,000.”

17 (c) Section 518 of the Federal Crop Insurance Act (7
18 U.S.C. 1518) is amended by striking “subsection (a) or (m)
19 of section 508 of this title” and inserting “section 508(a),
20 522, or 523”.

21 **TITLE III—ADMINISTRATION**

22 **SEC. 301. BOARD OF DIRECTORS OF CORPORATION.**

23 (a) *IN GENERAL.*—Section 505 of the Federal Crop In-
24 surance Act (7 U.S.C. 1505) is amended by striking sub-
25 section (a) and inserting the following:

26 “(a) *BOARD OF DIRECTORS.*—

1 “(1) *IN GENERAL.*—*The management of the Cor-*
2 *poration shall be vested in a Board of Directors, sub-*
3 *ject to the general supervision of the Secretary.*

4 “(2) *COMPOSITION.*—*The Board shall consist*
5 *of—*

6 “(A) *4 members who are active agricultural*
7 *producers with or without crop insurance, with*
8 *1 member appointed from each of the 4 regions*
9 *of the United States (as determined by the Sec-*
10 *retary);*

11 “(B) *1 member who is active in the crop in-*
12 *surance business;*

13 “(C) *1 member who is active in the reinsur-*
14 *ance business;*

15 “(D) *the Under Secretary for Farm and*
16 *Foreign Agricultural Services;*

17 “(E) *the Under Secretary for Rural Devel-*
18 *opment; and*

19 “(F) *the Chief Economist of the Department*
20 *of Agriculture.*

21 “(3) *APPOINTMENT AND TERMS OF PRIVATE SEC-*
22 *TOR MEMBERS.*—*The members of the Board described*
23 *in subparagraphs (A), (B), and (C) of paragraph*
24 *(2)—*

1 “(A) shall be appointed by, and hold office
2 at the pleasure of, the Secretary;

3 “(B) shall not be otherwise employed by the
4 Federal Government;

5 “(C) shall be appointed to staggered 4-year
6 terms, as determined by the Secretary; and

7 “(D) shall serve not more than 2 consecutive
8 terms.

9 “(4) CHAIRPERSON.—The Board shall select a
10 member of the Board described in subparagraph (A),
11 (B), or (C) of paragraph (2) to serve as Chairperson
12 of the Board.

13 “(5) OFFICE OF RISK MANAGEMENT.—The Office
14 of Risk Management shall provide assistance to the
15 Board in developing, reviewing, and recommending—

16 “(A) new plans of insurance and pilot
17 projects under this title that are proposed by the
18 Office or by a private insurance provider;

19 “(B) terms of the Standard Reinsurance
20 Agreement;

21 “(C) rates for plans of insurance under this
22 title; and

23 “(D) other issues involved in the adminis-
24 tration of Federal crop insurance, as requested
25 by the Board.

1 “(6) *EXECUTIVE DIRECTOR; STAFF.*—

2 “(A) *EXECUTIVE DIRECTOR.*—*An executive*
3 *director appointed by the Secretary, with the*
4 *concurrence of the Board, shall—*

5 “(i) *assist the Board, as provided in*
6 *subparagraph (C); and*

7 “(ii) *report to the Secretary.*

8 “(B) *STAFF.*—

9 “(i) *IN GENERAL.*—*A staff of 4 indi-*
10 *viduals appointed by the Executive Director*
11 *shall report to the Executive Director.*

12 “(ii) *QUALIFICATIONS.*—*An individual*
13 *described in clause (i) (except the Executive*
14 *Director) shall be knowledgeable and experi-*
15 *enced in quantitative mathematics and ac-*
16 *tuarial rating.*

17 “(C) *FUNCTIONS.*—*The Executive Director*
18 *and staff appointed under this paragraph*
19 *shall—*

20 “(i) *assist the Board in reviewing and*
21 *approving policies and materials with re-*
22 *spect to plans of insurance or other mate-*
23 *rials authorized or submitted under section*
24 *508, 522, or 523;*

1 “(ii) provide at least monthly reports
2 to the Board on crop insurance issues,
3 which shall be based on comments received
4 from producers, approved insurance pro-
5 viders, and other sources that the Executive
6 Director and staff consider appropriate;

7 “(iii) review policies and materials
8 with respect to—

9 “(I) subsidized plans of insurance
10 authorized under section 508; and

11 “(II) unsubsidized plans of insur-
12 ance submitted to the Board under sec-
13 tion 508(h);

14 “(iv) make recommendations to the
15 Board with respect to approval of the poli-
16 cies and materials, including recommenda-
17 tions with respect to the disapproval of any
18 policies and materials that contain terms or
19 conditions that promote fraud;

20 “(v) make recommendations to the
21 Board to encourage cooperation between
22 United States attorneys, the Corporation,
23 and approved insurance providers to mini-
24 mize fraud in connection with an insurance
25 plan or policy under this title;

1 “(vi) review and make recommenda-
 2 tions to the Board with respect to meth-
 3 odologies for rating plans of insurance
 4 under this title; and

5 “(vii) perform such other functions as
 6 the Board considers appropriate.

7 “(D) FUNDING.—

8 “(i) INSURANCE FUND.—From
 9 amounts in the insurance fund under sec-
 10 tion 516(c)(1), effective for fiscal year 2001,
 11 \$500,000 shall be available to pay the sala-
 12 ries and expenses of the Executive Director
 13 and staff appointed under this paragraph.

14 “(ii) SALARIES AND EXPENSES.—Sub-
 15 ject to the availability of appropriations,
 16 the Risk Management Agency shall transfer
 17 \$500,000 for fiscal year 2001, and
 18 \$1,000,000 for each subsequent fiscal year,
 19 at the beginning of the fiscal year to the Ex-
 20 ecutive Director for the salaries and ex-
 21 penses of the Executive Director and staff
 22 appointed under this paragraph.”.

23 (b) SUBMISSION OF POLICIES AND MATERIALS TO
 24 BOARD.—Section 508(h) of the Federal Crop Insurance Act
 25 (7 U.S.C. 1508(h)) is amended—

1 (1) *by striking paragraphs (1) through (4) and*
2 *inserting the following:*

3 “(1) *IN GENERAL.—In addition to any standard*
4 *forms or policies that the Board may require be made*
5 *available to producers under subsection (c), a person*
6 *may propose to the Board—*

7 “(A) *loss of yield or revenue insurance cov-*
8 *erage on an individual, area, or a combination*
9 *of individual and area basis, for 1 or more agri-*
10 *cultural commodities;*

11 “(B) *rates of premium for a proposed or ex-*
12 *isting policy; and*

13 “(C) *underwriting systems for a proposed*
14 *or existing policy.*

15 “(2) *SUBMISSION OF PROPOSALS.—*

16 “(A) *IN GENERAL.—Subject to subpara-*
17 *graph (B) and paragraph (3), a proposal sub-*
18 *mitted to the Board under this subsection may*
19 *be prepared without regard to the limitations of*
20 *this title, including limitations—*

21 “(i) *concerning actuarial soundness;*

22 “(ii) *concerning levels of coverage;*

23 “(iii) *concerning rates of premium;*

24 “(iv) *that the price level for coverage*
25 *for each insured commodity must equal the*

1 *expected market price for the commodity as*
2 *established by the Board; and*

3 “(v) *that an approved insurance pro-*
4 *vider shall provide coverage under a policy*
5 *throughout a State for all commodities if*
6 *the approved insurance provider elects to*
7 *provide any coverage in the State.*

8 “(B) *MAXIMUM ALLOWABLE SUBSIDY.—The*
9 *payment by the Corporation of a portion of the*
10 *premium of the policy approved by the Board*
11 *under this subsection may not exceed the amount*
12 *that would otherwise be authorized under sub-*
13 *section (e).*

14 “(3) *STANDARDS.—*

15 “(A) *IN GENERAL.—The Board shall ap-*
16 *prove a proposal under this subsection for sub-*
17 *sidy and reinsurance if the Board finds that the*
18 *proposal adequately ensures that—*

19 “(i) *the interests of producers of com-*
20 *modities are adequately protected;*

21 “(ii) *premiums charged to producers*
22 *are actuarially appropriate;*

23 “(iii) *the underwriting system in-*
24 *cluded in the proposal is appropriate and*
25 *adequate; and*

1 “(iv) the proposal is reinsured under
2 this title, is reinsured through private rein-
3 surance, or is self-insured;

4 “(B) *RATES OF PREMIUM.*—A proposed rate
5 of premium (including the part of premium paid
6 by the Corporation) shall be considered to be ac-
7 tuarily appropriate if the rate is sufficient to
8 cover projected losses and expenses, a reasonable
9 reserve, and the amount of operating and admin-
10 istrative expenses of the approved insurance pro-
11 vider determined under subsection (d)(2).

12 “(C) *PROPOSED UNDERWRITING PLANS.*—A
13 proposed underwriting plan—

14 “(i) may be on an area or individual
15 farm basis; and

16 “(ii) shall, at a minimum, specify fac-
17 tors such as yield history for the farm or re-
18 gion, soils and resource quality for the
19 farm, and farm production practices.

20 “(D) *REINSURANCE.*—

21 “(i) *FEDERAL REINSURANCE.*—The
22 Corporation shall, to the maximum extent
23 practicable, make reinsurance available to
24 an approved insurance provider under this
25 subsection.

1 “(i) *PRIVATE OR FEDERAL REINSUR-*
2 *ANCE.—An approved insurance provider*
3 *may—*

4 “(I) *obtain private reinsurance*
5 *for the proposal;*

6 “(II) *obtain reinsurance for the*
7 *proposal under this title; or*

8 “(III) *self-insure the proposal.*

9 “(E) *ACTUARIALLY APPROPRIATE.—The*
10 *Board shall prescribe standards for determining*
11 *whether premium rates are actuarially appro-*
12 *priate considering the risk inherent in the pro-*
13 *posed product.*

14 “(4) *REVIEW AND APPROVAL BY BOARD.—With*
15 *respect to any policy or other material submitted to*
16 *the Board after October 1, 2000, under this sub-*
17 *section, the following guidelines shall apply:*

18 “(A) *IN GENERAL.—The policy or other ma-*
19 *terial shall be reviewed by the Board in accord-*
20 *ance with subparagraphs (C) and (D).*

21 “(B) *MULTIPLE INSURANCE AGREE-*
22 *MENTS.—The Corporation may enter into more*
23 *than 1 reinsurance agreement simultaneously*
24 *with the approved insurance provider to facili-*
25 *tate the offering of the new policy.*

1 “(C) *PROCEDURES FOR SUBMISSION AND*
2 *REVIEW.*—*The Corporation shall promulgate reg-*
3 *ulations that establish procedures for the submis-*
4 *sion and review by the Board of proposals sub-*
5 *mitted to the Board under this subsection,*
6 *including—*

7 “(i) *the standards applicable to a pro-*
8 *posal under paragraph (3) (including docu-*
9 *mentation required to establish that a pro-*
10 *posal satisfies the standards);*

11 “(ii) *procedures concerning the time*
12 *limitations provided under this paragraph;*
13 *and*

14 “(iii) *procedures that provide an ap-*
15 *plicant the opportunity to present the pro-*
16 *posal to the Board in person.*

17 “(D) *REVIEW BY THE BOARD.*—

18 “(i) *PERIOD FOR APPROVAL.*—*Not-*
19 *withstanding any other provision of law, a*
20 *proposal submitted to the Board shall be*
21 *considered to be approved unless the Board*
22 *disapproves the proposal by the date that is*
23 *60 business days after the later of—*

24 “(I) *the date of submission of the*
25 *completed proposal to the Board; or*

1 “(II) *the date on which the appli-*
2 *cant provides to the Board notice of in-*
3 *tent to modify the proposal under*
4 *clause (i)(IV).*

5 “(ii) *NOTICE OF DISAPPROVAL.—*

6 “(I) *IN GENERAL.—Not later than*
7 *15 days before the date on which the*
8 *Board intends to announce dis-*
9 *approval of a proposal, the Board shall*
10 *provide the applicant, by registered*
11 *mail, with notice of intent to dis-*
12 *approve the proposal.*

13 “(II) *RIGHT TO MODIFY.—An ap-*
14 *plicant that is notified under subclause*
15 *(I) may modify the proposal.*

16 “(III) *ORIGINAL APPLICATION.—*
17 *For the purposes of this clause, any*
18 *modified proposal shall be considered*
19 *to be an original proposal.*

20 “(IV) *NOTICE OF INTENT TO MOD-*
21 *IFY.—Not later than 5 business days*
22 *after receipt of a notice under sub-*
23 *clause (I), an applicant that intends to*
24 *modify the proposal shall so notify the*
25 *Board.*

1 “(E) *TIMING.*—*In establishing procedures*
2 *under this subsection, the Board shall prescribe*
3 *a reasonable deadline for the submission of pro-*
4 *posals that approved insurance providers expect*
5 *to market during the reinsurance year.*

6 “(F) *CONFIDENTIALITY.*—

7 “(i) *IN GENERAL.*—*A proposal sub-*
8 *mitted to the Board under this subsection*
9 *(including any information generated from*
10 *the proposal) shall be considered to be con-*
11 *fidential commercial or financial informa-*
12 *tion for the purposes of section 552(b)(4) of*
13 *title 5, United States Code.*

14 “(ii) *STANDARD OF CONFIDEN-*
15 *TIALITY.*—*Except as provided in clauses*
16 *(iii) and (iv), if information concerning a*
17 *proposal could be withheld by the Secretary*
18 *under the standard for privileged or con-*
19 *fidential information pertaining to trade se-*
20 *crets and commercial or financial informa-*
21 *tion under section 552(b)(4) of title 5,*
22 *United States Code, the information shall*
23 *not be released to the public.*

24 “(iii) *EXCEPTION FOR PURCHASERS OF*
25 *PLANS OF INSURANCE.*—*Clause (ii) shall*

1 not apply in the case of an approved insur-
2 ance provider that elects to pay a fee to sell
3 a plan of insurance developed by another
4 provider under paragraph (5).

5 “(iv) *APPROVED PROPOSALS*.—In lieu
6 of publication in the *Federal Register*, a
7 general summary of the content of the pro-
8 posal shall be made available to other ap-
9 proved insurance providers at the time at
10 which the proposal is approved by the
11 Board, consisting of a description of—

12 “(I) the identity of the approved
13 insurance provider;

14 “(II) the coverage provided; and

15 “(III) the area to be covered by
16 the approved proposal.”;

17 (2) by striking paragraphs (6), (8), and (10);

18 and

19 (3) by redesignating paragraphs (7) and (9) as
20 paragraphs (6) and (7), respectively.

21 (c) *CONFORMING AMENDMENTS*.—Section 516(b)(1) of
22 the *Federal Crop Insurance Act* (7 U.S.C. 1516(b)(1)) is
23 amended—

24 (1) in subparagraph (B), by striking “; and”
25 and inserting a semicolon;

1 (2) *in subparagraph (C), by striking the period*
2 *at the end and inserting a semicolon; and*

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

4 “(D) *the salaries and expenses of the Execu-*
5 *tive Director and staff appointed under section*
6 *505(a)(6) for fiscal year 2001, but not to exceed*
7 *\$500,000 for the fiscal year; and”.*

8 **SEC. 302. GOOD FARMING PRACTICES.**

9 *Section 508(a)(3) of the Federal Crop Insurance Act*
10 *(7 U.S.C. 1508(a)(3)) (as amended by section 103(d)) is*
11 *amended in subparagraph (A)(iii) by inserting after “good*
12 *farming practices” the following: “, including scientifically*
13 *sound sustainable and organic farming practices”.*

14 **SEC. 303. SANCTIONS FOR PROGRAM NONCOMPLIANCE AND**
15 **FRAUD.**

16 (a) *IN GENERAL.*—*Section 506 of the Federal Crop In-*
17 *surance Act (7 U.S.C. 1506) is amended by striking sub-*
18 *section (n) and inserting the following:*

19 “(n) *SANCTIONS FOR PROGRAM NONCOMPLIANCE AND*
20 *FRAUD.*—

21 “(1) *FALSE INFORMATION.*—*A producer, agent,*
22 *loss adjuster, approved insurance provider, or other*
23 *person that willfully and intentionally provides any*
24 *false or inaccurate information to the Corporation or*
25 *to an approved insurance provider with respect to a*

1 *policy or plan of insurance under this title may, after*
2 *notice and an opportunity for a hearing on the*
3 *record, be subject to 1 or more of the sanctions de-*
4 *scribed in paragraph (3).*

5 “(2) *COMPLIANCE.*—*A person may, after notice*
6 *and an opportunity for a hearing on the record, be*
7 *subject to 1 or more of the sanctions described in*
8 *paragraph (3) if the person is—*

9 “(A) *a producer, agent, loss adjuster, ap-*
10 *proved insurance provider, or other person that*
11 *willfully and intentionally fails to comply with*
12 *a requirement of the Corporation; or*

13 “(B) *an agent, loss adjuster, approved in-*
14 *surance provider, or other person (other than a*
15 *producer) that willfully and intentionally fails*
16 *to comply with a requirement of the Standard*
17 *Reinsurance Agreement.*

18 “(3) *AUTHORIZED SANCTIONS.*—*If the Secretary*
19 *determines that a person covered by this subsection*
20 *has committed a material violation under paragraph*
21 *(1) or (2), the following sanctions may be imposed:*

22 “(A) *CIVIL FINES.*—*A civil fine may be im-*
23 *posed for each violation in an amount not to ex-*
24 *ceed the greater of—*

1 “(i) *the amount of the pecuniary gain*
2 *obtained as a result of the false or inac-*
3 *curate information provided or the non-*
4 *compliance with a requirement of this title;*
5 *or*

6 “(ii) *\$10,000.*

7 “(B) *DEBARMENT.—*

8 “(i) *PRODUCERS.—In the case of a*
9 *violation committed by a producer, the pro-*
10 *ducer may be disqualified for a period of up*
11 *to 5 years from receiving any monetary or*
12 *nonmonetary benefit provided under—*

13 “(I) *this title;*

14 “(II) *the Agricultural Market*
15 *Transition Act (7 U.S.C. 7201 et seq.),*
16 *including the noninsured crop disaster*
17 *assistance program under section 196*
18 *of that Act (7 U.S.C. 7333);*

19 “(III) *the Agricultural Act of*
20 *1949 (7 U.S.C. 1421 et seq.);*

21 “(IV) *the Commodity Credit Cor-*
22 *poration Charter Act (15 U.S.C. 714 et*
23 *seq.);*

24 “(V) *the Agricultural Adjustment*
25 *Act of 1938 (7 U.S.C. 1281 et seq.);*

1 “(VI) title XII of the Food Secu-
2 rity Act of 1985 (16 U.S.C. 3801 et
3 seq.);

4 “(VII) the Consolidated Farm and
5 Rural Development Act (7 U.S.C. 1921
6 et seq.); and

7 “(VIII) any law that provides as-
8 sistance to a producer of an agricul-
9 tural commodity affected by a crop loss
10 or a decline in the prices of agricul-
11 tural commodities.

12 “(ii) OTHER PERSONS.—In the case of
13 a violation committed by an agent, loss ad-
14 juster, approved insurance provider, or
15 other person (other than a producer), the vi-
16 olator may be disqualified for a period of
17 up to 5 years from participating in any
18 program, or receiving any benefit, under
19 this title.

20 “(4) ASSESSMENT OF SANCTION.—The Secretary
21 shall consider the gravity of the violation of the per-
22 son covered by this subsection in determining—

23 “(A) whether to impose a sanction under
24 this subsection; and

1 “(B) the amount of the sanction to be im-
2 posed.

3 “(5) *DISCLOSURE OF SANCTIONS.*—Each policy
4 or plan of insurance under this title shall provide no-
5 tice about the sanctions prescribed under paragraph
6 (3) for willfully and intentionally—

7 “(A) providing false or inaccurate informa-
8 tion to the Corporation or to an approved insur-
9 ance provider; or

10 “(B) failing to comply with a requirement
11 of the Corporation or the Standard Reinsurance
12 Agreement.

13 “(6) *INSURANCE FUND.*—Any funds collected
14 under this subsection shall be deposited into the in-
15 surance fund under section 516(c)(1).”.

16 (b) *CONFORMING AMENDMENTS.*—Section 516(c) of the
17 *Federal Crop Insurance Act (7 U.S.C. 1516(c))* is amended
18 by striking paragraph (1) and inserting the following:

19 “(1) *IN GENERAL.*—There is established the in-
20 surance fund, which shall include (to remain avail-
21 able without fiscal year limitation)—

22 “(A) premium income;

23 “(B) amounts made available under sub-
24 section (a)(2); and

1 “(C) civil fines collected under section
2 506(n)(3)(A).”.

3 **SEC. 304. OVERSIGHT OF AGENTS AND LOSS ADJUSTERS.**

4 Section 506(q) of the Federal Crop Insurance Act (7
5 U.S.C. 1506(q)) is amended by adding at the end the fol-
6 lowing:

7 “(3) *OVERSIGHT OF AGENTS AND LOSS ADJUST-*
8 *ERS.—The Corporation shall—*

9 “(A) develop procedures for an annual re-
10 view by an approved insurance provider of the
11 performance of each agent and loss adjuster used
12 by the approved insurance provider;

13 “(B) oversee the annual review conducted by
14 each approved insurance provider; and

15 “(C) consult with each approved insurance
16 provider regarding any remedial action that is
17 determined necessary as a result of the annual
18 review of an agent or loss adjuster.

19 “(4) *COMPLIANCE REPORTS.—Not later than the*
20 *end of each fiscal year, the Corporation shall submit,*
21 *to the Committee on Agriculture of the House of Rep-*
22 *resentatives, the Committee on Agriculture, Nutrition,*
23 *and Forestry of the Senate, and the Board, a report*
24 *concerning compliance by approved insurance pro-*
25 *viders, agents, and loss adjusters with this title, in-*

1 cluding any recommendations for legislative or ad-
2 ministrative changes that could further improve com-
3 pliance.”.

4 **SEC. 305. ADEQUATE COVERAGE FOR STATES.**

5 Section 508(a) of the Federal Crop Insurance Act (7
6 U.S.C. 1508(a)) (as amended by section 107) is amended
7 by adding at the end the following:

8 “(9) ADEQUATE COVERAGE FOR STATES.—

9 “(A) DEFINITION OF ADEQUATELY
10 SERVED.—In this paragraph, the term ‘ade-
11 quately served’ means having a participation
12 rate that is at least 50 percent of the national
13 average participation rate.

14 “(B) REVIEW.—The Board shall review the
15 plans of insurance that are offered by approved
16 insurance providers under this title to determine
17 if each State is adequately served by the plans
18 of insurance.

19 “(C) REPORT.—

20 “(i) IN GENERAL.—Not later than 30
21 days after completion of the review under
22 subparagraph (B), the Board shall submit
23 to Congress a report on the results of the re-
24 view.

1 “(ii) *RECOMMENDATIONS.*—*The report*
2 *shall include recommendations to increase*
3 *participation in States that are not ade-*
4 *quately served by the plans of insurance.*”.

5 **SEC. 306. RECORDS AND REPORTING.**

6 (a) *CONDITION OF OBTAINING COVERAGE.*—*Section*
7 *508(f)(3)(A) of the Federal Crop Insurance Act (7 U.S.C.*
8 *1508(f)(3)(A)) is amended by striking “provide,” and all*
9 *that follows through “sought” and inserting “provide annu-*
10 *ally records acceptable to the Secretary regarding crop acre-*
11 *age, acreage yields, and production for each agricultural*
12 *commodity insured under this title”.*

13 (b) *COORDINATION AND USE OF RECORDS AND RE-*
14 *PORTS.*—*Section 506(h) of the Federal Crop Insurance Act*
15 *(7 U.S.C. 1506(h)) is amended—*

16 (1) *by striking “The Corporation” and inserting*
17 *the following:*

18 “(1) *IN GENERAL.*—*The Corporation*”; *and*

19 (2) *by adding at the end the following:*

20 “(2) *COORDINATION AND USE OF RECORDS AND*
21 *REPORTS.*—

22 “(A) *COORDINATION.*—*The Secretary shall*
23 *ensure that recordkeeping and reporting require-*
24 *ments under this title and section 196 of the Ag-*
25 *ricultural Market Transition Act (7 U.S.C.*

1 7333) are coordinated by the Corporation and
2 the Farm Service Agency—

3 “(i) to avoid duplication of records
4 and reports;

5 “(ii) to streamline procedures involved
6 with the submission of records and reports;
7 and

8 “(iii) to enhance the accuracy of
9 records and reports.

10 “(B) *USE.*—Records submitted under this
11 title and section 196 of the Agricultural Market
12 Transition Act (7 U.S.C. 7333) shall be available
13 to agencies and local offices of the Department,
14 appropriate State and Federal agencies and di-
15 visions, and approved insurance providers for
16 use in carrying out this title, that section, and
17 other agricultural programs and related respon-
18 sibilities.”.

19 **SEC. 307. FEES FOR PLANS OF INSURANCE.**

20 (a) *IN GENERAL.*—Section 508(h) of the Federal Crop
21 Insurance Act (7 U.S.C. 1508(h)) is amended by striking
22 paragraph (5) and inserting the following:

23 “(5) *FEES FOR PLANS OF INSURANCE.*—

24 “(A) *FEES FOR EXISTING PLANS OF INSUR-*
25 *ANCE.*—

1 “(i) *IN GENERAL.*—*Effective beginning*
2 *with the 2001 reinsurance year, if an ap-*
3 *proved insurance provider elects to sell a*
4 *plan of insurance that was developed by an-*
5 *other approved insurance provider and the*
6 *plan of insurance was approved by the*
7 *Board before January 1, 2000, the approved*
8 *insurance provider that developed the plan*
9 *of insurance shall have the right to receive*
10 *a fee from the approved insurance provider*
11 *that elects to sell the plan of insurance.*

12 “(ii) *AMOUNT.*—*The amount of the fee*
13 *that is payable by an approved insurance*
14 *provider for a plan of insurance under*
15 *clause (i) shall be—*

16 “(I) *for each of the first 5 crop*
17 *years that the plan is sold, \$2.00 for*
18 *each policy under the plan that is sold*
19 *by the approved insurance provider;*

20 “(II) *for each of the next 3 crop*
21 *years that the plan is sold, \$1.00 for*
22 *each policy under the plan that is sold*
23 *by the approved insurance provider;*
24 *and*

1 “(III) for each crop year there-
2 after that the plan is sold, 50 cents for
3 each policy under the plan that is sold
4 by the approved insurance provider.

5 “(B) FEES FOR NEW PLANS OF INSUR-
6 ANCE.—

7 “(i) IN GENERAL.—Effective beginning
8 with the 2001 reinsurance year, if an ap-
9 proved insurance provider elects to sell a
10 plan of insurance that was developed by an-
11 other approved insurance provider, the plan
12 of insurance was approved by the Board
13 under this subsection on or after January 1,
14 2000, and the plan of insurance was not
15 available at the time at which the plan of
16 insurance was approved by the Board, the
17 approved insurance provider that developed
18 the plan of insurance shall have the right to
19 receive a fee from the approved insurance
20 provider that elects to sell the plan of insur-
21 ance.

22 “(ii) AMOUNT.—

23 “(I) IN GENERAL.—Subject to
24 subclause (II), the amount of the fee
25 that is payable by an approved insur-

1 *ance provider for a plan of insurance*
2 *under clause (i) shall be an amount*
3 *that is—*

4 *“(aa) determined by the ap-*
5 *proved insurance provider that*
6 *developed the plan; and*

7 *“(bb) approved by the Board.*

8 *“(II) APPROVAL.—The Board*
9 *shall not approve the amount of a fee*
10 *under clause (i) if the amount of the*
11 *fee unnecessarily inhibits the use of the*
12 *plan of insurance, as determined by*
13 *the Board.*

14 *“(C) PAYMENTS.—The Corporation shall*
15 *annually—*

16 *“(i) collect from an approved insur-*
17 *ance provider the amount of any fees that*
18 *are payable by the approved insurance pro-*
19 *vider under subparagraphs (A) and (B);*
20 *and*

21 *“(ii) credit any fees that are payable*
22 *to an approved insurance provider under*
23 *subparagraphs (A) and (B).*

1 “(D) *EXCEPTIONS.*—*In the case of a policy*
2 *developed by an approved insurance provider*
3 *that does not conduct business in a State—*

4 “(i) *the approved policy may be mar-*
5 *keted in the State by another approved in-*
6 *surance provider if the approved insurance*
7 *provider marketing the policy pays any fee*
8 *for marketing the policy imposed by the de-*
9 *veloping provider; and*

10 “(ii) *the developing provider shall not*
11 *deny payment of a fee by another provider*
12 *to maintain full marketing rights of the ap-*
13 *proved policy.*”.

14 (b) *FUNDING.*—*Section 516 of the Federal Crop Insur-*
15 *ance Act (7 U.S.C. 1516) (as amended by sections 301(c)*
16 *and 303(b)) is amended—*

17 (1) *in subsection (b)(1), by adding at the end the*
18 *following:*

19 “(E) *payment of fees in accordance with*
20 *section 508(h)(5)(C).*”; *and*

21 (2) *in subsection (c)(1)(A), by inserting “and*
22 *fees” after “premium income”.*

1 **SEC. 308. LIMITATION ON DOUBLE INSURANCE.**

2 *Subsection (m) of section 508 of the Federal Crop In-*
3 *surance Act (7 U.S.C. 1508) (as redesignated by section*
4 *207(a)(2)) is amended by adding at the end the following:*

5 *“(3) LIMITATION ON DOUBLE INSURANCE.—The*
6 *Corporation may offer plans of insurance or reinsur-*
7 *ance for only 1 agricultural commodity produced on*
8 *specific acreage during a crop year, unless—*

9 *“(A) there is an established practice of dou-*
10 *ble-cropping in an area, as determined by the*
11 *Corporation;*

12 *“(B) the additional plan of insurance is of-*
13 *fered with respect to an agricultural commodity*
14 *that is customarily double-cropped in the area;*
15 *and*

16 *“(C) the producer has a history of double*
17 *cropping or the specific acreage has historically*
18 *been double-cropped.”.*

19 **SEC. 309. SPECIALTY CROPS.**

20 *(a) IN GENERAL.—The Federal Crop Insurance Act (7*
21 *U.S.C. 1501 et seq.) (as amended by sections 201 through*
22 *203) is amended by adding at the end the following:*

23 **“SEC. 523. SPECIALTY CROPS.**

24 *“(a) RESEARCH REGARDING THE DEVELOPMENT OF*
25 *NEW OR REVISED CROP INSURANCE POLICIES.—To encour-*
26 *age the development of new or revised crop insurance poli-*

1 *cies and other materials for specialty crops by qualified pri-*
2 *vate entities, and the submission of those insurance policies*
3 *and other materials to the Corporation under section*
4 *508(h), the Specialty Crops Coordinator may—*

5 “(1) *make grants on a competitive basis for the*
6 *research and development of plans of insurance for*
7 *underserved specialty crops;*

8 “(2) *reimburse research costs associated with*
9 *product development; and*

10 “(3) *enter into contracts on a competitive basis*
11 *for the research and development of plans of insur-*
12 *ance for underserved specialty crops.*

13 “(b) *PARTNERSHIPS FOR DEVELOPMENT OF RISK*
14 *MANAGEMENT TOOLS FOR SPECIALTY CROPS.—*

15 “(1) *PURPOSE.—The purpose of this subsection*
16 *is to authorize the Specialty Crops Coordinator, on*
17 *behalf of the Corporation, to enter into partnerships*
18 *with qualified public and private entities for the pur-*
19 *pose of increasing the availability of risk manage-*
20 *ment tools for producers of specialty crops.*

21 “(2) *AUTHORITY.—*

22 “(A) *IN GENERAL.—For each of fiscal years*
23 *2001 through 2004, the Corporation may use not*
24 *more than \$20,000,000 from funds in the insur-*
25 *ance fund under section 516(c)(1) to enter into*

1 *partnerships with the Cooperative State Re-*
2 *search, Education, and Extension Service, the*
3 *Agricultural Research Service, the National Oce-*
4 *anic and Atmospheric Administration, and other*
5 *appropriate public and private entities with*
6 *demonstrated capabilities in developing and im-*
7 *plementing risk management and marketing op-*
8 *tions for specialty crops.*

9 “(B) *EXCLUSION.*—*Amounts necessary to*
10 *carry out subparagraph (A) shall not be counted*
11 *toward the limitation on research and develop-*
12 *ment expenses established in section*
13 *516(b)(2)(A).*

14 “(3) *OBJECTIVES.*—*The Corporation may enter*
15 *into a partnership under this subsection to—*

16 “(A) *enhance the notice, and timeliness of*
17 *notice of weather conditions, that could nega-*
18 *tively affect specialty crop yields, quality, and*
19 *final product use in order to allow producers to*
20 *take preventive actions to increase end-product*
21 *profitability and marketability and to reduce the*
22 *possibility of crop insurance claims;*

23 “(B) *develop a multifaceted approach to*
24 *pest management to decrease inputs, decrease the*

1 *development of pest resistance, and increase the*
2 *effectiveness of pest prevention applications;*

3 “(C) *develop a multifaceted approach to fer-*
4 *tilization to decrease inputs, decrease excessive*
5 *nutrient loading to the environment, and in-*
6 *crease application efficiency;*

7 “(D) *develop or improve techniques for*
8 *planning, breeding, growing, maintaining, har-*
9 *vesting, storage, and shipping that will address*
10 *quality and quantity challenges for specialty*
11 *crops and livestock associated with year-to-year*
12 *and regional variations;*

13 “(E) *provide assistance to State foresters or*
14 *equivalent officials for the prescribed use of burn-*
15 *ing on private forest land for the prevention,*
16 *control, and suppression of fire; and*

17 “(F) *develop other risk management tools*
18 *that specialty crop producers can use to further*
19 *increase their economic and production stability.*

20 “(c) *TIME PERIODS FOR PURCHASE OF COVERAGE*
21 *FOR SPECIALTY CROPS.—*

22 “(1) *SALES CLOSING DATE.—The sales closing*
23 *date for obtaining coverage for a specialty crop under*
24 *this title may not expire before the end of the 120-day*
25 *period beginning on the date of the final release of*

1 *materials for policies from the Risk Management*
2 *Agency and the Specialty Crops Coordinator.*

3 “(2) *PURCHASE DURING INSURANCE PERIOD.—A*
4 *producer of a specialty crop may purchase new cov-*
5 *erage or increase coverage levels for the specialty crop*
6 *at any time during the insurance period, subject to*
7 *a 30-day waiting period and an inspection by the in-*
8 *surance provider to verify acceptability by the insur-*
9 *ance provider, if the Corporation determines that the*
10 *risk associated with the crop can be adequately rated.*

11 “(d) *STUDIES OF NEW SPECIALTY CROP INSURANCE*
12 *POLICIES.—*

13 “(1) *IN GENERAL.—The Corporation and the*
14 *Specialty Crops Coordinator authorized under section*
15 *507(g) shall jointly conduct studies of the feasibility*
16 *of developing new insurance policies for specialty*
17 *crops, including policies based on the cost of produc-*
18 *tion or adjusted gross income, quality-based policies,*
19 *or an intermediate program with a higher coverage*
20 *and cost than the catastrophic risk protection offered*
21 *on the date of enactment of this section.*

22 “(2) *SUBMISSION OF RESULTS.—Not later than*
23 *1 year after the date of enactment of this section, and*
24 *annually thereafter, the Corporation and the Spe-*
25 *cialty Crops Coordinator shall submit to Congress a*

1 *report containing the results of the studies required*
2 *under this subsection.*

3 “(e) *FISCAL YEARS.*—*Subsections (b) and (c) shall*
4 *apply to each of fiscal years 2001 through 2004.*”.

5 **(b) REPORT ON COVERAGE OF NEW AND SPECIALTY**
6 **CROPS AND METHOD FOR PROVISION OF CATASTROPHIC**
7 **RISK PROTECTION.**—*Not later than 180 days after the date*
8 *of enactment of this Act, the Secretary of Agriculture shall*
9 *submit to the President, the Committee on Agriculture of*
10 *the House of Representatives, and the Committee on Agri-*
11 *culture, Nutrition, and Forestry of the Senate a report*
12 *assessing—*

13 (1)(A) *the progress made by the Department of*
14 *Agriculture in expanding crop insurance coverage for*
15 *new and specialty crops; and*

16 (B) *the plans of the Department to continue to*
17 *expand coverage for additional crops; and*

18 (2)(A) *whether provision of catastrophic risk*
19 *protection by private sector insurance providers—*

20 (i) *has resulted in a uniform quality of risk*
21 *protection services in all regions of the United*
22 *States; and*

23 (ii) *has fulfilled the goal of increased par-*
24 *ticipation in the Federal crop insurance pro-*
25 *gram, particularly in States with traditionally*

1 *low crop insurance participation rates and*
2 *States with a high proportion of specialty crops;*
3 *and*

4 *(B) whether, particularly in States described in*
5 *subparagraph (A)(ii), the Secretary should resume di-*
6 *rect provision of catastrophic risk protection and per-*
7 *formance of loss adjustment functions through local*
8 *offices of the Department.*

9 **SEC. 310. FEDERAL CROP INSURANCE IMPROVEMENT COM-**
10 **MISSION.**

11 *Section 515 of the Federal Crop Insurance Act (7*
12 *U.S.C. 1515) is amended to read as follows:*

13 **“SEC. 515. FEDERAL CROP INSURANCE IMPROVEMENT COM-**
14 **MISSION.**

15 *“(a) DEFINITION.—In this section the term ‘Commis-*
16 *sion’ means the Federal Crop Insurance Improvement Com-*
17 *mission established by subsection (b).*

18 *“(b) ESTABLISHMENT OF COMMISSION.—There is es-*
19 *tablished a Commission to be known as the ‘Federal Crop*
20 *Insurance Improvement Commission’.*

21 *“(c) MEMBERSHIP.—*

22 *“(1) IN GENERAL.—The Commission shall be*
23 *composed of the following 15 members:*

24 *“(A) The Under Secretary for Farm and*
25 *Foreign Agricultural Services of the Department.*

1 “(B) *The manager of the Corporation.*

2 “(C) *The Chief Economist of the Depart-*
3 *ment or a person appointed by the Chief Econo-*
4 *mist.*

5 “(D) *An employee of the Office of Manage-*
6 *ment and Budget, appointed by the Director of*
7 *the Office of Management and Budget.*

8 “(E) *A representative of the National Asso-*
9 *ciation of Insurance Commissioners, experienced*
10 *in insurance regulation, appointed by the Sec-*
11 *retary.*

12 “(F) *Representatives of 4 approved insur-*
13 *ance providers or related organizations that pro-*
14 *vide advisory or analytical support to the crop*
15 *insurance industry, appointed by the Secretary.*

16 “(G) *2 agricultural economists from aca-*
17 *demia, appointed by the Secretary.*

18 “(H) *4 representatives of major farm orga-*
19 *nizations and farmer-owned cooperatives, ap-*
20 *pointed by the Secretary.*

21 “(2) *TIME OF APPOINTMENT.—The members of*
22 *the Commission shall be appointed not later than 60*
23 *days after the date of enactment of the Risk Manage-*
24 *ment for the 21st Century Act.*

1 “(3) *TERM.*—*A member of the Commission shall*
2 *serve for the life of the Commission.*

3 “(d) *DUTIES.*—*The Commission shall review and*
4 *make recommendations concerning the following issues:*

5 “(1) *The extent to which approved insurance*
6 *providers should bear the risk of loss for federally sub-*
7 *sidized crop insurance.*

8 “(2) *Whether the Corporation should—*

9 “(A) *continue to provide financial assist-*
10 *ance for the benefit of agricultural producers by*
11 *reinsuring coverage written by approved insur-*
12 *ance providers; or*

13 “(B) *provide assistance in another form,*
14 *such as by acting as an excess insurer.*

15 “(3) *The extent to which development of new in-*
16 *surance products should be undertaken by the private*
17 *sector, and how to encourage such development.*

18 “(4) *How to focus research and development of*
19 *new insurance products to include the development*
20 *of—*

21 “(A) *new types of products such as com-*
22 *bined area and yield and whole farm revenue*
23 *coverages; and*

24 “(B) *insurance products for specialty crops.*

1 “(5) *The use by the Corporation of private sector*
2 *resources under section 507(c).*

3 “(6) *The progress of the Corporation in reducing*
4 *administrative and operating costs of approved insur-*
5 *ance providers under section 508(k)(5).*

6 “(7) *The identification of methods, and of orga-*
7 *nizational, statutory, and structural changes, to en-*
8 *hance and improve—*

9 “(A) *delivery of reasonably priced crop in-*
10 *surance products to agricultural producers;*

11 “(B) *loss adjustment procedures;*

12 “(C) *good farming practices;*

13 “(D) *the establishment of premiums; and*

14 “(E) *compliance with this title (including*
15 *regulations issued under this title, the terms and*
16 *conditions of insurance coverage, and adjust-*
17 *ments of losses).*

18 “(e) *COMMISSION OPERATIONS.—*

19 “(1) *CHAIRPERSON; VOTING.—The Under Sec-*
20 *retary for Farm and Foreign Agricultural Services of*
21 *the Department of Agriculture shall—*

22 “(A) *serve as Chairperson of the Commis-*
23 *sion; and*

24 “(B) *vote in the case of a tie.*

1 “(2) *MEETINGS.*—*The Commission shall meet*
2 *regularly, but not less than 6 times per year.*

3 “(3) *DISCLOSURE.*—*To the extent that the*
4 *records, papers, or other documents received, pre-*
5 *pared, or maintained by the Commission are subject*
6 *to public disclosure, the documents shall be available*
7 *for public inspection and copying at the Office of*
8 *Risk Management.*

9 “(f) *FINAL REPORT.*—

10 “(1) *IN GENERAL.*—*Not later than 2 years after*
11 *the date of enactment of the Risk Management for the*
12 *21st Century Act, the Commission shall submit to the*
13 *Committee on Agriculture of the House of Representa-*
14 *tives and the Committee on Agriculture, Nutrition,*
15 *and Forestry of the Senate a final report on the re-*
16 *view under subsection (d).*

17 “(2) *COPIES.*—*The Commission shall provide*
18 *copies of the final report to—*

19 “(A) *the Secretary; and*

20 “(B) *the Board.*

21 “(3) *INTERIM REPORTS.*—*To expedite completion*
22 *of the work of the Commission, the Commission may*
23 *submit 1 or more interim reports or reports on 1 or*
24 *more of the issues to be reviewed.*

1 “(g) *TERMINATION.*—*The Commission shall terminate*
2 *on the earlier of—*

3 “(1) *60 days after the date on which the Com-*
4 *mission submits the final report under subsection (f);*
5 *or*

6 “(2) *September 30, 2004.*

7 “(h) *AUTHORIZATION OF APPROPRIATIONS.*—*There*
8 *are authorized to be appropriated such sums as are nec-*
9 *essary to carry out this section.”.*

10 **SEC. 311. HIGHLY ERODIBLE LAND AND WETLAND CON-**
11 **SERVATION.**

12 “(a) *HIGHLY ERODIBLE LAND.*—*Section 1211(3) of the*
13 *Food Security Act of 1985 (16 U.S.C. 3811(3)) is*
14 *amended—*

15 “(1) *in subparagraph (C), by striking “or” at the*
16 *end;*

17 “(2) *in subparagraph (D), by striking the period*
18 *at the end and inserting “; or”; and*

19 “(3) *by adding at the following:*

20 “(E) *crop or revenue insurance, or a risk*
21 *management payment, under the Federal Crop*
22 *Insurance Act (7 U.S.C. 1501 et seq).”.*

23 “(b) *WETLAND CONSERVATION.*—*Section 1221(b)(3) of*
24 *the Food Security Act of 1985 (16 U.S.C. 3821(b)(3)) is*
25 *amended by adding at the end the following:*

1 “(E) Crop or revenue insurance, or a risk
2 management payment, under the Federal Crop
3 Insurance Act (7 U.S.C. 1501 et seq).”.

4 **SEC. 312. PROJECTED LOSS RATIO.**

5 Section 506(o) of the Federal Crop Insurance Act (7
6 U.S.C. 1506(o)) is amended by striking paragraph (2) and
7 inserting the following:

8 “(2) *PROJECTED LOSS RATIO.*—The Corporation
9 shall take such actions, including the establishment of
10 adequate premiums, as are necessary to improve the
11 actuarial soundness of Federal multiperil crop insur-
12 ance made available under this title to achieve—

13 “(A) during the period beginning on Octo-
14 ber 1, 1998, and ending with the 2001 crop year,
15 an overall projected loss ratio of not greater than
16 1.075; and

17 “(B) beginning with the 2002 crop year, an
18 overall projected loss ratio of not greater than
19 1.0.”.

20 **SEC. 313. COMPLIANCE WITH STATE LICENSING REQUIRE-**
21 **MENTS.**

22 Section 508 of the Federal Crop Insurance Act (7
23 U.S.C. 1508) (as amended by section 207(a)(1)) is amended
24 by adding at the end the following:

1 “(n) *COMPLIANCE WITH STATE LICENSING REQUIRE-*
 2 *MENTS.—Any person that sells or solicits the purchase of*
 3 *a policy or plan of insurance or adjusts losses under this*
 4 *title, including catastrophic risk protection, in any State*
 5 *shall be licensed and otherwise qualified to do business in*
 6 *that State, and shall comply with all State regulation of*
 7 *such sales and solicitation activities (including commission*
 8 *and anti-rebating regulations), as required by the appro-*
 9 *priate insurance regulator of the State in accordance with*
 10 *the relevant insurance laws of the State.”.*

11 ***TITLE IV—MISCELLANEOUS***
 12 ***PROVISIONS***

13 ***SEC. 401. IMPROVED RISK MANAGEMENT EDUCATION.***

14 *Title IV of the Agricultural Research, Extension, and*
 15 *Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is*
 16 *amended by adding at the end the following:*

17 ***“SEC. 409. IMPROVED RISK MANAGEMENT EDUCATION FOR***
 18 ***AGRICULTURAL PRODUCERS.***

19 “(a) *DEFINITIONS.—In this section:*

20 “(1) *CENTER.—The term ‘Center’ means a Risk*
 21 *Management Education Coordinating Center estab-*
 22 *lished under subsection (c)(1).*

23 “(2) *LAND-GRANT COLLEGE.—The term ‘land-*
 24 *grant college’ means any 1862 Institution, 1890 In-*
 25 *stitution, or 1994 Institution.*

1 “(b) *PROGRAM.*—

2 “(1) *IN GENERAL.*—*The Secretary shall carry*
3 *out a program to improve the risk management skills*
4 *of agricultural producers, including the owners and*
5 *operators of small farms, limited resource producers,*
6 *and other targeted audiences, to make informed risk*
7 *management decisions.*

8 “(2) *PURPOSE.*—*The program shall be designed*
9 *to assist a producer to develop the skills necessary—*

10 “(A) *to understand the financial health and*
11 *capability of the producer’s operation to with-*
12 *stand price fluctuations, adverse weather, envi-*
13 *ronmental impacts, diseases, family crises, and*
14 *other risks;*

15 “(B) *to understand marketing alternatives,*
16 *how various commodity markets work, the use of*
17 *crop insurance products, and the price risk in-*
18 *herent in various markets; and*

19 “(C) *to understand legal, governmental, en-*
20 *vironmental, and human resource issues that im-*
21 *pect the producer’s operation.*

22 “(c) *COORDINATING CENTERS.*—

23 “(1) *ESTABLISHMENT AND PURPOSE.*—*The Sec-*
24 *retary shall establish a Risk Management Education*
25 *Coordinating Center in each of 5 regions of the*

1 *United States (as determined by the Secretary) to ad-*
2 *minister and coordinate the provision of risk manage-*
3 *ment education to producers and their families under*
4 *the program in that region.*

5 *“(2) SITE SELECTION.—*

6 *“(A) IN GENERAL.—The Secretary shall lo-*
7 *cate the Center for a region at—*

8 *“(i) a risk management education co-*
9 *ordinating office of the Cooperative State*
10 *Research, Education, and Extension Service*
11 *that is in existence at a land-grant college*
12 *on the date of enactment of this section; or*

13 *“(ii) an appropriate alternative land-*
14 *grant college in the region approved by the*
15 *Secretary.*

16 *“(B) LAND-GRANT COLLEGES.—To be se-*
17 *lected as the location for a Center, a land-grant*
18 *college must have the demonstrated capability*
19 *and capacity to carry out the priorities, funding*
20 *distribution requirements, and reporting require-*
21 *ments of the program.*

22 *“(d) COORDINATING COUNCIL.—*

23 *“(1) ESTABLISHMENT.—Each Center shall estab-*
24 *lish a coordinating council to assist in establishing*

1 *the funding and program priorities for the region for*
2 *which the Center was established.*

3 “(2) *MEMBERSHIP.*—*Each council shall consist*
4 *of a minimum of 5 members, including representa-*
5 *tives from—*

6 “(A) *public organizations;*

7 “(B) *private organizations;*

8 “(C) *agricultural producers; and*

9 “(D) *the Regional Service Offices of the*
10 *Risk Management Agency in that region.*

11 “(e) *CENTER ACTIVITIES.*—

12 “(1) *INSTRUCTION FOR RISK MANAGEMENT PRO-*
13 *FESSIONALS.*—*Each Center shall coordinate the offer-*
14 *ing of intensive risk management instructional pro-*
15 *grams, involving classroom learning, distant learn-*
16 *ing, and field training work, for professionals who*
17 *work with agricultural producers, including profes-*
18 *sionals who are—*

19 “(A) *extension specialists;*

20 “(B) *county extension faculty members;*

21 “(C) *private service providers; and*

22 “(D) *other individuals involved in pro-*
23 *viding risk management education.*

24 “(2) *EDUCATION PROGRAMS FOR PRODUCERS.*—
25 *Each Center shall coordinate the provision of edu-*

1 *cational programs, including workshops, short*
2 *courses, seminars, and distant-learning modules, to*
3 *improve the risk management skills of agricultural*
4 *producers and their families.*

5 *“(3) DEVELOPMENT AND DISSEMINATION OF MA-*
6 *TERIALS.—Each Center shall coordinate the efforts to*
7 *develop new risk management education materials*
8 *and the dissemination of such materials.*

9 *“(4) COORDINATION OF RESOURCES.—*

10 *“(A) IN GENERAL.—Each Center shall make*
11 *use of available and emerging risk management*
12 *information, materials, and delivery systems,*
13 *after careful evaluation of the content and suit-*
14 *ability of the information, materials, and deliv-*
15 *ery systems for producers and their families.*

16 *“(B) USE OF AVAILABLE EXPERTISE.—To*
17 *assist in conducting the evaluation under sub-*
18 *paragraph (A), each Center shall use available*
19 *expertise from land-grant colleges, nongovern-*
20 *mental organizations, government agencies, and*
21 *the private sector.*

22 *“(f) GRANTS.—*

23 *“(1) SPECIAL GRANTS.—Each Center shall re-*
24 *serve a portion of the funds provided under this sec-*
25 *tion to make special grants to land-grant colleges and*

1 *private entities in the region to conduct 1 or more of*
2 *the activities described in subsection (e).*

3 “(2) *COMPETITIVE GRANTS.*—*Each Center shall*
4 *reserve a portion of the funds provided under this sec-*
5 *tion to conduct a competitive grant program to*
6 *award grants to both public and private entities that*
7 *have a demonstrated capability to conduct 1 or more*
8 *of the activities described in subsection (e).*

9 “(g) *NATIONAL AGRICULTURE RISK EDUCATION LI-*
10 *BRARY.*—*The National Agriculture Risk Education Library*
11 *shall—*

12 “(1) *serve as a central agency for the coordina-*
13 *tion and distribution of risk management educational*
14 *materials; and*

15 “(2) *provide a means for the electronic delivery*
16 *of risk management information and materials.*

17 “(h) *FUNDING PROVISIONS.*—

18 “(1) *AUTHORIZATION OF APPROPRIATIONS.*—
19 *There is authorized to be appropriated to carry out*
20 *this section \$30,000,000 for fiscal year 2001 and each*
21 *subsequent fiscal year.*

22 “(2) *DISTRIBUTION.*—

23 “(A) *NATIONAL AGRICULTURE RISK EDU-*
24 *CATION LIBRARY.*—*For each fiscal year, of the*
25 *funds made available to carry out this section,*

1 2.5 percent shall be distributed to the National
2 Agriculture Risk Education Library.

3 “(B) CENTERS.—For each fiscal year, the
4 remainder of the funds made available to carry
5 out this section shall be distributed equally
6 among the Centers.

7 “(C) ADMINISTRATION BY LAND-GRANT COL-
8 LEGES.—The land-grant college at which a Cen-
9 ter is located shall be responsible for admin-
10 istering and disbursing funds described in sub-
11 paragraph (B), in accordance with applicable
12 State and Federal financial guidelines, for ac-
13 tivities authorized by this section.

14 “(3) PROHIBITION ON CONSTRUCTION.—

15 “(A) LOCATION OF CENTERS.—Each Center
16 shall be located in a facility in existence on the
17 date of enactment of this section.

18 “(B) PROHIBITION.—Funds provided under
19 this section shall not be used to carry out con-
20 struction of any facility.

21 “(i) EVALUATION.—The Secretary, acting through the
22 Cooperative State Research, Education, and Extension
23 Service, shall evaluate the activities of each Center to deter-
24 mine whether the risk management skills of agricultural
25 producers and their families are improved as a result of

1 *their participation in educational activities financed using*
2 *funds made available under subsection (h).”.*

3 **SEC. 402. SENSE OF THE SENATE REGARDING THE FEDERAL**
4 **CROP INSURANCE PROGRAM.**

5 *It is the sense of the Senate that—*

6 *(1) farmer-owned cooperatives play a valuable*
7 *role in achieving the purposes of the Federal Crop In-*
8 *urance Act (7 U.S.C. 1501 et seq.) by—*

9 *(A) encouraging producer participation in*
10 *the Federal crop insurance program;*

11 *(B) improving the delivery system for crop*
12 *insurance; and*

13 *(C) helping to develop new and improved*
14 *insurance products;*

15 *(2) the Risk Management Agency, through its*
16 *regulatory activities, should encourage efforts by*
17 *farmer-owned cooperatives to promote appropriate*
18 *risk management strategies among their membership;*

19 *(3) partnerships between approved insurance*
20 *providers and farmer-owned cooperatives provide op-*
21 *portunity for agricultural producers to obtain needed*
22 *insurance coverage on a more competitive basis and*
23 *at a lower cost;*

24 *(4) the Risk Management Agency is following an*
25 *appropriate regulatory process to ensure the contin-*

1 *ued participation by farmer-owned cooperatives in*
2 *the delivery of crop insurance;*

3 *(5) efforts by the Risk Management Agency to fi-*
4 *nalize regulations that would incorporate the cur-*
5 *rently approved business practices of cooperatives*
6 *participating in the Federal crop insurance program*
7 *should be commended; and*

8 *(6) not later than 180 days after the date of en-*
9 *actment of this Act, the Federal Crop Insurance Cor-*
10 *poration should complete promulgation of the pro-*
11 *posed rule entitled “General Administrative Regula-*
12 *tions; Premium Reductions; Payment of Rebates,*
13 *Dividends, and Patronage Refunds; and Payments to*
14 *Insured-Owned and Record-Controlling Entities”,*
15 *published by the Federal Crop Insurance Corporation*
16 *on May 12, 1999 (64 Fed. Reg. 25464), in a manner*
17 *that—*

18 *(A) effectively responds to comments re-*
19 *ceived from the public during the rulemaking*
20 *process;*

21 *(B) provides an effective opportunity for*
22 *farmer-owned cooperatives to assist the members*
23 *of the cooperatives to obtain crop insurance and*
24 *participate most effectively in the Federal crop*
25 *insurance program;*

1 (C) incorporates the currently approved
2 business practices of farmer-owned cooperatives
3 participating in the Federal crop insurance pro-
4 gram; and

5 (D) protects the interests of agricultural
6 producers.

7 **SEC. 403. SENSE OF CONGRESS ON RALLY FOR RURAL**
8 **AMERICA AND RURAL CRISIS.**

9 (a) *FINDINGS.*—Congress finds that—

10 (1) on March 20–21, 2000, thousands of rural
11 citizens, working families, and those representing the
12 environmental and religious communities traveled to
13 Washington, D.C., to participate in the Rally for
14 Rural America;

15 (2) a broad coalition of over 30 farm, environ-
16 mental, and labor organizations that are concerned
17 that rural America has been left behind during this
18 time of prosperity participated in organizing the
19 Rally for Rural America;

20 (3) although the majority of America has reaped
21 the benefits of the strong economy, rural Americans
22 are facing their toughest times in recent memory;

23 (4) the record low prices on farms and ranches
24 of the United States have rippled throughout rural

1 *America causing rural communities to face numerous*
2 *challenges, including—*

3 *(A) a depressed farm economy;*

4 *(B) an escalation of mergers and acquisi-*
5 *tions;*

6 *(C) a loss of businesses and jobs on rural*
7 *main street;*

8 *(D) erosion of health care and education;*

9 *(E) a decline in infrastructure;*

10 *(F) a reduction of capital investments; and*

11 *(G) a loss of independent family farmers;*

12 *(5) the Rally for Rural America urged Congress*
13 *to reform the Federal Agriculture Improvement and*
14 *Reform Act of 1996 (Public Law 104–127) to formu-*
15 *late rural policies in a manner that will alleviate the*
16 *agricultural price crisis, ensure fair and open mar-*
17 *kets, and encourage fair trade;*

18 *(6) thousands of rural citizens have advocated*
19 *farm policies that include—*

20 *(A) a strong safety net for all agricultural*
21 *producers;*

22 *(B) competitive markets;*

23 *(C) an investment in rural education and*
24 *health care;*

1 (D) protection of natural resources for the
2 next generation;

3 (E) a safe and secure food supply;

4 (F) revitalization of our farm families and
5 rural communities; and

6 (G) fair and equitable implementation of
7 government programs;

8 (7) because agricultural commodity prices are so
9 far below the costs of production, eventually family
10 farmers will no longer be able to pay their bills or
11 provide for their families;

12 (8) anti-competitive practices and concentration
13 are a cause of concern for American agriculture;

14 (9) rural America needs a fair and well reasoned
15 farm policy, not unpredictable and inequitable dis-
16 aster payments;

17 (10) disaster payments do not provide for real,
18 meaningful change; and

19 (11) the economic conditions and pressures in
20 rural America require real change.

21 (b) SENSE OF CONGRESS.—It is the sense of Congress
22 that—

23 (1) the participants in the Rally for Rural
24 America are commended and their pleas have been
25 heard; and

1 (2) *Congress should respond with a clear and*
2 *strong message to the participants and rural families*
3 *that Congress is committed to giving the crisis in ag-*
4 *riculture, and all of rural America, its full attention*
5 *by reforming rural policies in a manner that will—*

6 (A) *alleviate the agricultural price crisis;*

7 (B) *ensure competitive markets;*

8 (C) *invest in rural education and health*
9 *care;*

10 (D) *protect our natural resources for future*
11 *generations; and*

12 (E) *ensure a safe and secure food supply for*
13 *all.*

14 ***TITLE V—EFFECTIVE DATES;***
15 ***TERMINATION OF AUTHORITY***

16 ***SEC. 501. EFFECTIVE DATES.***

17 (a) *IN GENERAL.—Except as provided in subsections*
18 *(b) and (c)(2) and section 502(a), this Act and the amend-*
19 *ments made by this Act take effect on the date of enactment*
20 *of this Act.*

21 (b) *DELAYED OBLIGATION.—The Federal Crop Insur-*
22 *ance Corporation shall not obligate funds to carry out sub-*
23 *section (c)(2) and the amendments made by sections 102,*
24 *103, 105, 106, 201 through 207, 309, and 310 until October*
25 *1, 2000.*

1 (c) *REGULATIONS.*—

2 (1) *IN GENERAL.*—*Not later than 60 days after*
3 *the date of enactment of this Act, the Secretary of Ag-*
4 *riculture shall promulgate regulations to carry out*
5 *this Act and the amendments made by this Act.*

6 (2) *INDEMNITY PAYMENTS FOR CERTAIN PRO-*
7 *DUCERS OF DURUM WHEAT.*—

8 (A) *IN GENERAL.*—*Except as otherwise pro-*
9 *vided in this paragraph, notwithstanding section*
10 *508(c)(5) of the Federal Crop Insurance Act (7*
11 *U.S.C. 1508(c)(5)), a producer of durum wheat*
12 *that purchased a 1999 Crop Revenue Coverage*
13 *wheat policy by the sales closing date prescribed*
14 *in the actuarial documents in the county where*
15 *the policy was sold shall receive an indemnity*
16 *payment in accordance with the policy.*

17 (B) *BASE AND HARVEST PRICES.*—*The base*
18 *price and harvest price under the policy shall be*
19 *determined in accordance with the Commodity*
20 *Exchange Endorsement for wheat published by*
21 *the Federal Crop Insurance Corporation on July*
22 *14, 1998 (63 Fed. Reg. 37829).*

23 (C) *REINSURANCE.*—*Subject to subpara-*
24 *graph (B), notwithstanding section 508(c)(5) of*
25 *the Federal Crop Insurance Act (7 U.S.C.*

1 1508(c)(5)), the Corporation shall provide rein-
2 surance with respect to the policy in accordance
3 with the Standard Reinsurance Agreement.

4 (D) VOIDING OF BULLETIN.—Bulletin
5 MGR–99–004, issued by the Administrator of the
6 Risk Management Agency of the Department of
7 Agriculture, is void.

8 (E) EFFECTIVE DATE.—This paragraph
9 takes effect on October 1, 2000.

10 **SEC. 502. TERMINATION OF AUTHORITY.**

11 (a) EFFECTIVE DATE.—This section and the amend-
12 ments made by this section take effect on September 30,
13 2004.

14 (b) REPEAL.—

15 (1) IN GENERAL.—The amendments made by sec-
16 tions 102, 103, 105, 106, 203(b), and 310 are re-
17 pealed.

18 (2) APPLICABILITY.—The Federal Crop Insur-
19 ance Act (7 U.S.C. 1501 et seq.) and section 196 of
20 the Agricultural Market Transition Act (7 U.S.C.
21 7333) shall be applied and administered as if the pro-
22 visions described in paragraph (1) had not been en-
23 acted.

24 (3) CONFORMING AMENDMENT.—Section 508(a)
25 of the Federal Crop Insurance Act (7 U.S.C. 1508(a))

1 *is amended by redesignating paragraph (8) (as added*
2 *by section 107) and paragraph (9) (as added by sec-*
3 *tion 305) as paragraph (7) and paragraph (8), re-*
4 *spectively.*

5 *(c) PILOT PROGRAMS.—Section 522 of the Federal*
6 *Crop Insurance Act (as added by sections 201, 202, 203,*
7 *205, and 206) is amended—*

8 *(1) in subsection (a)—*

9 *(A) in paragraph (3)—*

10 *(i) in subparagraph (D), by adding*
11 *“and” at the end;*

12 *(ii) by striking subparagraphs (E) and*
13 *(G);*

14 *(iii) in subparagraph (F), by striking*
15 *“; and” and inserting a period; and*

16 *(iv) by redesignating subparagraph (F)*
17 *as subparagraph (E);*

18 *(B) by striking paragraphs (4), (6), and*
19 *(7); and*

20 *(C) by redesignating paragraphs (5) and*
21 *(8) as paragraphs (4) and (5), respectively;*

22 *(2) in subsection (b)—*

23 *(A) by striking paragraph (2); and*

24 *(B) by redesignating paragraphs (3) and*
25 *(4) as paragraphs (2) and (3), respectively; and*

1 (3) *by striking subsections (c), (d), and (e).*

2 (d) *BOARD OF DIRECTORS OF CORPORATION.—Section*
3 *516(b)(1) of the Federal Crop Insurance Act (7 U.S.C.*
4 *1516(b)(1)) (as amended by sections 301(c) and 307(b)(1))*
5 *is amended—*

6 (1) *in subparagraph (C), by inserting “and”*
7 *after the semicolon;*

8 (2) *by striking subparagraph (D); and*

9 (3) *by redesignating subparagraph (E) as sub-*
10 *paragraph (D).*

11 (e) *SPECIALTY CROPS.—*

12 (1) *IN GENERAL.—Section 523 of the Federal*
13 *Crop Insurance Act (as added by section 309(a)) is*
14 *amended—*

15 (A) *in subsection (b)—*

16 (i) *by striking paragraph (2); and*

17 (ii) *by redesignating paragraph (3) as*
18 *paragraph (2);*

19 (B) *by striking subsections (c) and (e); and*

20 (C) *by redesignating subsection (d) as sub-*
21 *section (c).*

22 (2) *REPORT.—Section 309 of this Act is amend-*
23 *ed by striking subsection (b).*

24 (f) *FUNDING.—Neither the Secretary of Agriculture*
25 *nor the Federal Crop Insurance Corporation may use the*

1 *funds of the insurance fund under section 516(c)(1) of the*
2 *Federal Crop Insurance Act (7 U.S.C. 1516(c)(1)), the*
3 *funds of the Commodity Credit Corporation, or funds under*
4 *any provision of law to carry out a provision repealed or*
5 *struck by this section.*

Attest:

Secretary.

106TH CONGRESS
2D SESSION

H. R. 2559

AMENDMENT

HR 2559 EAS—2

HR 2559 EAS—3

HR 2559 EAS—4

HR 2559 EAS—5

HR 2559 EAS—6

HR 2559 EAS—7

HR 2559 EAS—8

HR 2559 EAS—9

HR 2559 EAS—10