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A New Farm Bill: Comparing the House and Senate Proposals with Current Law

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Agriculture and Food Section
Coordinated by Jean Yavis Jones
Resources, Science, and Industry Division

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Summary

The House and Senate have approved different versions of a new farm bill (H.R.2646) that will set agriculture and food policy for the next several years (5 years under the Senate bill; 10 years under the House bill). Meetings between the House and Senate to discuss differences between the chambers' bills began in early March 2002. The House passed its bill, entitled the Farm Security Act of 2001 (H.R. 2646), on October 5, 2001. The Senate farm bill debate continued into the second session of the 107th Congress when a substitute version of S.1731 (the so-called Daschle Substitute) was approved along with numerous other amendments (including a 397- page Managers' Amendment) on February 13, 2002. The much-revised Senate measure was renumbered H.R.2646, although it retained its title (The Agriculture, Conservation, and Rural Enhancement Act).

The size of the Senate version -- almost 1400 pages compared to the 379 page House bill -- is not necessarily a measure of the policy differences between the chambers. The commodity titles in the two bills retain marketing loan assistance and fixed, decoupled annual farm payments. They both also add target prices and counter-cyclical income support (or deficiency payments) for major field crops. Conservation activities and nutrition programs are enhanced under both bills, although more so in the Senate bill. Both bills also increase spending above current law baselines. The FY2002 budget resolution allowed for \$73.5 billion above the 10-year baseline. The Congressional Budget Office (CBO) estimates the costs of the House bill at \$73.5 billion over baseline. The same amount originally was estimated for the Senate bill until CBO discovered a \$6.1 billion underestimate in its calculations. The revised amount (\$79.6 billion) is not the only spending difference from the House bill. The Senate bill spends its new money more quickly than does the House and also adds another \$2.4 billion in "emergency" farm aid for FY2002. The cost and speed of spending are expected to be major issues in House-Senate Conference committee deliberations.

The Administration has indicated that it prefers the more evenly measured pace of new spending in the House bill, which spends under half of its new money in the first 5 years. By contrast, the Senate bill would spend well over 60% of its total new money in the first 5 years (not counting the \$6.1 billion underestimate or the \$2.4 billion in emergency farm aid for FY2002). The Administration has not taken a public position on other differences between the chambers' bills. Among the most controversial are Senate provisions that significantly lower the limit on commodity payments to farmers; restraints on packer ownership of livestock going to slaughter; potential increased federal control of certain water rights; and a new dairy counter-cyclical-income support program.

Lawmakers in both chambers are pressing for quick resolution so that farmers can make their spring planting decisions for 2002 and the Congress can make use of the new spending for the farm bill allowed by last year's congressional budget resolution.

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This report reflects the contributions of the following CRS Analysts:

Farm Bill Provisions	CRS Analyst
Summary and Introduction	Jean Yavis Jones
Commodity Programs	Jasper Womach, Ralph Chite, Remy Jurenas, Brenda Branaman, Carol Canada
Conservation	Jeffrey Zinn
Agricultural Trade and Aid	Geoffrey Becker
Nutrition Programs	Joe Richardson
Farm Credit	Jerry Heykoop
Rural Development	Tadlock Cowan
Research	Jean Rawson
Forestry	Ross Gorte
Federal Crop Insurance	Ralph Chite
Energy	Brent Yacobucci
Animal Welfare Genetically Engineered Food	Alex Segarra
Pesticides	Linda Schierow

For more information, see: *CRS Electronic Briefing Book, Agriculture Policy and the Farm Bill*. [<http://www.congress.gov/brbk/html/ebagr1.shtml>]), and CRS Report RL31195, *The 2002 Farm Bill: Overview and Status*..

Individual topic comparisons include the following CRS Reports:

RL31251, *Commodity Support Provisions: Comparison of Current Law with House and Senate Farm Bills* by Jasper Womach;.

RL31255, *Resource Conservation Title: Comparison of Current Law with House and Senate Farm Bills* by Jeffrey Zinn; and

RL31271, *Energy Provisions the Farm Bill: Comparison of Current Law with House and Senate Farm Bills*. by Brent Yacobucci.

A New Farm Bill: Comparing the House and Senate Proposals with Current Law

Introduction

Consideration of new farm policy began more than a year before the major provisions of the 1996 farm bill expired. This was due, in large part, to persisting low prices for many major field commodities and several recent years of multi-billion dollar farm aid packages approved by the Congress to help offset declining farm income. The current economic environment is quite different from that existing in 1995-96 when the last farm bill was considered. Prices for many major commodities are stagnant or declining, supplies are high, and demand (particularly in previous growth markets overseas) is not growing at the rates existing in the mid-1990s. Moreover, when the House and Senate began examining new farm policy options early in 2001, a projected budget surplus negated the kinds of budget deficit pressures placed on farm program spending in 1995. The recent recession and costs of the U.S. war against terrorism could alter this situation. The cost differences between the House and Senate-passed farm bills (some \$6.1 billion over ten years) and the quicker pace of spending in the Senate farm bill are key issues in the current debate. There is pressure to reach an agreement in time to assist farmers in making their spring planting decisions, and concern that failure to enact a new farm bill before the next congressional budget resolution could put the new money allowed by last year's budget resolution (+\$73.5 billion) in jeopardy.

Background

When the current farm bill was being formulated in 1995 and 1996, the farm economy was enjoying a boom. Prices for most commodities were at record highs, as was farm income. Moreover, foreign demand for U.S. agricultural goods was expanding, particularly in Asia and Latin America. At the same time, in the Congress, legislators were facing increasing demands for changes in farm policy that would better control farm program spending and adapt U.S. policies to trade agreements.

The Federal Agricultural Improvement and Reform (FAIR) Act of 1996 (or 1996 Farm bill, was enacted in August 1996, after nearly two years of deliberations, and the extension of previous law provisions beyond their original 1995 expiration date.¹ The

¹Many of the provisions of the 1990 Farm law (P.L. 104-624) were scheduled to expire at the end of 1995. The transition in 1994 from Democratic to Republican control of the House and Senate and a new congressional agenda and leaders, delayed completion of a new farm. The Congress extended the expiring provisions of the 1990 law for an additional year until another farm law could be enacted in 1996. Many of the key policy changes made by the 1996 law
(continued...)

Agricultural Market Transition Act (AMTA), Title I of the FAIR Act, contained provisions that capped federal spending, ended land set-asides and target prices for most commodities, and created a new farm income support system replacing target price supports. Wheat, feedgrain, cotton, and rice farmers choosing to participate in this new program were to receive gradually declining fixed, decoupled annual payments (so-called production flexibility contract (PFC) payments, sometimes called AMTA payments).² These were provided each year in lump sums, irrespective of market prices or farmers' planting decisions.

Opponents of this gradual phase-out of federal assistance worried about what would happen if prices and markets declined, as began to happen late in 1997. But bill proponents pointed out that counter-cyclical income relief would remain under the marketing loan assistance program. Moreover, they contended that farmers getting Production Flexibility Contract (PFC) payments in good economic times would be able to put them away for a rainy day to soften the impact of losses during low price periods. This point also was made in response to those who objected to giving farmers payments when economic conditions were good.

By 1998 conditions in the farm economy had changed. Prices for many major commodities began to decline as a financial crisis hit Asia and Latin America (two of the fastest growth markets for U.S. goods). Moreover, several years of good worldwide growing conditions had increased supplies and the value of the American dollar was high relative to other countries, making U.S. goods expensive compared to competitors. Farm income began to decline, and the Congress stepped in. Seven emergency farm aid bills approved in 1999, 2000, and 2001 provided nearly \$33 billion in additional federal funds to agriculture (primarily to wheat, feedgrain, oilseed, cotton and rice farmers). This helped to stabilize farm income and to keep average farm family income higher than the national average for all U.S. households. However, as the proportion of net farm income drawn from federal aid approached 50%, many in Congress and elsewhere began to push for longer term changes to underlying farm policy that would provide more certainty to farmers than reliance on ad hoc annual financial aid packages.

Thus, the 107th Congress began to examine agriculture policy and solicit proposals from the various producer groups shortly after coming into session. Hearings were held by the House and Senate, and testimony was presented both in Washington and in field hearings throughout much of 2001. The House passed a bill (H.R. 2646) in October, 2001; the Senate began debate on its farm bill (S.1731) in early December, but was unable to reach resolution before the adjournment of the first session on December 19, 2001. A much revised Senate bill was passed on February 13, 2002.

¹(...continued)
were authorized through 2002.

² Payment levels were "decoupled" from target prices, which, in the past, were used to make payments to farmers when market prices fell below specified targets.

Legislation in the 107th Congress

History

The House Agriculture Committee farm bill (H.R. 2646) was introduced on July 26, 2001. The Committee marked up this bill on July 27 and amended and reported it on August 2. It was sequentially referred to the House International Relations Committee, which reported it with amendments on September 10. Floor debate on H.R.2646 began on October 2 and continued through October 5 when the bill was passed by a vote of 291-120. The bill was engrossed and sent to the Senate on October 9, 2001

On November 15, 2001, the Senate Agriculture, Nutrition and Forestry Committee ordered to be reported an original bill (S.1731) in lieu of S.1628, a farm bill introduced on November 2 by Committee Chairman Harkin. S.1731 was adopted by the Committee and reported to the Senate on November 27, and placed on the legislative calendar.³ On November 30, the Senate began debate on a motion to proceed to the consideration of S.1731. Efforts to speed up consideration and obtain a vote for final passage on this measure prior to the end of the first session were unsuccessful.⁴ Several substitute amendments or alternatives to the Committee bill were offered during debate in the last session. Among these was the Daschle Amendment (#2471), substituting for the Committee-reported bill. Offered on December 11, it was the pending vehicle at the end of the first session.

Several substitutes to the Daschle substitute were offered and tabled (i.e., effectively rejected) in the first session. The rejected alternatives included:

- An amendment offered by Senator Lugar (# 2473) that would have replaced and completely revised the commodity provisions of the Daschle substitute and substantially increased spending for nutrition programs⁵;
- A substitute amendment offered by Senators Roberts and Cochran (# 2671) that would have modified the Daschle substitute to reflect some of the concerns expressed by the Administration (discussed below, and,
- A substitute amendment (# 2678) by Senator Hutchinson (Ark.) offering the House-passed farm bill (H.R. 2646) as a substitute.

³The Committee filed a written report on S.1731 on December 7, 2001 (No. 107-117)

⁴There were several efforts to invoke cloture in order to cut off debate on this legislation; all failed. The first (a test vote on the motion to proceed to consideration) failed by a vote of 73-26. Subsequent cloture votes failed by lesser votes - 53-45 and 54-43.

⁵The Lugar proposal would have established, in lieu of the Senate bill's target price and income support provisions, a "whole-farm" income insurance program, available to all crop and livestock farmers (i.e. livestock and fruit and vegetable growers not now receiving direct payments). It would have provided for a federal payment equaling 6% of a farm's receipts that could be used to pay insurance premiums for guarantees of 80% of average income for farmers. A pilot project testing this approach in a limited number of states was authorized in the finally-approved Senate bill.

Early in the second session of the 107th Congress, debate was renewed over the Senate farm bill (Daschle Substitute Amendment # 2471). On February 13, 2002, a substantially revised bill was approved by the Senate. This version, renumbered as the Senate amendment to H. R. 2646, reflected some 31 amendments, one of which, the so-called Managers' Amendment (#2859), was 397 pages (longer than the entire House bill of 379 pages). Among the more controversial of the many floor amendments agreed to was one that lowered limits on farm payments, with savings used to increase spending for nutrition programs in ways similar to those proposed by the previously rejected Lugar amendment. Less controversial amendments added livestock feed assistance, another \$2.4 billion in additional emergency farm assistance for FY2002, and a myriad of new conservation, rural development, research, and animal health and welfare provisions.

Policy analysts assert that a final bill will have to be agreed upon by late March if new farm policies are to apply to crop year 2002 production. If there is no new farm law by that time, another multi-billion dollar farm aid package is possible.

Summary Comparison

Although the House and Senate farm bills described in this report vary from one another in many respects, there are common features to both. First, although farm commodity support is the main focus of the two bills and generally has gotten the most attention, both bills contain much more than farm commodity provisions. Other titles in the bills cover conservation, trade, nutrition programs, credit, rural development, research, and forestry. Moreover, both bills seek to reverse some commodity policies established in the last farm bill that, among other things, eliminated federal target prices for commodities, and discontinued (in the case of wool, mohair, honey) or gradually eliminated (in the case of dairy) federal support for some commodities.⁶ They both substantially increase funding for farm commodity programs, although in different amounts. Initial estimates for the Senate farm bill showed it raising commodity program spending (Title I) by \$26.8 billion over five years and by \$41.1 billion over ten years. The addition of \$6.1 billion underestimated by CBO brings the revised totals to \$30.5 billion and just under \$46 billion, respectively, over the 5 and 10 year periods. (This does not include the additional \$2.4 billion in "emergency" assistance the Senate also added for FY2002 commodity programs.) The House bill adds \$25.1 billion to commodity programs over 5 years, and \$48.8 billion over 10 years.

The bills also continue a trend toward increasing federal support for a broader array of conservation efforts and expanding payments to farmers who engage in environmentally sensitive farming practices, although the Senate provisions are more generous in this regard. Both bills also make changes to the food stamp program to assist states in conforming program rules to those of other welfare programs, to increase commodity donations to domestic food programs, and in the Senate bill, restore eligibility to certain legal aliens.

⁶ The Federal Agriculture Improvement and Reform (FAIR) Act of 1996, P.L. 104-127, was amended several times to extend the planned expiration date for the dairy price support program. Congress also restored federal aid for the honey, wool and mohair programs as part of several "emergency" funding packages enacted to shore up farm income.

Finally, both bills make changes that utilize the \$73.5 billion in increased funding allowed by the budget resolution, although the Senate bill now is estimated to spend \$6.1 billion more than that amount. It also uses up its 10-year funding total more quickly than does the House, and adds another \$2.45 billion in “emergency” farm aid for FY2002. Some of more significant differences between the bills that are expected to be the subject of debate in the conference deliberations are described below.

Spending and Time-frame.

The House-passed farm bill has a 10-year life span; the Senate bill authorizes the programs for 5 years. The time span in the House bill is related to provisions in the FY2002 Congressional Budget Resolution (H.Con.Res.83) that provided room for some \$73.5 billion in additional spending over the period 2002-2011 for a new farm bill. The Senate 5-year authorization reflects the more traditional time-frame for multi-year farm bills, although the new spending is projected over a 10-year period.

The FY2002 Congressional Budget Resolution (H.Con.Res.83) adopted in 2001 made room for additional agriculture spending of \$5.5 billion for FY2001, \$7.35 billion in FY2002, and \$66.15 billion over the following nine years for food and farm programs. This provided for a total of \$73.5 billion in new budget authority for FY2002-2011 above baseline spending. The expectation was that this new money would be used to finance a new farm bill and that most of it would go for farm commodity programs, although this was not required. FY2001 money was spent for emergency assistance. The allowable spending for FY2002 and beyond was intended either for emergency farm assistance or a new farm bill.⁷

Both the House and Senate bills originally were estimated by CBO to cost \$73.5 billion over the 10-year period, FY2002-2011. This included funding for farm commodity programs as well as nutrition programs, trade, research, conservation, and rural development, among other things. It does not reflect the additional \$2.45 billion in farm “emergency” assistance for FY2002 that the Senate added to its bill.⁸ It also does not reflect some \$6.1 billion in higher costs that the CBO now says was left out of earlier projections of the Senate bill commodity provision costs because of an error. This would bring the new spending in the Senate bill to a total of \$79.6 billion.

The Senate bill also spends its new money faster than the House bill -- well over 60% in the first 5 years (FY2002-2006) compared to the House bill which would spend about half of its new money during that period. Under both bills, well over half of the new spending goes for commodity programs -- \$48.8 billion under the House bill and

⁷As noted above, the Senate approved a floor amendment to its farm bill that adds \$2.4 billion in “emergency” farm assistance. A waiver to the budget rules requiring offsets of additional spending for “emergency” reasons was approved by a voice vote so that this additional spending is not counted against the Senate farm bill for FY2002.

⁸ A voice vote to waive this additional funding as “emergency” assistance was approved by the Senate as part of Amendment # 2839); this designation means that the additional funding does not require offsets in spending elsewhere to conform to budget rules.

\$46 billion under the Senate bill.⁹ Other major spending differences between the two bills include new budget authority for nutrition and conservation programs. The Senate raises spending for nutrition programs by \$9.3 billion over 10 years, compared to an increase of \$3.7 billion for these program in the House bill. For conservation programs, the Senate adds \$17.4 billion, while the House adds \$15.8 billion in new funding over the next 10 years. Some of the additional funding in the Senate bill for nutrition program expansion comes from savings in commodity program spending that lowers the farm payment limit for commodity programs. According to CBO estimates, the payment limit reduction will lower commodity program spending by \$695 million over 10 years. (See later section on payment limit issue.)

Current law estimates project that baseline spending for farm commodity programs for the next 10 years (that is, the amount of federal spending expected with no changes in law) will be approximately \$97 billion. Using current CBO estimates, the additional funding provided by commodity program changes in the proposed bills would bring total spending on farm programs to \$145.8 billion under the House bill, and \$145.4 billion (including the \$2.45 billion in emergency farm assistance added for FY2002) under the Senate bill.

Administration Views

Like its predecessor, the Bush Administration did not put forward a new farm bill. In fact, in its first year, the Bush Administration took the position that Congress should give careful consideration to major farm policy changes before rushing through new legislation. In other words, it contended that a new farm bill could wait until 2002. A report issued by the Administration on September 19, 2001, laid out a set of “principles” for farm policy.¹⁰ These principles focused on: (1) the wide differences among farms and farming practices and the need for better tailored policy to reflect these differences; (2) the tilt in existing policy toward highly efficient commercial farms with no direct relationship between federal benefits and a farm’s financial need; and (3) the need to rely on market rather than government forces over the long term, with short term aid for “unexpected events” beyond a farmer’s control.

In early October 2001, as the House began floor debate on its farm bill, the Office of Management and Budget (OMB) issued a Statement of Administration Policy (SAP) that opposed this legislation. It contended that the House bill encourages overproduction of commodities, does not target benefits to farmers most in need, jeopardized global markets, and increases federal spending at a time of economic uncertainty.

The Administration also objected to the Senate Agriculture Committee farm bill (S.1731) reported in late November, renewing its concerns about stimulating overproduction and poor targeting of farm payments. It also reiterated concern about the bill’s potential to undermine U.S. efforts to phase out foreign countries’ export

⁹This amount assumes the \$38.9 billion originally estimated by CBO plus the \$6.1 billion CBO has indicated it underestimated for the cost of the commodity provisions in that bill.

¹⁰*Food and Agriculture Policy: Taking Stock for the New Century.*

subsidies and U.S. ability to meet current trade obligations. Finally, the Administration took the position that the Senate-reported bill would authorize costly and ineffective conservation programs, weaken accountability in domestic nutrition programs, and result in unknown budget costs.

In early January 2002, USDA officials indicated that they expect Congress and the Bush Administration to agree on a farm bill by early March, 2002. OMB officials informed the Congress that the President supports the \$73.5 billion in additional farm spending over ten years that was permitted by last year's congressional budget resolution. This appears to have removed some of the concerns that failure to enact a new farm bill before the next budget resolution could risk loss of the new funding for farm bill programs.

In late February, following passage of the Senate farm bill, the Administration indicated that it preferred the more gradual approach to new spending in the House-passed farm bill, to the more rapid use of the new money provided by the Senate amendment. Administration officials fear the potential for the Senate approach to exhaust federal farm support in the early years and force substantial amounts of new spending in later years. On the other hand, USDA officials have expressed concern about the large amount of new funding in the House bill for farm commodity programs, and the Administration appears to favor some of the nutrition program provisions in the Senate bill.

Selected Issues

Commodity program provisions. Both bills maintain a system of fixed annual payments to wheat, feedgrain and cotton and rice farmers, although the House appears to provide more assistance in this form than does the Senate.¹¹ Both bills add soybean growers to those eligible for these fixed payments. Both bills also maintain marketing loan assistance, but the House bill sets loan rates at, or slightly below, those set under current law while the Senate substantially raises these rates. On the other hand, while both bills provide new counter-cyclical income support, the House bill appears to provide substantially more funding for this supplemental assistance than does the Senate. In sum, the House approach tends to rely more heavily on fixed annual payments and greater levels of counter-cyclical income support than the Senate, which puts more emphasis on higher levels of marketing loan assistance. Both bills maintain the 1996 policy changes that provided broad planting flexibility to farmers receiving federal program payments and eliminated annual cropland set-aside tools formerly used to reduce production to avoid price-depressing surpluses or control federal farm spending.

¹¹Official CBO estimates are not available at the time of this report because of the recently discovered error that underestimated the cost of Senate commodity program provisions by some \$6.1 billion over 10 years. If the full amount of that error is added to the earlier CBO estimates of the costs of the Senate commodity provisions, the total would be \$45.9 billion, compared to \$48.8 billion in the commodity programs cost estimates for the House farm bill.

Farm Payment Limits. Current law limits on payments to farmers are revised and applied to new programs under both the House and Senate farm bills. The Senate limitations, which are more stringent than those in the House bill are opposed by most farm groups.

In general, the farm payment limits first imposed in 1970 have been high enough so that they rarely resulted in any cut-off of farm payments. Moreover, mechanisms for getting around the caps have been available. In the late 1990s, however, when it appeared that loan deficiency payments to some farmers might exceed the limits then in place, Congress doubled the limit on these payments.¹² The doubled levels have been operable for the past several years.

A list of farmer payments released by the Environmental Working Group (EWG) rejuvenated interest in the farm payment limit issue. The EWG data show a large proportion of federal farm payments, sometimes in quite large amounts, going to small numbers of large farms and also to some wealthy absentee landlords. This study was widely reported by the media and reportedly influenced the more stringent payment limits that were added to the Senate farm bill during floor debate.¹³

The House bill raises the current law limit on contract payments from \$40,000 per year per person to \$50,000. It also sets a maximum of \$75,000 in payments for grains, cotton, and oilseeds, and separately another maximum of \$75,000 for peanuts under the new counter-cyclical income support program it creates. By contrast, the Senate bill sets a *combined* maximum per person payment of \$75,000 for *both* fixed payments and counter-cyclical payments, and applies this limit to all eligible crops, including the newly eligible peanuts (which are treated separately by the House bill).

Under the marketing loan assistance program, the House bill would raise the previous farm law limit from \$75,000 to \$150,000 for wheat, feedgrains, oilseed, cotton, and rice payments, and would establish separate payment limits of \$150,000 for each of the peanut, honey, wool, and mohair programs.¹⁴ The Senate bill establishes one limit of \$150,000 in marketing loan assistance for *all* of the eligible commodities (wheat, feedgrains, oilseeds, cotton, rice, honey, wool, lentils, dry peas, and chick peas¹⁵). It also applies this limit to the value of marketing certificates and loan forfeitures which, under current law and the House bill, are not counted toward the payment limits. Additionally, the Senate bill contains language that would prohibit those with adjusted gross incomes above \$2.5 million annually from receiving any farm payments.¹⁶ The

¹²This followed substantial increases in farm spending enacted under several multi-billion farm “emergency” aid packages.

¹³ New York Times, May 18, 2001, *Farm Subsidies: Who Gets Fed?* Washington Post, January 24, 2002, *More Subsidy Money Going to Fewer Farms*. See also, the Environmental Working Group Farm Subsidy Database at www.ewg.org

¹⁴ The farm bill set \$75,000 as payment limit for LDPs, but this was doubled by subsequent legislation when the cap would have cut some farmers off at that level.

¹⁵ The Senate bill does not contain assistance for mohair.

¹⁶ The lower payment limits were added during Senate floor debate under an amendment
(continued...)

10-year saving from the Senate payment limit provision, as estimated by the CBO, is \$695 million (\$405 million over 5 years), most of which is used by the Senate bill to help fund a food stamp program expansion. Most analysts expect the impact of the Senate payment limit to be the greatest for large rice and cotton farmers whose federal payments tend to be larger than those producing other field crops.¹⁷

Proponents of limits contend that farm programs benefit most (in terms of federal dollars) those who need aid the least (i.e., larger, wealthier farmers), while smaller, high-risk farmers or those ineligible for direct payments (such as fruit, vegetable, and livestock producers) get little or nothing. They charge that this system encourages the growth of large corporate farms and helps to drive small and mid-sized farms out of business. Opponents of payment limits (which include nearly all of the farm and commodity groups) contend that farm policy should be based on productivity and efficiency and that payment limits discourage both. They suggest that basing farm payments on income or need would mean rewarding many farmers who are inefficient or unwise in their farm management, and would discourage farmers from profitable efficiencies. Moreover, they point out that many of the farms receiving large payments also have similarly large costs of production and might not be able to operate as efficiently or productively if federal support was not tied in some way to output.

Federal Budget and Trade Agreement Issues. The possible return of deficit spending, or at least substantially depleted budget surpluses because of the War on Terrorism and an economic slowdown, raises questions about how much funding will be available for changes in farm policy. There is some concern about whether the additional money agreed to in the past budget resolution will be honored if a farm bill is not passed before the next budget resolution. Both the Administration and congressional leaders, have indicated their intention to honor the additional money provided for farm policy changes that was allowed by last year's congressional budget resolution – some \$73.5 billion in additional funding over ten years.

As mentioned earlier, the Administration and the Senate differ over whether the next farm bill should spend most of additional funding in the early years (and possibly exhaust this money sooner rather than later) or provide for a more gradual release of the funds. There is some dispute about how much money should go to commodity programs versus conservation and nutrition programs. There also is concern that the new commodity program spending in both bills could exceed the \$19 billion cap on spending for market-distorting domestic support that the U.S. agreed to abide by under the Uruguay Round Agreement. In response to this concern, both bills contain differing provisions that provide for some kind of adjustments if the spending cap is breached. One issue between the chambers is the approach for making determinations that an adjustment is needed and how the adjustments should work. Some policy analysts question the mechanics of these adjustment provisions and have expressed doubt about their practical implementation.

¹⁶(...continued)
 (#2826) offered by Senators Dorgan and Grassley

¹⁷ Among the reasons are the historically high farm subsidy levels set by Congress for cotton and rice relative to other field crops, and high input costs for these crops.

Dairy Policy. Disagreement about the extension, or reauthorization of the Northeast Dairy Compact and its possible extension to other regions of the country splits along regional lines. The House farm bill does not extend the NE Dairy Compact (which expired September 30, 2001). Efforts to include an extension of this compact in S. 1731 threatened to delay or stop deliberations in the Senate and a compromise proposal was included in the finally approved Senate bill that would replace the NE Dairy Compact. This alternative would create a new counter-cyclical payment program for dairy farmers in all states, with one quarter of the \$2 billion allotted for the program going to Northeast states. The earmark of funds for the Northeast is intended to offset the loss of the higher farm milk prices permitted by the now defunct Compact. Providing direct federal assistance to dairy farmers (rather than setting prices that pass along higher costs to processors and consumers) concerns some who worry about further expansions in farm assistance and the federal budget deficit. Others wonder how this will be viewed by European and other trading competitors that the U.S. is putting pressure on to reduce their domestic support programs.

Conservation Programs. Major points of contention include questions about how much funding should be provided for these programs versus farm commodity programs, what portion, if any, of the funding should be mandatory, and who should retain control of water rights when farmers put land into conservation programs (especially wetland programs).

The Senate bill provides more money for conservation programs (\$17.4 billion) than the House bill (\$15.8 billion) over the next ten years. This difference is expected to be an issue in the Conference Committee, as are some of the new programs in the Senate bill. Another issue related to conservation is a Senate provision that would allow USDA to purchase water rights from farmers. This provision evoked considerable debate about the potential loss of state and local control of water rights to the federal government through farmer participation in wetlands and other conservation programs. Moreover, some farm groups have indicated that they would rather have no farm bill than one that permits greater federal control of water rights. Conversely, some environmentalists, although supportive of many of the new initiatives in the Senate bill, worry that the efforts of some to use conservation programs to increase farm payments may weaken the environmental and conservation standards for participating in these programs. There also are some concerns that increased payments for various farm conservation activities may subject U.S. trade negotiators to complaints that the U.S. is using environmental concerns to circumvent trade agreements that limit domestic farm support.

Concentration in the livestock sector. A livestock packers amendment offered by Senator Tim Johnson and others was accepted during Senate floor debate. It would prohibit meat packers from owning or controlling livestock within 14 days of slaughter. Designed to help protect livestock producers from price manipulation by large meat packing companies, this amendment drew fire from some. Opposition centered on the fact that the amendment did not apply to poultry (a growing competitor to beef and pork), and that it might endanger the use of marketing contracts. Some believe that these contracts help producers and processors plan and market their goods to the benefit of both. However, there are others who see contracts (especially the confidentiality clauses in them), as a way for processors to unfairly manipulate the prices they pay for livestock, and keep producer prices low. The restriction is supported

by the American Farm Bureau and Iowa Pork Producers Association, two major farm interest groups. It is opposed by most meat processors and some livestock producers. An amendment modifying the meatpacker restrictions to clarify that they do not affect livestock under marketing contracts was adopted during Senate deliberations. Another amendment calling for a study of this prohibition also was adopted. The restrictions on packer ownership are expected to be a sticking point in conference deliberations.

Comparison Caveats

The following table compares current law or policy with selected provisions in the House-passed farm bill (H.R. 2646) and the Senate Amendment to H.R. 2646 approved by the Senate. It updates an earlier version that presented the Daschle substitute to S. 1731 (S. Amdt. 2471) for comparison with the House bill. It is intended to assist those interested in the major issues before the Conference Committee that will be deliberating on the next farm bill, and to identify the major differences from current law, and between the House and Senate bills. It is *not* a comprehensive comparison of all of the provisions in each of the bills and current law. Covering all of the provisions in these bills and comparing them to current law and each other is not feasible given the size of the bills (especially the Senate bill) and the time constraints on its usefulness. Thus, this report narrows its scope to compare significant changes being proposed and areas of major difference between each of the chambers' bills. Judgments about which provisions to include were made by each of the CRS specialists covering the relevant titles, with some modifications by the coordinator and additions by the coordinator.

The report presents the comparison under topics, using the Titles of the farm bills as the organizing theme (although this does not work in all cases because of the differences in the bills' configurations). It is presented as much as possible in the same order as the House and Senate bills, but the sections are not necessarily in the same order as the bills. Rather, they are grouped by topic. Funding information in this report is based on CBO estimates, unless otherwise noted. In several instances changes to one title of a bill impact on other titles. For instance, the commodity payment limit in the Senate bill (under Title I) allows additional funding for nutrition programs (Title IV). This is noted in most cases where it occurs, and explains why budget estimates displayed by title may differ from those displayed by program. Analysts have tried to cross-reference provisions presented under the outlines categories. The report tries to follow the order and organization of the House and Senate bill presentations but is not able to do so in all instances.

**Comparison of Selected Provisions: Current Law and House and Senate Farm Bills
(H.R. 2646 and the Senate Amendment)**

I. COMMODITY PROGRAMS

COMMODITY PROGRAMS - CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
Title: Federal Agriculture Improvement and Reform (FAIR) Act of 1996 (P.L. 104-127) [<i>Section 101</i>]	Farm Security Act of 2001. [<i>Section 1</i>]	Agriculture Conservation and Rural Enhancement (ACRE) Act of 2001. [<i>Section 1</i>]
Definitions: 1. “ Considered Planted ” is defined under the FAIR Act to mean “acreage considered planted” under Title 5 of the Agricultural Act of 1949, and other acreage the Secretary considers fair and equitable. This includes: (a) any reduced or diverted acreage; (b) acreage that could not be planted because of drought, flood or other natural disaster or condition beyond farmer control; (c) acreage equal to the difference between permitted acreage for a crop and the planted crop if it is devoted to conservation uses or the production of commodities permitted under programs for crop years 1991-1997; (d) any acreage the Secretary determines is necessary to establish a fair crop acreage base; (e) acreage up to 20 percent of crop acreage base for feed grains or wheat if planted to dry peas and lentils; and (f) the crop acreage base if producers forego farm	1. No provision	1. The definition of “ Considered Planted ” is revised to mean any acreage planted that producers were prevented from planting because of a drought, flood, or other natural disaster or condition beyond control of the owner or producer, as determined by the Secretary, and any acreage not planted to another contract commodity (except for a contract commodity produced under an established practice of double cropping). [<i>Section 102</i>]

COMMODITY PROGRAMS - CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>payments and do not plant to the crop or any fruit or vegetable not designated as industrial or experimental. <i>[Sec. 102(2) of FAIR Act and Section 503(c) of the Agricultural Act of 1949 (which is one of several permanent laws whose provisions often are suspended or temporarily or permanently revised or amended by farm bills)]</i></p> <p>2. “Contract” and “Production Flexibility Contract” defined to mean a contract entered into under the terms of Section 111 of the FAIR Act of 1996, which establishes fixed , annual, lump sum payments to farmers. <i>[Section 102(3) of the FAIR Act]</i></p> <p>3. “Contract Acreage” is defined to mean one or more crop acreage bases established for contract commodities under Title V of the Agriculture Act of 1949 that would have been in effect for the 1996 crop but for the suspension of existing target price support programs under Section 171 (b)(1) of the Fair Act of 1996.<i>[Section 102]</i></p> <p>4. “Contract Commodity” is defined to mean wheat, corn, grain sorghum, barley, oats, upland cotton, and rice. <i>[Section 102]</i></p> <p>5. “Contract Payment” is defined to mean production flexibility contract</p>	<p>2. No Provision</p> <p>3. No Provision</p> <p>4. “Covered Commodity” replaces “covered” for “contract” and adds <i>soybeans, and other oilseeds</i> to current law . <i>[Section 100]</i></p>	<p>2. Defines “Contract” as a contract entered into under subtitle B, Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments. <i>[Section 102]</i></p> <p>3. Redefines “contract acreage” to mean the acreage determined under section 111(f) of the bill, which refers to “direct and counter-cyclical payments.” <i>(Section 102(4))</i></p> <p>4. “Contract Commodity” is redefined to add <i>oilseeds</i> to current law. <i>[Section 102]</i></p>

COMMODITY PROGRAMS - CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>payments to wheat, corn, grain, barley, oats, upland cotton and rice farmers <i>[Section 102]</i></p> <p>6. “Counter-cyclical Payment” No provision</p> <p>7. “Fixed Decoupled Payment”</p> <p>8. “Farm Program Payment Yield” means the farm program payment yield established for the 1995 crop of a contract commodity under section 505 of the Agriculture Act of 1949 <i>[Section 101]</i></p> <p>9. “Target price No provision NOTE: Eliminated for most field commodities by the AMTA of 1996.</p>	<p>5. No provision</p> <p>6. “Counter-cyclical Payment” means a payment made to producers under section 105, <i>Availability of Counter-cyclical Payments. [Section 100]</i></p> <p>7. “Fixed Decoupled Payment” means a payment made to producers under <i>section 104 Availability of Fixed Decoupled Payments. [Section 100]</i></p> <p>8. “Payment Yield” is the yield established under <i>section 102</i> for a covered commodity. <i>[Section 100]</i></p> <p>9. “Target Price” means the price per bushel (or other appropriate unit) of a covered commodity used to determine the payment rate for counter-cyclical payments. <i>[Section 100]</i></p>	<p>5. “Contract Payment” is a payment made to wheat, corn, grain sorghum, barley, oats, upland cotton, rice and oilseed farmers under Subtitle B, Nonrecourse marketing assistance loans and loan deficiency payments. <i>[Section 102]</i></p> <p>6. No definition</p> <p>7. No definition.</p> <p>8. “Payment Yield” means the payment yield determined under Section 111(g) <i>[Section 102]</i></p> <p>9. No provision</p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
Agricultural Market Transition Act (AMTA), Title I of the Federal Agriculture Improvement and Reform Act of 1996, Subtitles B, C, D, and E, and miscellaneous agriculture laws.	Farm Security Act (FSA) of 2001, Title I, Subtitles A, B, and D.	Agriculture, Conservation and Rural Enhancement (ACRE) Act of 2001, Title 1, Subtitles A and B.
A. GRAINS et. al. (Wheat, Corn, Grain Sorghum, Barley, Oats, Upland Cotton, Rice, Soybeans and Minor Oilseeds)		
1. Fixed, Decoupled Payments		
<p>a. Eligibility</p> <p>Eligibility for PFC contracts is extended to producers previously enrolled in a grain or cotton program in at least 1 of the 1991-95 crop years. Conservation Reserve Program cropland expiring or terminated after Jan. 1, 1995 is eligible. Soybeans and minor oilseeds are not eligible PFC commodities. <i>[Section 111]</i></p> <p>[NOTE: Payment limits are covered under section N]</p> <p>b. Sign-Up Period</p> <p>The sign-up period is required to begin not later than 45 days after enactment and end August 1, 1996. Production flexibility contracts (PFCs) cover 7 years, 1996 thru 2002 crops. <i>[Section 112]</i></p>	<p>Farms with existing PFC contracts, and other producers with a history of contract crop or oilseed production from 1998-01 are eligible to sign up for fixed, decoupled payments. Soybeans and minor oilseeds also are made eligible for what will be known as “agreement” crops. Provision is made for expiring CRP acres to be added to the agreements. <i>[Section 101(a) and 103(a)]</i></p> <p>Establishes a sign-up period, lasting not more than 180 days after enactment, during which producers sign “agreements” covering crop years 2002 thru 2011 (10 years). <i>[Section 110]</i></p>	<p>Same as House bill. <i>[Section 111]</i></p> <p>Establishes a sign-up period, that begins not less 45 days after enactment and lasts for 180 days, during which producers sign “contracts” covering crop years 2002 thru 2006 (5 years). <i>[Section 111]</i></p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>d. Conservation and Wetlands Compliance</p> <p>Producers are required to comply with already existing conservation requirements on highly erodible land and with already existing prohibitions on draining wetlands for purposes of crop production. These compliance requirements did not impose any new obligations on producers. <i>[Section 111]</i></p> <p>e. Planting Flexibility and Limitations</p> <p>Farmers are allowed to plant any crop except fruits and vegetables (other than lentils, mung beans, and dry peas) on contract acreage and there are no planting restrictions on non-contract acreage. Cropland not planted has to be devoted to a conserving use to prevent erosion and can not be converted to non-agricultural uses. <i>[Section 118]</i></p> <p>Violations of planting flexibility limitations generally result in termination of the contract on each farm in which the producer has an interest. <i>[Section 116]</i></p>	<p>Same as current law. <i>[Section 106]</i></p> <p>Same planting flexibility allowance as current law, but wild rice is added to exceptions. <i>[Section 107]</i></p> <p>No provisions for violations.</p>	<p>Same as current law. <i>[Section 111 as it amends Section 111 of FAIR Act]</i></p> <p>Same planting flexibility allowance as current law, but wild rice is added to exceptions beginning in 2003. <i>[Section 113]</i></p> <p>For first time, unintentional violations of planting flexibility limitations, the penalty shall be a refund or reduction of future payments amounting to twice the payment amount on the involved acres. <i>[Section 112]</i></p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>f. Program Base Acres and Payment Yields Each farm's base acres and payment yields are used to calculate the program benefits to the producer. The base acres and yields for eligible crops are those that would have applied in 1996 under the then expiring program. Under the expiring program, the "acreage base" for each program crop is the average acres planted/considered planted the prior 5 years for wheat, feed grains and the prior 3 years for upland cotton, rice. <i>[Section 102]</i></p> <p>Program payment yields for each crop are frozen at 1986 program levels. <i>[Section 102]</i></p> <p>[Note: Soybeans and minor oilseeds are ineligible under current law and there are no provisions for establishing base acres and yields for oilseeds.]</p> <p>g. Change in Farm Ownership or Operator Contract obligations can be assumed by new owners. Otherwise the contract is terminated. Changing operators does not affect program acres or yields. <i>[Section 117]</i></p>	<p>Base acres for each crop are either the acres specified in existing contracts, or average acres planted to eligible crops from 1998 thru 2001. Accommodation is made for double cropping, peanut acres, and CRP acres. Base acres cannot exceed total cropland on a farm. <i>[Section 103]</i></p> <p>The program payment yield for each crop is the: payment yield in effect for 2002 under an existing production flexibility contract; or a similarly appropriate yield for farms without past contracts. Oilseed yield is the average yield from 1998-01, adjusted back to a 1981-85 equivalent. <i>[Section 102]</i> Payment acres equal 85% of base acres in calculating payment amounts. <i>[Section 100(9) and 103(f)]</i></p> <p>Same as current law. <i>[Section 106(c)]</i></p>	<p>Same as House bill. <i>[Section 111]</i></p> <p>The program payment yield is either: the yield specified in existing contracts, or average yield from 1998 thru 2001. There is no requirement to adjust yields back to an 1981-85 equivalent. In calculating payment amounts, payment acres are 100% of base acres. <i>[Section 111]</i></p> <p>Same as current law. <i>[Section 111]</i></p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>h. Payment Rates (see also Payment limits under subsection N of this section)</p> <p>Farmers who sign production flexibility contracts (PFC) in 1996 receive fixed annual payments for 7 years, unrelated to crops or acreage actually planted. The payment quantity for each commodity is 85% of the contract acreage times the payment yield times the payment rate. <i>[Section 114]</i></p> <p>Estimated 2002 contract payment rates:</p> <p>Wheat, \$0.46/bu Corn, \$0.26/bu Sorghum, \$0.31/bu Barley, \$0.20/bu Oats, \$0.021/bu Cotton, \$0.0556/lb Rice, \$2.04/cwt Soybeans, not a contract crop Minor Oilseeds, not contract crops</p> <p>The law does not specify actual payment rates, but states the total funds available each year and the allocation share for each commodity. <i>[Section 113]</i></p> <p>No provision</p>	<p>Similar framework to current law. Farmers who sign “agreements” receive fixed, decoupled annual payments for 10 years, unrelated to crops or acreage actually planted. The payment quantity for each commodity is 85% of payment acres times the payment yield times the payment rate. <i>[Section 104]</i></p> <p>Payment rates are specified for all years as follows:</p> <p>Wheat, \$0.53/bu Corn, \$0.30/bu Sorghum, \$0.36/bu Barley, \$0.25/bu Oats, \$0.025/bu Cotton, \$0.0667/lb Rice, \$2.35/cwt Soybeans, \$0.42/bu Minor Oilseeds, \$0.0074</p> <p>Total payments are to be reduced by \$100 million on a pro rata basis (about 2% based on CBO estimates) and these funds are to be devoted to specified rural development programs. <i>[Section 943]</i></p>	<p>Similar framework to current law. Farmers who sign contracts receive fixed, decoupled annual payments for 5 years, unrelated to crops or acreage actually planted. The payment quantity for each commodity is 100% of payment acres times the payment yield times the payment rate. <i>[Section 111]</i></p> <p>Payments rates are specified for 2002/03, 2004/05, 2006 as follows:</p> <p>Wheat, \$0.45, \$0.225, \$0.113/bu Corn, \$0.27, \$0.135, \$0.068/bu Sorghum, \$0.31/\$0.27, \$0.135, \$0.068/bu Barley, \$0.20, \$0.10, \$0.05/bu Oats, \$0.05, 0.\$025, \$0.013/bu Cotton, \$0.13, \$0.065, \$0.0325/lb Rice, \$2.45, \$2.40, \$2.40/cwt Soybeans, \$0.55, \$0.275, \$0.138/bu Minor Oilseeds, \$0.01, \$0.005, \$0.0025/bu</p> <p>No comparable provision.</p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>Not relevant</p> <p>i. Time of Payment</p> <p>The producer can choose to receive 50% of the payment on December 15 or January 15 and the remainder not later than September 30 of each fiscal year. <i>[Section 112(d)(1 and 2)]</i></p> <p>Alternatively, for FY1999-02, the producer can choose to receive the full amount or portions at times during the fiscal year chosen by the producer. <i>[Section 112(d)(3) as added by PL 105-228, Section 2]</i></p>	<p>FY2002 PFC payments under current law are to be discontinued after enactment, and any amount already paid is to be deducted from the amount due under this Act. <i>[Section 108]</i></p> <p>The producer can choose to receive 50% of the payment on or after December 1 and the rest will be paid not later than September 30 of each fiscal year. <i>[Section 104(d)]</i></p>	<p>No explicit reference is made to discontinuing payments under PFC contracts, or to payments already made under to old law.</p> <p>Same as House bill. <i>[Section 111]</i></p>
2. Counter-Cyclical Deficiency Payments and Target Prices		
<p>a. Eligibility</p> <p>Eliminates counter-cyclical target price deficiency payments that were enacted in 1973 and functioned through 1995. When effective, farmers were paid the difference between the target price and a lower season average farm price on a</p>	<p>Restores counter-cyclical target price deficiency payments that ended in 1995. Farms that have signed agreements are eligible to receive counter-cyclical payments each year that average market prices are less than target prices. <i>[Section 101]</i></p>	<p>Same as House bill. <i>[Section 111]</i></p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>specified proportion of the a farm's crop base acres. NOTE: Payment limits are discussed under subsection N of this section.]</p> <p>b. Target Prices and Payment Rates</p> <p>Not applicable.</p>	<p>The payment amount for each commodity is 85% of payment acres times the payment yield times the payment rate. The payment rate is the difference between a) the loan rate (or average market price if it is higher than the loan rate) plus the fixed decoupled payment and b) the "target price." <i>[Section 105]</i></p> <p>Target prices are for all years are specified as follows: Wheat, \$4.04/bu Corn, \$2.78/bu Sorghum, \$2.64/bu Barley, \$2.39/bu Oats, \$1.47/bu Upland Cotton, \$0.736/lb Rice, \$10.82/cwt Soybeans, \$5.86/bu Minor Oilseeds, \$0.1036/lb</p>	<p>Same as House bill, except that the payment amount for each commodity is 100% of payment acres times the payment yield times the payment rate. <i>[Section 171]</i></p> <p>Target prices are for all years are specified as follows: Wheat, \$3.446/bu Corn, \$2.3472/bu Sorghum, \$2.3472/bu Barley, \$2.1973/bu Oats, \$1.5480/bu Upland Cotton, \$0.6793/lb Rice, \$9.2914/cwt Soybeans, \$5.7431/bu Minor Oilseeds, \$0.1049/lb</p>
3. Marketing Assistance Loans and LDPs		
<p>a. Eligibility</p> <p>Any wheat, feed grains, upland cotton, and rice produced on PFC farms is</p>	<p>Marketing assistance loans and loan deficiency payments (LDPs) are available</p>	<p>Same as House bill. <i>[Section 121, 122]</i></p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>eligible for marketing assistance loans or LDPs, whether or not it is produced on contract acres. These commodities are not eligible for loan or LDPs if produced on farms without contracts. Any oilseed is eligible for marketing assistance loans or LDPs, whether or not the farm has a contract. <i>[Section 131]</i> [See Payment limits under subsection N.]</p> <p>b. Term of Loans</p> <p>Loans on grains and oilseeds are for 9 months beginning on the first of the month after the loan date. Loans on upland cotton are for 10 months beginning on the first of the month before the loan date.</p> <p>c. Loan Repayment</p> <p>For grains and oilseeds, marketing assistance loans can be repaid at the lesser of the loan rate plus interest, or the rate determined by USDA that minimize forfeitures, minimize the accumulation of CCC-owned stocks, minimize the cost of storage, and allow for free and competitive domestic and international marketing. <i>[Section 134]</i></p> <p>For upland cotton, loans can be repaid at the lesser of the loan rate plus interest, or the prevailing world market price</p>	<p>for agreement crops (grains, upland cotton, oilseeds) on all farms where they are produced, whether or not they have signed agreements). <i>[Section 121]</i></p> <p>Same as current law. <i>[Section 123]</i></p> <p>Same as current law. <i>[Section 124]</i></p>	<p>Same as current law. <i>[Section 124]</i></p> <p>Same as current law. <i>[Section 125]</i></p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>adjusted to U.S. quality and location. Additional adjustments to the world price are made when the world price declines to near the loan rate , and when the price of U.S. cotton exceeds the price of competing cotton in the world market. <i>[Section 134]</i></p> <p>In the event of a default on a loan at the maturity date, the commodity pledged as collateral reverts to CCC ownership. No further action is taken against the borrower because marketing assistance loans are nonrecourse. <i>[Section 131]</i></p> <p>d. Loan Deficiency Payments (LDPs)</p> <p>Producers with grain, upland cotton, or oilseeds eligible for marketing assistance loans instead can choose to receive loan deficiency payments. The LDP is the difference between the loan rate and the loan repayment rate established by the USDA. <i>[Section 135]</i></p> <p>e. Loan Rates</p> <p>Marketing assistance loans and loan deficiency payments (LDPs) continue at 1995 rates. Authority is provided for USDA to lower the loan rates when stocks accumulate. Loan rates generally are to be not less than 85% of the moving 5-year Olympic average of prices</p>	<p>Same as current law. <i>[Section 125]</i></p> <p>Loan rates generally are to be not less than 85% of the moving 5-year Olympic average of prices received by producers, or more than:</p>	<p>Same as current law. <i>[Section 126]</i></p> <p>Fixed, specific loan rates are as follows:</p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>received by producers, or more than:</p> <p>Wheat, \$2.58/bu Corn, \$1.89/bu Sorghum, \$1.69/bu Barley, \$1.71/bu</p> <p>Oats, \$1.14/bu Cotton, \$0.5192/lb Rice, \$6.50/cwt Soybeans, \$5.26 Minor Oilseeds, \$0.093/lb Rice can not be below \$6.50, soybeans can not be below \$4.92, minor oilseeds can not be below \$0.87 <i>[Section 132]</i></p> <p>P.L. 106-224, Section 206(a)(2) and (3), made loans and LDPs available on non- PFC farms only for crop year 2000.</p> <p>[See Payment limits under Subsection N]</p>	<p>Wheat, \$2.58/bu Corn, \$1.89/bu Sorghum, \$1.89/bu Feed Barley, \$1.70/bu Malting Barley, \$1.65/bu Oats, \$1.21/bu Cotton, max \$0.5192-min \$0.50/lb Rice, must equal \$6.50/cwt Soybeans, \$4.92/bu Minor Oilseeds, \$0.087/lb <i>[Section 122]</i></p> <p>Retroactively, for the 2001 crops, as was the case for 2000, LDPs are available on non-PFC farms that produced contract crops and oilseeds. <i>[Section 125(f)]</i></p>	<p>Wheat, \$2.9960/bu Corn, \$2.0772/bu Sorghum, \$2.0772/bu Barley, \$1.9973/bu</p> <p>Oats, \$1.4980/bu Cotton, \$0.5493/lb Rice, \$6.4914/cwt Soybeans, \$5.1931/bu Minor Oilseeds, \$0.0949/lb <i>[Section 171]</i></p> <p>Same as House bill <i>[Section 169]</i></p>
B. OTHER COMMODITIES		
a. Dry Peas, Lentils and Chickpeas		
<p>1. Marketing Loans and LDPs</p> <p>No support is authorized for dry peas, lentils, large chickpeas, small chickpeas.</p>	<p>Same as current law.</p>	<p>Marketing loans and LDPs are available on all production at the following rates: Dry Peas, \$6.78/cwt Lentils, \$12.79/cwt Large Chickpeas, \$17.44/cwt</p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
		<p>Small Chickpeas, \$8.10/cwt</p> <p>The term of each loan is 9 months, beginning the first day of the month after the loan is obtained. <i>[Section 171 as it amends Section 111]</i></p>
b. Grazed Wheat, Barley, and Oats		
<p>1. Payments in Lieu of LDPs</p> <p>P.L. 104-127 made no provision for LDPs on grazed wheat, barley and oat acreage. P.L. 106-224, Section 205, provided for LDPs on grazed acres only for 2001 crops.</p>	<p>Wheat, barley, and oats that are grazed and not harvested, but would be eligible for LDPs if harvested, will receive LDPs under similar rules to those that apply to harvested crops. Federal crop insurance is not allowed on grazed land agreements. <i>[Section 126]</i></p>	<p>Similar to House bill, but includes grain sorghum along with wheat, barley and oats as eligible crops. <i>[Section 127]</i></p>
c. High Moisture Corn and Sorghum		
<p>1. Recourse Loans</p> <p>Recourse loans are available on high moisture corn and grain sorghum. Loan rates are determined by the USDA. Only producers with PFC contracts are eligible. <i>[Section 137(a)]</i></p>	<p>For farms that normally harvest corn or sorghum in a high moisture condition, recourse loans are available at rates set by the USDA. Farms need not have signed “agreements.” <i>[Section 129(a)]</i></p>	<p>No provision is made to support high moisture corn or sorghum.</p>

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d. ELS and Seed Cotton		
1. Recourse Loans Recourse loans are available on upland seed cotton for farms with PFC contracts, and on any farm producing ELS seed cotton. <i>[Section 137(b)]</i>	Recourse loans are available for all upland and ELS seed cotton, at rates set by the USDA. Farms need not have signed “agreements.” <i>[Section 129(b)]</i>	No provision is made to support seed cotton.
2. Marketing Assistance Loans Marketing assistance loans for ELS Cotton are to be not less than 85% of the moving 5-year Olympic average of prices received by producers, or more than \$0.7965/lb. <i>[Section 132]</i>	Same as current law. <i>[Section 122]</i>	Marketing assistance loans for ELS Cotton are equal to \$0.7965/lb. <i>[Section 171]</i>
e. Hard White Wheat Incentive Payments		
1. Incentive Payments No special support provision is added for hard white wheat. However, hard white wheat, like all other wheat, does qualify for contract payments and marketing loan program benefits.	Same as current law, no added support provision is made for hard white wheat.	For crop year 2003 through 2005, an additional \$40 million is to be paid to producers to ensure that hard white wheat on not more than 2 million acres meets minimum quality standards. <i>[Section 164]</i>
f. Cotton Competitiveness Provisions for Processors and Exporters		
1. Marketing Certificates Marketing certificates or cash payments are made to domestic users and exporters of upland cotton whenever the 4-week	Some changes from current law. Marketing certificates or cash payments are made to domestic users and exporters of	Same as current law. <i>[Section 121(b)]</i>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>price of U.S. cotton gets too high compared to world cotton price (i.e., 1.25¢/lb higher), or is not high enough compared to the U.S. cotton loan rate (i.e., less than 130% higher). <i>[Section 136(a)]</i></p> <p>2. Import Quotas</p> <p>A special import quota is imposed on upland cotton when U.S. prices exceed world prices by 1.25¢ for 10 weeks. <i>[Section 136(b)]</i></p> <p>A limited global import quota is imposed on upland cotton when U.S. prices average 130% of the previous 3-year average of U.S. prices. <i>[Section 136(c)]</i></p>	<p>upland cotton whenever the 4-week price of U.S. cotton gets too high compared to world cotton (i.e., 1.25¢/lb higher), or is not high enough compared to the U.S. cotton loan rate (i.e., <i>less than 134% higher</i>). <i>[Section 127(a)]</i></p> <p>A special import quota is imposed on upland cotton when U.S. prices exceed world prices by 1.25¢ for 4 weeks. <i>[Section 127(b)]</i></p> <p>Same as current law. <i>[Section 127(b)]</i></p>	<p>Same as current law. <i>[Section 121(b)]</i></p> <p>Same as current law. <i>[Section 121(b)]</i></p>
g. Sugar		
<p>1. Price Support Loans</p> <p>Raw cane sugar and refined beet sugar is supported with nonrecourse loans at 18¢ and 22.9¢/lb respectively. <i>[Section 156(a) and (b)]</i> The loan rates may be reduced if negotiated reductions in support are achieved for other sugar countries. <i>[Section 156(c)]</i> A recourse</p>	<p>Retains same nonrecourse loan rates as current law, 18¢/lb. raw cane, and 22.9¢/lb. refined beet by preserving Section 156(a) & (b) of the FAIR Act. <i>[Section 151(a)]</i></p> <p>In-process sugar is newly eligible for loan at 80% of full loan rates. <i>[Section 151(e)]</i></p> <p>Loan rates may be reduced if competing</p>	<p>Same loan rates as current law.</p> <p>Same in-process sugar loans as House bill. <i>[Section 141(e)]</i></p> <p>Same authority to reduce loan rates as House bill. <i>[Section 141(a)]</i></p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>loan program when the tariff rate quota on imports is less than 1.5 million short tons was eliminated by P.L. 106-387, Section 836.</p> <p>2. No Net Cost Mandate</p> <p>No provision mandating no net cost.</p> <p>3. Loan Forfeiture Penalty</p> <p>A forfeiture penalty of 1¢ per pound on raw cane sugar (an equivalent amount for beet sugar) is assessed on loan forfeitures. This effectively reduces the level of support. <i>[Section 156(g)]</i></p> <p>4. Import Quotas</p> <p>A global import quota of not less than 1.256 million short tons is set each year by USDA under authority of the Harmonized Tariff Schedule of the United States. The quota is allocated among countries by U.S. Trade Representative. [HTSUS, chapter 17, additional U.S. note5. USTR announces a separate allocation for additional sugar entering from Mexico as agreed in the sugar side letter to NAFTA.]</p>	<p>nations sufficiently reduce support. <i>[Section 151(c)]</i></p> <p>Loan programs to be operated at no net cost by avoiding forfeitures. <i>[Section 151(f)]</i></p> <p>Forfeiture penalty is retained by preserving Section 156(g) of the FAIR Act.</p> <p>No change from current law.</p>	<p>Same no cost policy as House bill. <i>[Section 141(f)]</i></p> <p>The loan forfeiture penalty is eliminated. <i>[Section 141(d)]</i></p> <p>Same as House bill, except authorizes the USTR in consultation with the USDA to reallocate any shortfall of sugar not shipped against a country's share of its sugar import quota to other quota-holding countries <i>[Section 144]</i></p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>5. Marketing Allotments</p> <p>The authority to impose mandatory marketing allotments on domestic sugar production is suspended. <i>[Section 171(a)(1)(E)]</i></p> <p>6. In-Kind Payments No provision.</p> <p>7. Marketing Assessment</p> <p>Processors must pay an assessment on all marketings of sugar to CCC equal to a specified percentage of the loan rate. <i>[Section 156(f)]</i> P.L. 106-78, Section 803(b), suspended the assessment for FY2000 and FY2001. P.L. 107-76, Section 749, delays remittance of 2002 assessments until September 2, 2002.</p> <p>8. Interest Rate on Loans</p> <p>The interest rate on loans is 1% above the CCC cost of borrowing money. <i>[Section 163]</i></p>	<p>Sugar marketing allotments are restored and are to be shared between beet sugar and raw cane at 54.35% and 45.65%. Allotments are suspended when imports exceed 1.532 million short tons. <i>[Section 152]</i></p> <p>CCC is authorized to make in-kind commodity payments from stored inventories to processors in exchange for reduced sugar production. <i>[Section 151(f)]</i></p> <p>The assessment on all sugar marketings is eliminated. <i>[Section 151(b)]</i></p> <p>Interest rate on loans is equal to CCC cost of funds. This is 1% less than the interest rate for other commodities. <i>[Section 151(h)]</i></p>	<p>Similar to House bill, but provision is made for new cane processor entrants (including mainland states not previously producing cane). <i>[Section 143]</i></p> <p>Same authority to make in-kind payments for reduced production as House bill. <i>[Section 141(f)]</i></p> <p>Same as House bill. <i>[Section 141(c)]</i></p> <p>Same interest rate on loans as House bill. <i>[Section 141(j)]</i></p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
9. Storage Facility Loans No provisions for storage facility loans.	Storage facility construction and improvement loans are to be made available to processors. <i>[Section 153]</i>	Same as House bill. <i>[Section 142]</i>
h. Peanuts		
1. Poundage Quotas and Nonrecourse Loans National poundage quota is set to reflect the projected domestic demand for edible peanuts. <i>[Section 155]</i> 2. Non-recourse Marketing Assistance Loans The price of peanuts sold for domestic edible consumption (quota peanuts) is supported through nonrecourse loans at \$610/ton (30.5¢/lb). The price of additional peanuts (nonquota peanuts, those exported or crushed for oil and meal) is supported at a competitive level (set by USDA at \$132/ton, 6.6¢/lb, in 2001). <i>[Section 155]</i> 3. Fixed Payments, Counter-Cyclical Payments No provisions for fixed payments or for counter-cyclical payments for peanuts.	Peanut quotas are terminated and farmers are compensated \$1,000/ton (50¢/lb) (\$200/ton/year for 5 years). <i>[Section 170]</i> Nonrecourse loans are replaced by marketing assistance loans. Marketing assistance loans set at \$350/ton (17.5¢/lb) available for all peanut production without distinction of end use. <i>[Section 167]</i> Support for peanuts designed like that for grains, cotton, and oilseeds. Rules	Similar to House bill, except quota compensation is \$1,100 (55¢/lb) (\$220/ton/year for 5 years). <i>[Section 152]</i> Marketing assistance loan rate set at \$400/ton (20¢/lb) available for all peanut production without distinction of end use. <i>[Section 151]</i> Similar to House bill. <i>[Section 151]</i>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>3. Peanut Payment Limits</p> <p>Payment limits are not applicable to peanuts under current law.</p>	<p>regarding eligibility, sign-up, conservation and wetlands compliance, planting flexibility, base acres, payment yields, etc., are similar to those that apply to grains, cotton, and oilseeds.</p> <p>The assignment of each farm's acres and yield to cropland selected by the producer is done on a one-time basis. <i>[Section 162(b)]</i></p> <p>Fixed, decoupled annual payments at the rate of \$36/ton (1.8¢/lb) are made on 85% of each farm's history of peanut production. <i>[Section 163]</i></p> <p>Counter-cyclical deficiency payments against a \$480/ton (24¢/lb) target price are made on 85% of each farm's history of peanut production. <i>[Section 164]</i></p> <p>Payments limits for peanuts are treated separately from those set for other commodities. Fixed, decoupled payments for peanuts are subject to a limit of \$50,000 per person, per year. The limit on counter-cyclical target price deficiency payments is \$75,000, and the limit on marketing loan benefits is \$150,000. <i>[Sections 169 and 183]</i></p>	<p>Similar to House bill. <i>[Section 151]</i></p> <p>Fixed, decoupled contract payments at the same rate as the House bill. <i>[Section 151]</i></p> <p>Counter-cyclical deficiency payments against a \$520/ton (26¢/lb) target price are made on 85% of each farm's history of peanut production. <i>[Section 151]</i></p> <p>Payments received for support of peanuts are subject to the same limits as other crops, and are included in the payment totals set for other crops, rather than treated separately as in the House bill. For all crops, the combination of fixed, decoupled payments and counter-cyclical payments is limited to \$75,000 per individual, per year. Marketing loan benefits are limited to \$150,000. Raised limit by and additional \$50,000 for a qualifying married couple. <i>[Section 169]</i></p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
i. Wool and Mohair		
<p>1. Marketing Loans and LDPs</p> <p>Wool and mohair support was phased out and ended in 1996 by P.L. 103-130, Section 1, which repealed the National Wool Act of 1954. However, support was authorized in several subsequent years. P.L. 106-78 Section 801(h), authorized recourse loans on 1999 crop mohair. P.L. 106-224, Section 204(d), mandated payments on 1999 crop wool of \$0.20, and on mohair of \$0.40/lb. P.L. 106-387, Section 814, authorized payments of \$0.20/lb for wool and \$0.40 mohair for crop year 2000, up to \$20 million. Again for crop year 2001, P.L. 107-25, Section 5, authorized \$16.9 million in direct payments for wool and mohair at rates determined by USDA.[Section 132 of the FAIR Act of 1996]</p>	<p>Marketing loans and LDPs are available to all producers at the following rates:</p> <p>Graded Wool, \$1.00/lb Nongraded Wool, 40¢/lb Mohair, \$4.20/lb</p> <p><i>[Section 130]</i></p>	<p>Similar to House bill, except no support for mohair.</p> <p>Marketing loans and LDPs are available to all producers at the following rates: Graded Wool, \$1.00/lb Nongraded Wool and Unshorn Pelts, 40¢/lb Mohair, (see note below) <i>[Sections 123 and 171]</i></p> <p>[Note: Section 123 of the Senate-passed bill does not include mohair among the list of loan rates for marketing assistance. However, section 171 of the same bill includes a loan rate of \$2.00 for mohair. This section amended the loan rates set under section 123, and was added to fund improvements in nutrition assistance. The originally introduced version of S. 1731 contained a mohair loan rate, but it was dropped in the Daschle substitute and a conforming change reflecting this was not contained in section 171.]</p>
j Honey		
<p>1. Marketing Assistance Loans and LDPs</p> <p>Honey support is repealed. <i>[Section 171]</i></p> <p>Note: This action followed several years</p>	<p>Marketing loans and LDPs at \$0.60/lb. The term of a loan is <i>12 months</i>, beginning the first day of the month after the loan is</p>	<p>Marketing loans and LDPs at \$0.60/lb. The term of the loan is <i>9 months</i>, beginning the first day of the month after the loan is</p>

COMMODITY PROGRAMS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>of agriculture appropriations bill language preventing USDA from carrying out the mandatory honey marketing loan program.</p> <p>Recourse loans were authorized for the 1998, 1999, and 2000 crops by respectively P.L. 105-227, Section 1122; P.L. 106-78, Section 801; and P.L. 106-224, Section 204. P.L. 106-387, Section 812, made marketing assistance loans and LDPs available on 2000 crop honey at \$0.65/lb and outstanding recourse loans were converted to nonrecourse marketing loans.</p>	<p>obtained. <i>[Section 131]</i></p>	<p>obtained.<i>[Section 171]</i></p>
k. Dairy		
<p>1. Dairy Price Support Program (DPSP)</p> <p>The 1996 farm bill (P.L. 104-127), as amended, reauthorizes the DPSP at the current level of support (\$9.90 per hundredweight (cwt.) of milk). <i>[Section 141]</i></p> <p>The DPSP indirectly supports the farm price of milk through USDA purchases of surplus cheese, butter and nonfat dry milk (powder). The law allows the Secretary of Agriculture to adjust government purchase prices of butter and powder twice annually in order to minimize government expenditures. The FY2002 agriculture appropriations act (P.L. 107-</p>	<p>Extends the DPSP through December 31, 2011 at the current level of support (\$9.90 per cwt.). The Secretary would be <i>permitted</i> to adjust purchase prices of butter and nonfat dry milk twice annually to minimize government expenditures on the program. <i>[Section 141]</i></p>	<p>Extends the DPSP through December 31, 2006 at the current level of support (\$9.90 per cwt.). The Secretary would be <i>required</i> to adjust purchase prices of butter and nonfat dry milk twice annually to minimize government expenditures on the program. <i>[Section 131]</i></p>

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76) extended the DPSP through May 31, 2002 [Section 772(a)]		
<p>2. The Northeast Dairy Compact and Counter-Cyclical Payments for Dairy Farmers</p> <p>The 1996 farm bill (P.L. 104-127) gave contingent authority for the six New England states to create an interstate dairy compact. [Section 147] The compact required fluid milk processors in New England to pay a minimum price for farm milk used for fluid consumption that is higher than the minimum price established under federal regulation. Compact was established in 1997 at a minimum price of \$16.94 per hundredweight (cwt.). Legislative authority expired on September 30, 2001.</p> <p>Separately, emergency authority included in the agriculture appropriations acts of FY1999 (P.L. 105-277), FY2000 (P.L. 106-78) and FY2001 (P.L. 106-387) provided <i>ad-hoc</i> direct government payments to all dairy farmers in response to volatile farm milk prices.</p>	No provisions.	<p>Replaces the Northeast Dairy Compact with a new counter-cyclical payment program for dairy farmers through September 30, 2005. Whenever the minimum price for fluid farm milk falls below a target price of \$16.94 per hundredweight (cwt.) in 12 Northeast states (ME, NH, VT, CT, RI, MA, NY, NJ, PA, MD, DE, WV), farmers in these states receive a direct government payment to compensate for 45% of the difference between the target price and the monthly minimum market price for fluid farm milk. Farmers in all other states receive a federal payment when the average market price for farm milk in any quarter falls short of a 5-year average market price for that quarter. Each producer receives a payment equal to 40% of the market price shortfall from the 5-year average. Total funding over the life of the program is \$500 million for the Northeast states, and \$1.5 billion for all other states. Payments can be received by a farmer on up to 8 million lbs. of annual milk production. [Section 132]</p>
<p>3. Recourse Loan Program</p> <p>P.L. 104-127 permanently authorized a new recourse loan program to help dairy</p>	Repeals authority for a recourse loan program. [Section 142]	No provision.

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<p>processors balance their inventories, to be implemented once the dairy price support program (DPSP) expires. <i>[Section 142]</i></p> <p>P.L. 104-127 originally required the elimination of the DPSP on January 1, 2000. However, subsequent legislation extended price support authority. Recourse loan program was never implemented, and its authority was repealed by P.L. 107-76.</p>	<p>(Subsequent to House passage of H.R. 2646, P.L. 107-76 was enacted which repealed authority for the recourse loan program. <i>[Section 772(b)]</i>)</p>	
<p>4. Dairy Export Incentive Program</p> <p>The 1985 farm bill (P.L. 99-198) first authorized the dairy export incentive program, which helps U.S. exporters counter subsidized sales by foreign competitors through cash or commodity bonuses. <i>[Section 153]</i></p> <p>Program has been reauthorized periodically in subsequent farm bills. Most recently, the 1996 farm bill (P.L. 104-127) reauthorized the program through 2002. <i>[Section 148]</i></p>	<p>Extends program authority through 2011. <i>[Section 143(a)]</i></p>	<p>Extends program authority through 2006. <i>[Section 133(a)]</i></p>
<p>5. Dairy Indemnity Program</p> <p>Authorized in 1964, the dairy indemnity program indemnifies dairy farmers and processors who, through no fault of their own, suffer income losses due to contamination of milk or dairy products caused by pesticides and certain other</p>	<p>Reauthorizes the program through September 30, 2011. <i>[Section 143(b)]</i></p>	<p>Reauthorizes the program through September 30, 2006. <i>[Section 133(b)]</i></p>

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toxic substances. Legislative authority expired September 30, 1995. However, annual appropriations have been made subsequent to program expiration.		
6. Fluid Milk Processor Promotion Program The Fluid Milk Promotion Act of 1990 (contained within the 1990 farm bill (P.L. 101-624)), as amended, authorized a research and promotion program for fluid milk products. <i>[Sections 1999A-1999R]</i> The program is funded through an assessment on fluid milk processors who handle more than 500,000 lbs. of fluid milk products each month. The 1996 farm bill (P.L. 101-624) extended program authority through December 31, 2002. <i>[Section 146]</i>	1) Gives permanent authority to the fluid milk promotion program; 2) strikes the statutory definition of a fluid milk product and use the definition promulgated in USDA regulations; and 3) changes the definition of a fluid milk processor for the purpose of the required assessment, to exclude any fluid processor that handles less than 3 million pounds of fluid milk products each month. <i>[Section 144]</i>	Same as House bill, except that fluid milk delivered directly to consumer residences does not count toward the 3 million pound minimum requirement for the processor assessment. <i>[Section 134]</i>
7. Dairy Promotion and Research Program The Dairy Producer Stabilization Act of 1983 authorized a national dairy producer program for generic dairy product promotion, research, and nutrition education. The program is funded through a mandatory 15-cent per hundredweight assessment on all milk produced and marketed in the contiguous 48 states. Dairy farmers administer the	Extends the 15-cent assessment to imported dairy products. The 15-cent assessment is to be paid to U.S. Customs by the importer on the equivalent of milk that went into the manufacturing of the imported product. Dairy importers are allowed up to 2 seats on the national Dairy Board. None of the importer-collected funds can be used for foreign market promotion. <i>[Section 146]</i>	Same as the House bill. <i>[Section 136]</i>

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program through the National Dairy Promotion and Research Board.		
8. Dairy Product Mandatory Reporting The Dairy Market Enhancement Act of 2000 (P.L. 106-532) established a mandatory reporting system for dairy product inventories and prices. It requires USDA's National Agricultural Statistics Service to regularly collect data on the prices and inventories of cheese, butter and nonfat dry milk sold by dairy manufacturers.	Makes a technical correction to the 2000 act to include "substantially identical products designated by the Secretary (of Agriculture)" as part of the mandatory reporting system. <i>[Section 145]</i>	Similar to the House bill. <i>[Section 135]</i>
9. Dairy Studies No provision in current law.	Requires the Secretary of Agriculture to submit to Congress a comprehensive economic evaluation of national dairy policies (i.e., the price support program, federal milk marketing order, over-order premiums and state pricing programs, dairy compacts and export programs) and their effect on the farm and rural economy, domestic food and nutrition programs, and consumer costs. <i>[Section 147]</i>	Requires the Secretary of Agriculture to conduct studies to be reported to the House and Senate Agriculture Committees on: 1) the market effects of terminating all federal dairy programs relating to price support and supply management; and 2) the effects of changing the standard of identity for fluid milk so that the required minimum protein content of fluid milk is commensurate with the average nonfat solids contents of farm milk directly from the cow. <i>[Section 137]</i> [Note: California has a standard of identity for fluid milk that requires a nonfat solids content higher than the national requirement and higher than the average content of raw milk from the cow.]

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l. Tobacco		
1. Flue-cured Quota No provisions.	Same as current law.	Reduces the reserve stock level for flue-cured in the quota determination formula from the greater of 100,000 pounds or 10% of the national marketing quota, to the greater of 75,000 pounds or 10%. <i>[Section 162]</i>
2. Flue-cured Farm Reconstitutions No provisions	Same as current law.	Allows, for the 2002 crop only, for special farm reconstitutions that otherwise would violate the prohibition on flue-cured lease and transfer of quota. Requires a study of the prohibition of flue-cured quota lease and transfer. <i>[Section 163]</i>
m. Specialty Crops		
1. Mandatory CCC Purchases No provisions of P.L. 104-127 specifically authorize or mandate support for specialty crops. Subsequently, emergency <i>ad hoc</i> assistance was mandated for specialty crops. P.L. 106-224, Section 203(d), mandated the CCC spend \$200 million for purchases fruits and vegetables with low prices in 1998 and 1999, including apples, black-eyed peas, cherries, citrus, caneberries, onions, melons, peaches, and potatoes. P.L. 106-387, Section 811 and Section 816 mandated respectively \$100 million in	No Provision	Mandated specialty crop purchases using CCC funds: \$100 million in each of FY2002 and FY2003, \$120 million in FY2004, \$140 million in FY2005, and \$170 million in FY2006. Mandated purchases of unspecified commodities, at \$30 million each year. <i>[Section 163]</i>

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payments to apple growers and \$20 million to cranberry growers to compensate for low prices. P.L. 107-25, Section 7(b), mandated the CCC to distribute \$133.4 million to states for support of specialty crops.		
C. PAYMENT LIMITS (Fixed, marketing loan, countercyclical)		
<p>1. Fixed Payments, and Counter-Cyclical Payments</p> <p>a. Fixed contract payments are subject to a \$40,000 per person, per year limit for grains, cotton, and rice. <i>[Section 115]</i> (Note: Peanuts and oilseeds not eligible for contract payments, so no payment limit for these commodity growers)</p> <p>b. No countercyclical payments in current law.</p> <p>2. Marketing Loan Benefits</p> <p>Marketing loan benefits (marketing loan gains and LDPs) for all crops combined are subject to a \$75,000 per person, per year limit. <i>[Section 115]</i> The limit was raised to \$150,000 for crop years 1999, 2000, and 2001 by respectively P.L. 106-78, sec. 813; P.L. 106-387, sec. 837; and</p>	<p>a. Combined fixed, decoupled payments for grains, cotton, and oilseeds are limited to \$50,000 per year per person. <i>[Section 109]</i> Separate payment limit for peanuts set at \$50,000. <i>[Section 169]</i></p> <p>b. Counter-cyclical payments for grains, cotton, rice and oilseeds are subject to a \$75,000 per person, per year limit. <i>[Section 109]</i> Separately, counter-cyclical payments for peanuts are limited to \$75,000 per person per year. <i>[Section 169]</i></p> <p>Marketing loan benefits for grains, cotton, and oilseeds combined are subject to a \$150,000 per person, per year limit. <i>[Section 183]</i> Separately, marketing loan benefits for peanuts are limited to \$150,000. <i>[Section 169]</i> Separately, marketing loan benefits for wool and mohair are limited to</p>	<p>a. Fixed, decoupled commodity payments combined with counter-cyclical target price deficiency payments for grains, cotton, rice oilseeds, <i>and peanuts</i> are subject to a \$75,000 per person, per year limit. <i>[Section 169]</i></p> <p>b. See above - for both fixed and countercyclical payments there is a combined limit of \$75,000 per person per year for payments made to producers of all eligible crops. No separate limit for peanuts. <i>[Section 169]</i></p> <p>Sets a payment limit of \$150,000 per person per year for marketing loan benefits paid for all commodities (grains, cotton, rice oilseeds, peanuts, dry peas, lentils, and chickpeas, wool, and honey). Included in this limit are marketing loan gains, LDPs, loan forfeiture gains, and commodity certificate gains.</p>

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<p>P.L. 107-25, sec. 10). Exempt from payment limits are marketing certificates sold to farmers at the posted county price and used to pay off marketing assistance loans (authorized by P.L. 106-78, sec. 812).</p> <p>3. Spouse Benefit and 3 Entity Rule</p> <p>No change is made to existing policy that allows a spouse to be considered a separate person or allows one person to receive payments from 2 additional farms. Either allowance doubles the limit on payments.</p> <p>4. Adjusted Gross Income Limit</p> <p>No provision.</p> <p>5. Payment Limitation Commission</p> <p>No provision.</p>	<p>\$150,000. <i>[Section 130(f)]</i> Separately, marketing loan benefits for honey are limited to \$150,000. <i>[Section 131(f)]</i></p> <p>Same as current law.</p> <p>No provision</p> <p>Same as current law.</p>	<p><i>[Section 169]</i></p> <p>A spouse allowance of an additional \$50,000 is created. The 3-entity rule is replaced by applying the limits to payments from all sources (the so-called direct attribution rule.) <i>[Section NA]</i></p> <p>A person with adjusted gross income in excess of \$2.5 million is ineligible for payments. <i>[Section NA]</i></p> <p>Creates a 1-year Commission on the Application of Payment Limitations for Agriculture to analyze and make recommendations on payment limits. <i>[Section NA]</i></p>
D. COUNTER-CYCLICAL FARM SAVINGS ACCOUNTS		
No provision.	Same as current law.	Farm counter-cyclical savings accounts are authorized as a pilot program in 3 states. Farms with adjusted gross revenue from

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		commodities of at least \$50,000 would be able to contribute an unlimited amount into a savings account with limited matching federal contributions (up to \$5,000 per fiscal year). Withdrawals are permitted when adjusted gross revenue is less than 90% of the previous 5-year average. <i>[Section 114]</i> (Note: Lugar Amendment 2859)
E. WTO LIMITS ON ALLOWABLE DOMESTIC SUPPORT		
There is no upper limit in the law for spending on commodity support programs.	If USDA determines that total spending for commodity support will exceed the limits accepted by the United States in the Uruguay Round Agreements, adjustments may be made to reduce spending to the limits but not below the allowable limits. <i>[Section 181(e)]</i>	If USDA notifies Congress that support program spending will exceed the allowed limits and that adjustments will be made, all spending on the designated programs will be suspended after 18 months unless Congress disallows the adjustments. <i>[Section 164]</i>

II. CONSERVATION

CONSERVATION CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
A. Environmental Conservation Acreage Program (ECARP)		
Title VII of Food Security Act (FSA) of 1985 as amended by Title III of the Federal Agriculture Improvement and Reform (FAIR) Act of 1996.	Title II, Farm Security Act of 2001.	Title II of the Agriculture, Conservation, and Rural Enhancement Act of 2001.
<p>1. Purpose and Programs. Authorizes program through long term contacts and acquisition of easements, to be implemented through the Conservation Reserve Program (CRP), Wetlands Reserve Program (WRP), and Environmental Quality Incentive Program (EQIP). [<i>Section 1230(a) of the 1985 FSA as amended by Section 331 of the 1996 FAIR</i>]</p> <p>Good Faith protection provisions added as Section 755 of the FY2001 Agriculture Appropriations. [<i>Section 1230A of 1985 FSA, as amended by Section 331 of 1996 FAIR</i>]</p> <p>[Note: ECARP is an umbrella under which the CRP, WRP, and EQIP are placed.]</p>	No provisions.	<p>Renames ECARP the Comprehensive Conservation Enhancement Program (CCEP) and places new name throughout Section 1230. [<i>Section 207(a)</i>]</p> <p>Amends Section 1230(a) to reflect changed placement of conservation programs in 1985 FSA. [<i>Section 211(a)</i>]</p> <p>Repeals Section 1230A. [<i>Section 207(c)</i>]</p> <p>[Note: Section 1230A is replaced with new good faith provisions, discussed below in H (13) (a).]</p>
2. Priority Areas. Permits the Section to designate watershed, multistate areas, or areas of special environmental sensitivity for enhanced conservation	Repeals section 1230(c). [<i>Section 201(2)</i>]	Adds a new subsection giving priority to areas where projects could be completed most rapidly. [<i>Section 211(b)</i>]

CONSERVATION CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
assistance through the CRP, WRP, and EQIP. <i>[Section 1230(c) of the 1985 FSA as amended by Section 331 of the 1996 FAIR]</i>		
B. Conservation Reserve Program (CRP)		
1. Period of Authorization and Purposes. Authorizes program through FY2002, and states the purposes are to conserve and improve soil and water resources. <i>[Section 1231 (a) of the 1985 FSA as amended by Section 322(a)(1) of the 1996 FAIR]</i>	Reauthorizes CRP through FY2011. <i>[Section 211(a)]</i> Adds wildlife resources to the purposes of the program. <i>[Section 211(b)]</i>	Reauthorizes CRP through FY2006 <i>[Section 212(a)]</i>
2. Eligibility. Makes certain highly erodible land, marginal pastureland, and other cropland eligible. <i>[Section 1231(b) of the 1985 FSA]</i>	Repeals the limit on enrolling marginal pastureland to less than 10% of the total enrolled acres, expands the definition of other eligible cropland to include threats to soil and air quality, and makes eligible land in production for at least 4 years that would contribute to conservation of ground and surface water. <i>[Section 212(a)]</i> Adds a new Section 1231(i) that requires balance between soil erosion, water quality, and wildlife habitat when reviewing bids, with implementing regulations to be issued within 180 days of enactment. <i>[Section 212(d)]</i>	Makes eligible land that has a cropping history for 3 of the 6 years preceding enactment (and land enrolled in the CRP on that date), and adds a new subsection that makes land enrolled under the continuous signup and the buffer initiative eligible for the regular program. <i>[Section 212(b)]</i>
3. Enrollment Ceiling Authorizes enrollment ceiling at 36.4 million acres. <i>[Section 1231(d) of the 1985 FSA as amended by Section 332(b) of the 1996 FAIR.]</i>	Raises ceiling to 39.2 million acres. <i>[Section 212(b)]</i>	Raises ceiling to 41.1 million acres. <i>[Section 212(c)]</i> [Note: Section 215(a), in the water conservation provisions, lowers the CRP

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		enrollment ceiling to 40.0 million acres, and Section 215(b) than allows an additional 500,000 acres to be enrolled in the state Conservation Reserve Enhancement Program, bringing total enrollment to 40.5 million acres.]
4. Duration of Contract. Allows CRP contracts for some land devoted to hardwood trees, shelter belts, wind breaks, or wildlife corridors to be longer than the 10 to 15 years allowed for other contracts. [<i>Section 1231(e)(2) of the 1985 FSA</i>]	No provisions.	Amends Section 1231(e)(2) to allow the Secretary to extend contracts on hardwood forests for up to 15 years and limits annual payments to 50% of the original contract amount, and allow new contracts of 10 to 30 years. [<i>Section 212(d)</i>]
5. Conservation Priority Areas. Requires the Section to establish, at the request of a state, priority watersheds in specified and other areas where enrollment would “maximize water quality and habitat benefits.” [<i>Section 1231(f) of the 1985 FSA</i>]	Allows land enrolled under this subchapter to be eligible to reenroll in the CRP. [<i>Section 212(c)</i>]	Gives priority to areas where designation would lead to the most rapid completion of projects. [<i>Section 212(b)</i>]
6. Enrollment Subcategories. Authorizes a 500,000 acre pilot program, with enrollment limited to 150,000 acres in any state for small wetlands(less than 5 acres) and buffers in 6 specified upper Midwestern states. [<i>A new Section 1231(h), enacted in Title XI of the FY2001 Agriculture Appropriations (P.L. 106-387)</i>]	Expands the pilot program to all states and limits enrollment in any state to 150,000 acres. [<i>Section 215</i>]	Deletes “pilot”, reauthorizes the program through FY2006, and increases the maximum size of eligible sites from 5 acres to 10 acres (but only up to 5 acres are eligible for payments). [<i>Section 212(e)</i>]
7. Duties of Owners and Operators. Sets limits on commercial uses of lands in	Allows certain economic uses of enrolled lands if consistent with soil, water, and	Adds a new subsection that allows irrigated land to be enrolled through the buffer

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<p>the CRP, but allows the Section to permit harvesting or grazing under very limited circumstances. [<i>Section 1232(a)(7)</i>] Sets a goal of planting 1/8 of the land enrolled each year to trees or habitat. [<i>Section 1232(c)</i>] Allows alley-cropping. [<i>Section 1232(d)</i>] [<i>Section 1232(a) (7) of the 1985 FAIR as amended by the 1990 FACTA, Section 1232(c) of the 1985 FSA, and Section 1232(d) of the 1985 FSA, respectively</i>]</p>	<p>wildlife conservation. These uses include managed grazing and haying (with reduced payments), siting of wind turbines, and harvesting biomass to produce energy (with reduced payments). Deletes subsections (c) and (d). [<i>Section 213</i>]</p>	<p>initiative or the CREP at the irrigated land rate. [<i>Section 212(f)</i>] Allows participants to plant native prairie grasses on enrolled marginal pastureland, to permit harvesting or grazing for maintenance purposes on lands enrolled through the buffer initiative or the CREP, and adds a new subsection that makes crop production on other highly erodible land a violation of a CRP contract unless it has a cropping history or was a building site when it was purchased. [<i>Section 212(g)</i>] Adds a new subsection that permits wind turbines on CRP land (except land enrolled in the continuous enrollment), with payments reduced based on the diminished value for CRP. [<i>Section 212(h)</i>]</p>
<p>8. Payments. Lays out the terms and conditions for CRP payments. [<i>Section 1234 of the 1985 FSA as amended by Section 1434(a) of the 1990 FACTA</i>] Payments for easements limited to \$50,000 per year. [<i>Section 1239C(f)</i>]</p>	<p>No provisions.</p>	<p>Adds a new subsection to provide enrollment and cost sharing payments to producers who enroll land in the buffer initiative or through a CREP. [<i>Section 212(i)</i>] Exempts payments for land enrolled in the buffer initiative or through a CREP from the payment limit for easements. [<i>Section 212(j)</i>]</p>
<p>9. County Enrollment Limits. Limits enrollment in the CRP and WRP to 25% of county cropland, and limits easements to 10%; limits may be exceeded if it would not adversely affect the local economy or if operators are having</p>	<p>Repeals the provision allowing the Secretary to exceed the county enrollment limit if operators are having difficulty meeting compliance requirements. [<i>Section 244(a)</i>]</p>	<p>Exempts land enrolled under the continuous signup from county enrollment limit. [<i>Section 212(k)</i>]</p>

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difficulty meeting compliance requirements. [<i>Section 1243(b) of the 1985 FSA as amended by Section 341 of the 1996 FAIR.</i>]		
10. Funding and Administration. Provides mandatory funding through the CCC. [<i>Section 1241(a) of the 1985 FSA as amended by Section 341 of the 1996 FACT</i>]	Reauthorizes mandatory funding through FY2011. [<i>Section 241</i>]	Reauthorizes funding from the CCC through FY2006, and includes funding for technical assistance in support this program. [<i>Section 211(c)</i>]
11. Study of Economic Effects. No provisions.	No provisions.	Requires the Secretary to report to the House and Senate Agriculture Committees on the economic and social effects of the CRP on rural communities within 270 days of enactment. Specifies 3 components of the analysis. [<i>Section 212(l)</i>]
C. Wetlands Reserve Program (WRP)		
1. Enrollment. The 1990 FACTA adds a new Section 1237 to the 1985 FSA establishing the WRP and capping enrollment at 975,000 acres. [<i>Section 1438</i>] Enrollment allowed through calendar year 2002. [<i>Section 333(b)(1) of the 1996 FAIR</i>] Enrollment ceiling increased from 975,000 acres to 1,075,000 acres.) [<i>Section 808 of the FY2001 Agriculture Appropriations (P.L. 106-387)</i>]	Allows enrollment of up to 150,000 acres per calendar year starting in 2002, with any acres up to the annual limit that is not enrolled can be enrolled in succeeding years, through FY2011. [<i>Section 221(a)</i>] Authorizes enrollment through FY2011. [<i>Section 221(c)</i>]	Authorizes WRP enrollment through calendar year 2006. [<i>Section 214(c)</i>] Sets a maximum enrollment ceiling of 2,225,000 acres, and an annual enrollment ceiling of 250,000 acres, of which up to 25,000 acres can be enrolled in the new Wetland Reserve Enhancement Program. [<i>Section 214(b)</i>]
2. Enrollment Options. Requires 1/3 enrollment each using permanent easements, 30 year easements, and long-	Deletes the 1/3 requirement, and the distinction between permanent and temporary easements. [<i>Section 221(b)</i>]	Creates a new Wetland Reserve Enhancement Program that allows agreements with state and local government,

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term agreements. [<i>Section 1237(b) of the 1985 FSA as amended by Section 333(a) of the 1996 FAIR</i>]		and non-governmental organizations to restore wetlands on land in or eligible to be enrolled in the WRP. [<i>Section 214(d)</i>]
3. Easements and Agreements. Describes the general terms of easements and agreements. Prohibits altering habitat, spraying chemicals and mowing, any activity that degrades the land, and any other activity that counters the purpose of the easement, unless permitted in the plan. [<i>Section 1237A of the 1985 FSA as amended by Section 333(d)(1) of the 1996 FAIR</i>]	Replaces the 4 specific prohibitions with a general statement to allow only changes permitted in the plan. Deletes subsection (e), which distinguishes 3 lengths of easements, and subsection (h), which can require wetlands to be restored if there is no easement. [<i>Section 222</i>]	No provisions.
4. Secretarial Duties, including Technical Assistance. Describes how cost sharing and technical assistance will be provided; and how priorities will be set for determining which bids to accept. [<i>Section 1237C of the 1985 FSA</i>]	Deletes subsection (d), which requires the Secretary to give priority to using permanent easements. [<i>Section 223</i>]	Amends Section 1237C(a) to provide funds from the CCC for technical assistance in support of the WRP. [<i>Section 214(a)</i>] Amends Section 1237C(a)(2) to add monitoring and maintenance to the types of technical assistance provided to participants. [<i>Section 214(e)</i>]
5. Changes in Ownership. Limits program entry if ownership changes occurred during the previous year, and specifies terms under which easements can be modified or terminated. [<i>Section 1237E of the 1985 FSA</i>]	Replaces 1990 acquisition date in Section 1237E(a)(2) with provision to make eligible at any time land acquired through foreclosure where the previous owner exercised a right of redemption. [<i>Section 224</i>]	No provisions.
6. Funding. Funding from the CCC is authorized to implement the WRP. [<i>Section 1241(a) of the 1985 FSA</i>]	Reauthorizes mandatory funding through FY2011. [<i>Section 241</i>]	Reauthorizes funding from the CCC through FY2006, and includes funding for technical assistance in support of this program.

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		[Section 211(c)]
D. Environmental Quality Incentives Program (EQIP)		
1. Program Purposes. Identifies 4 programs that EQIP replaces. Specifies that EQIP maximize environmental benefits per dollar spent while meeting 4 purposes. [Section 334 of the 1996 FAIR adds Section 1240 to the 1985 FSA]	Deletes reference to the programs that were replaced; replaces the purpose of responding to environmental threats with the purpose of providing environmental benefits; and expands the benefits to include air quality. [Section 231]	Specifies that EQIP is to promote production and environmental quality while maximizing environmental benefits per dollar spent by assisting producers to meet 6 specified purposes. [Section 213(a)]
2. Definitions. Defines “eligible land”, “land management practice”, “livestock”, “producer”, and “structural practice”. [Section 1240A of the 1985 FSA]	Adds non-industrial private forest land to “eligible land”, and replaces the notion of posing an environmental threat with the notion of providing environmental benefits in that definition; and “producer” is expanded to include non-industrial private forestry. [Section 232]	Adds definitions of “beginning farmer or rancher”, “comprehensive nutrient management”, “innovative technology”, “managed grazing”, “maximum environmental benefits per dollar expended”, “practice”, and “program”. [Section 213(a)]
3. Program Administration. Authorizes EQIP through 2002; eligible practices include structural and land management practices; authorizes contracts of 5 to 10 years; provides cost-share of not more than 75% for structural practices; prohibits cost sharing to large livestock operations to construct animal waste management facilities; provides incentive payments for land management practices; provides funding (not to exceed projected costs) for technical assistance; and lists types of private sources to provide technical assistance. [Section 1240B of the 1985 FSA]	Reauthorizes EQIP through FY2011; authorizes contracts of 1 to 10 years; repeals requirement that structural practices be selected to maximize environmental benefits per dollar spent; deletes limitation on payments to large livestock operations to construct animal waste management facilities; and adds a new provision to make incentive payments at an amount and rate to encourage multiple land management practices, with emphasis on payments for practices that address “residue, nutrient, pest, invasive species, and air quality management.” [Section 233]	Reauthorizes EQIP through FY2006; adds comprehensive nutrient management planning to the list of eligible practices; allows the Secretary to provide conservation education to producers; authorizes contracts of 3 to 10 years; limits producers to 1 contract for structural practices to manage livestock nutrients through FY2006; limits large livestock operators to 1 contract for a waste storage or treatment facility; authorizes application and evaluation procedures for selecting applicants; prohibits bidding down; limits cost sharing payments to 75% (up to 90% for limited resource and beginning farmers, or to address a natural disaster); prohibits

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		duplicate cost sharing payments for the same practice; eliminates (by not including) the limitation on cost-sharing with large confined livestock operations for waste management facilities; permits incentive payments for technical assistance to certified individuals to develop comprehensive nutrient management plans; and specifies circumstances for terminating contracts. [Section 213(a)]
4. Evaluation of Offers. Requires the Secretary to give higher priority to assistance in priority areas, or to watersheds, regions, or conservation priority areas where states or localities are active partners, and maximize environmental benefits per dollar spent. [Section 1240C of the 1985 FSA]	Replaces these provisions with general language about aiding farmers to comply with environmental laws and encourage conservation, maximizing the benefits of using manure and other soil amendments, and encouraging sustainable grazing systems. [Section 234]	Adds higher priority also to be given for special projects initiated by a new partnership program to address environmental issues placed in Section 1243(f), and to innovative technologies for structural or land management practices. [Section 213(a)]
5. Duties of Producers. Lists 5 duties; one is a prohibition against practices that counter the purposes of EQIP. [Section 1240D of the 1985 FSA]	No provisions.	Almost identical to current law, except gives the Section greater latitude in determining the appropriate penalty for violations. [Section 213(a)]
6. Program Plan. Lists the general contents of plans producers are required to submit to the Section to participate. [Section 1240E of the 1985 FSA]	Replaces mention of management and structural practices with providing greater environmental benefits. [Section 235]	Almost identical to current law. [Section 213(a)]
7. Secretarial Duties. Assigns 5 duties to the Sec; one is to provide technical assistance and cost-share or incentive payments for structural and land management practices; another is to	Deletes incentive payments from implementing structural and land management practices. [Section 236]	Almost identical to current law, except that it deletes (by not including) the duty of providing an eligibility assessment. [Section 213(a)]

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prepare an eligibility assessment. [<i>Section 1240F of the 1985 FSA</i>]		
8. Payment Limits and Timing. Limits payments to \$10,000 annually and \$50,000 per contract; specifies the annual limit can be exceeded to maximize the environmental benefits per dollar spent; and delays federal expenditures until the year after the contract has been signed. [<i>Section 1240G of the 1985 FSA</i>]	Limits payments to \$50,000 annually and \$200,000 per contract; deletes language allowing annual limits to be exceeded to provide maximum environmental benefit per dollar spent, and repeals provisions to delay federal expenditures until the year after the contract has been signed. [<i>Section 237</i>]	Limits total payments under all contracts to \$30,000 annually. It is also limited to \$90,000 for a 3 year contract, \$120,000 for a 4 year contract, and \$150,000 for a contract that is 4 years or longer. The Secretary can exceed the \$30,000 payment limit under certain circumstances. [<i>Section 213(a)</i>]
9. Other Provisions. Lays out temporary transition provisions as EQIP replaces 4 repealed programs. [<i>Section 1240H of the 1985 FSA</i>]	Replaces current language in Section 1240H, with provisions that provide \$30 million, in FY2002, \$45 million in FY2003, and \$60 million annually in FY2004-11 from the CCC for cost share payments and low interest loans to encourage ground and surface water conservation. [<i>Section 238</i>]	Replaces current language in Section 1240H with provisions that provide \$100 million annually from EQIP funds, starting in FY2003, for competitive innovative matching grants and specifies examples to include market systems for pollution reduction, promoting carbon sequestration in soil and other Best Management Practices, and protecting drinking water quality; permits funds from other sources; limits funding to 50% of cost; funds unobligated by April 1 each year can be spent on other EQIP purposes. Adds new program as Section 1240I for groundwater conservation in the southern high plains to improve irrigation efficiency and reduce water use using EQIP funds. (\$15 million in FY2003, \$25 million in FY2004-5, \$35 million in FY2006, and \$0 in FY2007) Adds new pilot programs as Section 1240J for drinking water supplies, and for nutrient reduction in the Chesapeake Bay watershed

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		using EQIP funds. (\$10 million in FY2003, \$15 million in FY2004, \$20 million in FY2005, \$25 million in FY2006, and \$0 in FY2007) [<i>Section 213(a)</i>]
10. Funding and Administration. Provides \$200 million annually through FY2002 from the CCC for EQIP, with 50% of the total going to practices related to livestock production. [<i>Section 1241 of the 1985 FSA as amended by several annual agricultural appropriations laws</i>]	Authorizes mandatory spending through the CCC through FY2011. [<i>Section 241</i>] Provides \$.2 billion for FY2001, \$1.025 billion for FY2002-3, \$1.2 billion for FY2004-6, \$1.4 billion for FY2007-9, and \$1.5 billion for FY2010-11. [<i>Section 242</i>] Reauthorizes the livestock provision through FY2011. [<i>Section 243</i>]	Provides \$.5 billion in FY2002, \$1.3 billion in FY2003, \$1.45 billion in FY2004-5, \$1.5 billion in FY2006, and \$.85 billion in FY2007; provides funding for technical assistance from the CCC. [<i>Section 241(b)</i>] Reauthorizes funding from the CCC through FY2006, and includes funding for technical assistance in support of this program. [<i>Section 211(c)</i>]
E. Wildlife Habitat Incentives Program (WHIP)		
1. Period of Authorization. Provides a total of \$50 million from the CCC (from CRP funding) by the end of FY2002. [<i>Section 387(c) of the 1996 FAIR</i>]	Reauthorizes funding from the CCC at \$25 million in FY2002, \$30 million in FY2003-4, \$35 million in FY2005-6, \$40 million in FY2007, \$45 million in FY2008-9, and \$50 million in FY2010-11. [<i>Section 252</i>]	Moves WHIP to Section 1240M of the 1985 FSA, reauthorizes funding from the CCC at: \$50 million in FY2002; \$225 million in FY2003; \$275 million in FY2004; \$325 million in FY2005; \$355 million in FY2006; and \$50 million in FY2007; all funding to remain available until spent. Provides funding for technical assistance from the CCC. [<i>Section 217(g)</i>]
2. Establishing WHIP No provisions.	No provisions.	Requires consultation with STCs to establish WHIP. [<i>Section 217(b)</i>]
3. Cost-sharing Payments. Authorizes cost sharing payments for several approved purposes. [<i>Section 387(b)</i>]	No provisions.	Requires the Secretary to use at least 15% of the cost-sharing funds on endangered and threatened species. [<i>Section 217(c)</i>]
4. Participation Related to Public	No provisions.	Makes individuals and organizations leasing

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Lands. No provisions.		public lands eligible for grants. [<i>Section 217(e)</i>] Allows funds to be used on public lands if they will benefit private lands. [<i>Section 217(f)</i>]
5. Pilot Program. No provisions.	No provisions.	Allows the Secretary to use up to 15% of the funds to enroll land for at least 15 years to protect “essential plant and animal habitat.” [<i>Section 217(d)</i>]
F. Farmland Protection Program (FPP)		
1. Funding Level. Provides up to a total of \$35 million from the CCC by FY2002. [<i>Section 388(c) of the 1996 FAIR</i>]	Provides up to \$50 million annually through FY2011 from the CCC. [<i>Section 253(b)</i>]	Moves the FPP to Section 1238H-J of the 1985 FSA [<i>Section 218(a)</i>], and repeals Section 388 of the 1996 FAIR. [<i>Section 218(c)</i>] Provides from the CCC: \$150 million in FY2002; \$250 million in FY2003; \$400 million in FY2004; \$450 million in FY2005; \$500 million in FY2006; and \$100 million in FY2007; provides funding for technical assistance from the CCC; limits the federal share to 50%, limits the portion of the non federal share provided by the landowner or in kind goods and services to 25%, and prohibits bidding down. [<i>Section 218(b)</i>]
2. Eligible Land. Makes between 170,000 acres and 340,000 acres eligible if the soil is prime, unique or productive, and an offer is pending from a state or local government to limit non agricultural uses. [<i>Section 388(a) of the 1996 FAIR</i>]	Deletes the maximum and minimum acreage limits, and makes historic and archaeological sites eligible. [<i>Section 253(a)</i>]	Same as Section 253(a); and also defines eligible land to include cropland, rangeland, grassland, pasture land and forest land that is part of an agricultural operation. [<i>Section 218</i>]

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3. Conservation Planning. Requires a conservation plan if the land is highly erodible; the Section can require conversion of land to a less intensive use in the plan. [<i>Section 388(b) of the 1996 FAIR</i>]	No provisions.	Identical to current law. [<i>Section 218</i>]
4. Eligible Participants. Makes eligible any state or local agency that has made an offer to purchase a conservation easement. [<i>Section 388(a) of the 1996 FAIR</i>]	Expands eligibility to also include federally recognized Indian tribes, and non profit organizations that meet specified qualifications. [<i>Section 253(c)</i>]	Identical to Section 253(c). [<i>Section 218(a)</i>]
5. New Program Options. No provisions.	No provisions.	Allows up to \$10 million to be spent annually to provide matching grants for market development, and technical assistance to participants. [<i>Section 218(a)</i>]
G. Other Programs (Including Technical Assistance)		
1. Resource Conservation and Development Program (RC&D). Provides assistance to encourage and improve the capacity of state and local governments and non profits in rural areas to develop and implement conservation programs. Authorized through FY2002. [<i>Title III of the Bankhead-Jones Farm Tenant Act as amended by §1528-1538 of the 1981 AFA</i>]	Permanently reauthorizes program, and makes numerous other, mostly minor or technical amendments. [<i>Section 254</i>] [Note: Many of the changes in the two bills are different from each other, but they do not change the basic intent or operation of the program.]	Permanently reauthorizes program, and makes numerous other, mostly minor or technical amendments. [<i>Section 216</i>] [Note: Many of the changes in the two bills are different from each other, but they do not change the basic intent or operation of the program.]
2. Small Watershed Rehabilitation Program. Provides financial and technical assistance to rehabilitate water	Authorizes \$15 million annually in “FY2002 and each succeeding year” to fund the Small Watershed Rehabilitation Program. [<i>Section</i>	No provisions.

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structures that are nearing or past the end of their design life. Authorizes appropriations of \$5 million in FY2001, \$10 million in FY2002, \$15 million in FY2003, \$25 million in FY2004, and \$35 million in FY2005. <i>[Authorized in Section 313 of the Grain Standards and Warehouse Improvement Act of 2000]</i>	257]	
3. Conservation of Private Grazing Lands. Provide coordinated technical, educational, related assistance to preserve and enhance privately-owned grazing lands; authorizes 2 demonstration districts, and authorizes \$20 million in FY1996, \$40 million in FY1997, and \$60 million in FY1998 and each subsequent year. <i>[Section 386 of the 1996 FAIR]</i>	Adds encouraging the use of sustainable grazing systems to the list of activities for which assistance can be provided. <i>[Section 251]</i>	Moves the program to a new Section 1240P of the 1985 FSA and, makes numerous other, mostly minor, changes, and authorizes \$60 million annually through FY2006. <i>[Section 217(a)]</i> Repeals provisions establishing program in Section 386 of the 1996 FAIR. <i>[Section 217(b)]</i>
4. Technical Assistance. Allows persons who need and apply a conservation compliance plan to obtain technical assistance from approved sources other than NRCS; the Section must document a rejection of assistance from those sources <i>[Section 1243(d) of the 1985 FSA]</i>	Allows producers to seek assistance from third parties, who have the specified expertise, and requires the Secretary to develop a system for approving qualified third parties who provide technical assistance to EQIP participants within 6 months of enactment. <i>[Section 244(b)]</i>	Adds a new Section 1244(f) to the 1985 FSA f) requiring the Secretary to create a certification program for third parties to provide technical assistance, specifies standards for certification, permits the Section to repay landowners who use third parties, and establishes an advisory committee for the certification program. <i>[Section 204]</i>
5. State Technical Committees (STC) Creates STCs , lists the composition, outlines responsibilities to include providing “information, analysis, and recommendations” on implementing conservation provisions (including	No provisions.	Expands membership in STCs to include expertise in forestry, restates its responsibilities to mesh with other changes this legislation makes to conservation programs, and makes subcommittees and local working groups working on STC

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several specified topics) to the state conservationist, and exempts the STC from FACA meeting requirements. [Section 1261 of the 1985 FSA]		business exempt from FACA. [Section 221]
7. Repeals of Authorized Programs and Activities. No provisions.	Repeals provisions: creating the Wetlands Mitigation Banking Program [Section 1222(k) of the 1985 FSA]; exempting CRP payments from any limits under the 1985 FSA, the 1990 FACTA, and the 1949 AA [Section 1234(f)(3)]; protecting the base history of land enrolled in the CRP [Section 1236 of the 1985 FSA]; exempting WRP payments from any limits under the 1985 FSA, the 1990 FACTA, and the 1949 AA [Section 1237D(c)(3)] and ; creating the Environmental Easement Program [Section 1239 of the 1985 FSA], the Conservation Farm Option [Section 1240M of the 1985 FSA], and the Tree Planting Initiative [Section 1256 of the 1985 FSA] [Section 261] Repeals the National Natural Resources Conservation Foundation [Section 351-360 of the 1996 FAIR] [Section 262]	Repeals numerous conservation programs in current law and reauthorizes them in other sections of farm law, as noted in the entries above.
H. New Programs		
1. Grasslands Reserve Program (GRP). a. Reserve Size. No provisions.	a .Places GRP in Section 1238 of the 1985 FSA creating a 2 million acre grasslands reserve, split evenly between restored grasslands and virgin (never cultivated) grasslands. Section 1238(b)(1) sets minimum size for enrolled parcels at 50 contiguous acres east of the 90 th meridian and 100 contiguous acres west of the 90 th meridian.	a. Places GRP in Section 1238N-P of the 1985 FSA, creating a 2 million acre grasslands reserve, of which up to 500,000 acres will be native grasslands in tracts of 40 acres or less. Section 1238N sets minimum size at 40 contiguous acres east of the 98 th meridian and 100 contiguous acres west of the 98 th meridian [Section 219(a)]

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<p>b. Eligible Lands. No provisions.</p> <p>c. Enrollment Options. No provisions.</p> <p>d. Permitted and Prohibited Uses of Enrolled Lands. No provisions.</p> <p>e. Ranking Criteria for Bids. No provisions.</p> <p>f. Payment Levels. No provisions.</p>	<p>[<i>Section 255(a)</i>]</p> <p>b. Defines eligible land to include natural grass and shrub land that has a potential to serve as important plant or animal habitat, or has been historically dominated by natural grass or shrubland. [<i>Section 255(a)</i>]</p> <p>c. Spends at least 2/3 of funds on contracts of 10 to 20 years, and the remainder on 30 year or permanent easements. [<i>Section 255(a)</i>]</p> <p>d. Permits contract holders to use common grazing practices, and permits haying and mowing outside the bird nesting season, but prohibits all agricultural production (except hay) and almost all practices that require disturbing the land surface in section 1238(A)(b). [<i>Section 255(a)</i>]</p> <p>e. Requires the Secretary to develop ranking criteria for reviewing applications, with emphasis on support for native vegetation, grazing operations, and plant and animal diversity, and to set the terms for restoration. [<i>Section 255(a)</i>]</p> <p>f. Describes how payment levels are to be set for each form of participation, sets cost sharing payments for restoration at 90% for</p>	<p>b. Same definition of eligible land as in H.R. 2646, except that it also enrolls incidental additional land that is necessary for the administrative efficiency of an easement.[<i>Section 219(a)</i>]</p> <p>c. Allows permanent easements, 30 year easements, the longest easements allowed by state law, and 30 year rental agreements. Allows the Secretary to delegate easements to private conservation organizations, land trusts, and state agencies. [<i>Section 219(a)</i>]</p> <p>d. Similar to H.R. 2646 for permitted and prohibited uses of enrolled lands. [<i>Section 219(a)</i>]</p> <p>e. Requires the Secretary to work with STCs in developing ranking criteria, and to give priority to grazing operations, maintaining or restoring biodiversity, and land under the greatest threat of conversion. [<i>Section 219(a)</i>]</p> <p>f. Describes how payment levels are to be set for each form of participation, provides that rental agreements be reviewed and</p>

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<p>g. Penalties for Violation. No provisions.</p> <p>h. Funding. No provisions.</p>	<p>virgin grasslands and 75% for restored grasslands, and provides technical assistance. [Section 255(a)]</p> <p>g. No provisions.</p> <p>h. Amends Section 1241 of the 1985 FSA to provide a total of up to \$254 million through the CCC through FY2011 to implement this program. [Section 255(b)]</p>	<p>adjusted at least once every 5 years, limits cost-sharing payments to 75% for restoration, and provides technical assistance. [Section 219(a)]</p> <p>g. Describes the roles of the Secretary and the landowner in implementing restoration agreements, and lists the penalties for violations, and allows periodic site inspections. [Section 219(a)]</p> <p>h. Amends Section 1241 of the 1985 FSA to provide such CCC sums as necessary to implement this program. [Section 219(b)]</p>
<p>2. Farmland Stewardship Program. No provisions.</p>	<p>Adds this program as a new Section 1239 to the 1985 FSA. It is to be administered by NRCS “to more precisely tailor and target” current conservation programs, using program funding on a watershed basis, where possible. Participation requires matching funds, and can involve other agencies. Participants submit a management plan and are encouraged to use easements to implement conservation management. [Section 256] [Note: No appropriations are authorized for this program, so all funding would come from existing programs]</p>	<p>No provisions.</p>
<p>3. Conservation Security Program (CSP). No provisions.</p>	<p>No provisions.</p>	<p>Conservation Security Program (CSP). Authorizes a CSP in Section 1238– 1238B of the 1985 FSA. It defines 22 terms and</p>

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		<p>lists 13 program purposes. To participate, producers must have an approved plan for eligible lands (land in the CRP and WRP, or that has not been in production at least 3 of the preceding 10 years, is ineligible). Producers can receive an advance payment when they enroll, base payments, and bonus payments for certain practices. Practices required for each of 3 tiers of participation are specified, and minimum requirements for each will be determined at the state level and approved by the Secretary. Land in an approved plan will be enrolled in a contract between FY2003 and FY2006; Tier 1 contracts will be 5 years; Tier II and III contracts will be 5 to 10 years, and contracts can be renewed. Total annual payments are limited to \$20,000 for Tier I, \$35,000 for Tier II, and \$50,000 for Tier III. Specified practices are ineligible. State pilot programs are authorized. <i>[Section 201]</i> Amends Section 1241 of the 1985 FSA by adding a new subsection (c) to provide “such funds as are necessary” from the CCC through FY2006. <i>[Section 202]</i> Allows implementation to start on the date of enactment. <i>[Section 206]</i></p>
<p>4. Partnerships and Cooperation. No provisions.</p>	<p>No provisions.</p>	<p>Adds a new Section 1242(f) to the 1985 FSA to allow special projects as recommended by a state conservationist, which can respond to meeting the requirements of specified federal laws or addressing watersheds or other areas with</p>

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		significant environmental problems. Participants agree to a plan to adjust implementation of conservation programs to increase environmental benefits. Funding uses 5% of EQIP funds annually, with any unused funds to go to other EQIP activities that year. [Section 203]
5. Watershed Risk Reduction Program. No provisions.	No provisions.	Authorizes \$15 million annually through FY2006 to implement a new program to purchase floodplain easements at Section 1240N of the 1985 FSA. [Section 217(a)]
6. Great Lakes Basin Soil Erosion and Sediment Control Program. No provisions.	No provisions.	Authorizes \$5 million annually through FY2006 to implement a new soil erosion and sediment control program for the Great Lakes basin at Section 1240O of the 1985 FSA. [Section 217(a)]
7. Water Conservation Program. No provisions.	No provisions.	Reduces CRP enrollment ceiling from 41.1 million acres to 40.0 million acres. [Section 215(a)] Authorizes two programs. One will allow up to 500,000 acres to be enrolled in state CREPs to contribute to the restoration of a watercourse or lake, and permit purchasing or leasing water rights. Priority given to places where more than 20% of the cost would be paid from non federal sources, and promotes any of 4 specified benefits for wildlife, fish and plants. Protection of state water laws are specified. Eligible states are Nevada, California, New Mexico, Washington, Oregon, New Hampshire, and

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		<p>Maine; others can apply to participate. [Section 215(b)]</p> <p>Authorizes a new Water Conservation Program in Section 1240R of the 1985 FSA. NRCS will provide cost sharing assistance to increase irrigation efficiency, convert production to less water-intensive crops, and acquire water rights. Protection of state and other water laws required. Nebraska and South Dakota are ineligible, while the same 7 states as in the program above are eligible, and others may apply. Authorizes funding from the CCC at \$25 million in FY2002, \$52 million in FY2003, and \$100 million in FY2004-FY2006, with \$5 million allocated each year to monitoring activities. [Section 215(c)]</p>
<p>8. Grassroots Source Water Protection Program. No provisions.</p>	<p>No provisions.</p>	<p>Authorizes \$5 million annually through FY2006 in Section 1240Q of the 1985 FSA for a new program to use technical assistance capabilities of state rural water associations that operate wellhead or groundwater protection programs. [Section 217(a)]</p>
<p>9. Organic Agriculture Research Trust Fund. No provisions.</p>	<p>No provisions.</p>	<p>Provides \$50 million from the CCC in FY2003, to remain available until spent and to accrue interest, in FY2003 to establish a new research fund on organic products. [Section 231]</p>
<p>10. National Organic Research Endowment Institute. No provisions.</p>	<p>No provisions.</p>	<p>Establishes a National Organic Research Endowment Institute to develop and</p>

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		implement a plan for research on organic products using the trust fund (established in Section 231). [<i>Section 232</i>]
11. Cranberry Acreage Reserve. No provisions.	No provisions.	Authorizes purchase of permanent easements on wetlands and buffer strips that are part of a cranberry operation from willing sellers. Authorizes \$10 million annually for this activity. [<i>Section 261</i>]
12. Klamath Basin. No provisions.	No provisions.	Authorizes the Secretary to create a federal task force (membership specified) to develop a coordinated federal effort to manage water resources in this basin (6 duties specified). In addition to using existing programs, the task force will establish a grant program to carry out its responsibilities. [<i>Section 262(a) and (b)</i>] The task force will develop an initial report within 180 days of enactment, a draft 5-year plan to implement its duties within 60 days thereafter, and a final plan within 1 year of enactment. Eight items to be considered in the plan are specified. [<i>Section 262(c)</i>] Consultation with specified non-federal entities is required. [<i>Section 262(d)</i>] Authorizes a total of \$175 million from the CCC from FY2003 through FY2006, and specifies where a small portion of the funds are to be spent. Funds may not be obligated after September 30, 2006. [<i>Section 262(e)</i>]

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13. Administrative Requirements for Conservation Programs a. Relief for Good Faith Actions. No provisions.	No provisions.	a. Adds a new Section 1244(a) to the 1985 FSA giving the Secretary the option of granting relief to conservation program participants who act in good faith under a contract, and are subsequently determined to be in violation. Types of relief and exceptions are specified. [Section 204]
b. Assistance for Limited Resource Producers. No provisions.	No provisions.	b. Adds a new Section 1244(b) which provides necessary funds from the CCC to assist certain limited resource, socially disadvantaged, and beginning producers, and Indian tribes to participate in conservation programs. The Secretary may contract with other entities to provide these services. Adds a new Section 1244(c) allowing the Secretary to provide incentives to these producers(except socially-disadvantaged ones) to participate in conservation programs. [Section 204]
c. Data Collection and Program Evaluation. No provisions.	No provisions.	c. Adds a new Section 1244(d) which requires the Secretary to collect data that would permit evaluation of conservation programs [Section 204]
d. Mediation. No provisions.	No provisions.	d. Adds a new Section 1244(e) which requires the Secretary to provide mediation services when an adverse decision is made about a conservation program. [Section

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<p>e. Privacy of Personal Information. No provisions.</p> <p>f. Tribal Lands. No provisions.</p> <p>g. Regional Equity of Conservation Spending. No provisions.</p>	<p>No provisions.</p> <p>No provisions.</p> <p>No provisions.</p>	<p>204] [Note: Section 1244(f), on technical assistance, is discussed above in G4.] e. Adds a new Section 1244(g) to protect the privacy of personal information about individuals related to conservation programs. [<i>Section 204</i>]</p> <p>f. Adds a new Section 1244(h) which requires the Secretary to cooperate with a tribal government when carrying out conservation programs on tribal lands. [<i>Section 204</i>]</p> <p>g. Requires that each state receive a total of \$12 million annually from FY2002 through FY2006, in conservation funds. Of the total, \$5 million is to be used for EQIP, and \$7 million is to be used for other conservation programs, with any portion not obligated by April 1 of the fiscal year to be reobligated to other specified programs. [<i>Section 241</i>]</p>
<p>14. Assessment of Conservation Programs. No provisions.</p>	<p>No Provisions.</p>	<p>Assessment of Conservation Programs. Requires the Secretary to develop a plan to better coordinate and consolidate the implementation of conservation programs. [<i>Section 205(a)</i>] Requires the Secretary to provide the plan (and recommendations) to both agriculture committees within 180 days of enactment. [<i>Section 205(b)</i>]</p>

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		<p>Requires the Secretary to provide a plan (with a cost estimate) for updating the national conservation program required by the Soil and Water Resources Conservation Act of 1977 to both agriculture committees within 180 days of enactment, and to report to both committees of the status of plan implementation by April 30, 2005. [<i>Section 205(c)</i>]</p> <p>Requires the Secretary to revise conservation technical standards within 180 days of enactment , and to update them at least once every 5 years. [<i>Section 205(d)</i>]</p>

III. AGRICULTURAL TRADE AND AID

AGRICULTURAL TRADE CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
A. Agricultural Export Assistance Programs		
<p>1. Market Access Program (MAP)</p> <p>a. MAP helps exporters (mainly nonprofit industry trade associations, who allocate the funds to others including agricultural cooperatives and small businesses) finance promotional activities overseas (usually for more consumer-oriented, higher value products). Required funding of not more than \$90 million yearly in CCC funds through FY2002. <i>[Agricultural Trade Act of 1978 as amended by Section 244 of Federal Agriculture Improvement and Reform (FAIR) Act of 1996]</i></p> <p>b. No provision.</p> <p>c. No provision.</p>	<p>a. Extends current law, except it increases required funding to not more than \$200 million yearly in CCC funds through FY2011. <i>[Section 301]</i></p> <p>b. No provision.</p> <p>c. No provision.</p>	<p>a. Extends current law, except that in addition to any funds specifically appropriated for the program, required funding of not more than \$100 million for FY2002; \$120 million for FY2003; \$140 million for FY2004; \$180 million for FY2005; and \$200 million for FY2006 (in CCC funds or equivalent CCC commodities). <i>[Section 322]</i></p> <p>b. Priority, for funds in excess of \$90 million in any year, for eligible organizations that have not participated in the past, and for programs in emerging markets. <i>[Section 322]</i></p> <p>c. Mandates new U.S. Quality Export Initiative (using appropriated MAP, FMDP funds), to promote U.S. products with a new “U.S. Quality” seal overseas. <i>[Section 322]</i></p>
<p>2. Foreign Market Development Cooperator Program (FMDP)</p>	<p>a. Extends current law, except sets</p>	<p>a. Extends current law, except sets</p>

AGRICULTURAL TRADE CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>a. FMDP helps U.S. exporters (mainly through commodity based trade associations) to finance promotional activities overseas. Statutory authority (at such sums as necessary) through FY2002; current funding is \$28 million per year. <i>[Agricultural Trade Act of 1978 as amended by Section 252 of FAIR Act of 1996]</i></p> <p>b. FMDP has focused on promoting mainly bulk and partially processed commodities, targeted to foreign importers/processors rather than high-value market.</p>	<p>required funding at \$37 million in CCC funds yearly through FY2011. <i>[Section 305]</i></p> <p>b. New emphasis on exporting value-added products to emerging markets. Requires annual report to Congress on program. <i>[Section 305]</i></p>	<p>required funding of \$37.5 million for FY2002; \$40 million for FY2003; and \$42.5 million for FY2004 and subsequent years (in CCC funds or equivalent CCC commodities). <i>[Section 324]</i></p> <p>b. Establishes a priority, for funds above \$35 million in any year, for eligible organizations that have not participated in the past, and for programs in emerging markets. <i>[Section 324]</i></p>
<p>3. Export Enhancement Program (EEP)</p> <p>a. EEP authorizes cash payments or CCC commodities as bonus subsidies to help exporters sell agricultural products (mainly wheat and other grains) at more competitive prices in targeted foreign markets. Authority through FY2002, with CCC funding at up to \$478 million per year. <i>[Agricultural Trade Act of 1978 as amended by Section 245 of FAIR Act of 1996]</i></p> <p>b. EEP may be used to help mitigate or offset the effects of unfair trade practices, now defined as any foreign</p>	<p>a. Current law extended through FY2011, at current level of up to \$478 million per year. <i>[Section 304]</i></p> <p>b. No expanded definition.</p>	<p>a. Current law extended through FY2006, at current level of up to \$478 million per year. <i>[Section 323]</i></p> <p>b. Expands the definition of unfair trade practices to include: (1) pricing practices by an exporting state trading enterprise</p>

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<p>act or policy that “violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement...” or “is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce.” [<i>Agricultural Trade Act of 1978, Section 102</i>]</p>		<p>that “are not consistent with sound commercial practices conducted in the ordinary course of trade,” or (2) changing U.S. “export terms of trade through a deliberate change in the dollar exchange rate of a competing exporter.” [<i>Section 323</i>]</p>
<p>4. Dairy Export Incentive Program (DEIP) DEIP authorizes cash or CCC commodities as bonus subsidies to help exporters sell specified dairy products at more competitive prices in targeted foreign markets. Authority through FY2002, with CCC funding to provide commodities to the maximum levels consistent with U.S. obligations as a member of the World Trade Organization. [<i>Food Security Act of 1985 as amended by Section 148 of the FAIR Act of 1996</i>]</p>	<p>Extends current law through 2011. [<i>Title I-C, Section 143</i>]</p>	<p>Extends current law through FY2006. [<i>Title I-C, Section 133</i>]</p>
<p>5. Export Credit Guarantees (GSM) a. Authority through FY2002 with CCC funding, where USDA guarantees commercial financing of not less than \$5.5 billion annually of U.S. agricultural exports. Financing can be used for short-term credit (GSM-102) for up to 3 years; and for long-term credit</p>	<p>a. Extends current law through 2011. [<i>Section 306</i>]</p>	<p>a. Extends current law through 2006. Requires a report to Congress within 1 year on the status of multilateral negotiations regarding agricultural export credit programs. [<i>Section 321</i>]</p>

AGRICULTURAL TRADE CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>(GSM-103), for 3-10 years. GSM programs are used in countries where needed financing may not be available without the CCC guarantees. (At least 35% of total credit guarantees must be to promote processed or high-value agricultural products.) <i>[Agricultural Trade Act of 1978 as amended by the Section 243 of the FAIR Act of 1996]</i></p> <p>b. Supplier Credits feature permits CCC to issue credit guarantees for repayment of credit made available by a U.S. exporter to a foreign buyer for up to 180 days. <i>[Agricultural Trade Act of 1978 as amended by Section 243 of the FAIR Act]</i></p>	<p>b. No change in supplier credit term.</p>	<p>b. Permits guarantees of supplier credits for up to 12 months. <i>[Section 321]</i></p>
<p>6. Emerging Markets Program</p> <p>a. Requires CCC through FY2002 to offer no less than \$1 billion per year in direct credit, or credit guarantees, for exports to emerging markets (formerly emerging democracies). <i>[Food, Agriculture, Conservation and Trade Act of 1990 as amended by Section 277 of the FAIR Act of 1996]</i></p> <p>b. Requires CCC to provide \$10 million annually through FY2002 to send U.S. advisors to emerging markets. <i>Food, Agriculture, Conservation and Trade Act of 1990 as amended by Section 277 of FAIR Act of</i></p>	<p>a. Extends current law through FY2011. <i>[Section 308]</i></p> <p>b. Increases this funding to \$13 million annually. <i>[Section 308]</i></p>	<p>a. Extends current law through FY2006. <i>[Section 332]</i></p> <p>b. No increase.</p>

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1996]		
B. Food Aid Programs		
<p>1. P.L. 480 (Food for Peace) General</p> <p>a. Seeks to combat hunger and encourage development overseas. Title I makes export credit available on concessional terms (e.g. low interest rates for up to 30 years); Title II authorizes donations for emergency food aid and non-emergency humanitarian assistance. Authority to enter into new P.L. 480 agreements (which are funded mainly through annual appropriations) is through FY2002. <i>[Section 408 of P.L. 480 (Agricultural Trade Development and Assistance Act of 1954) and amended by Section 217 of the FAIR Act of 1996]</i></p> <p>b. Congress has stated five specific purposes of P.L. 480 (e.g. combat hunger, expand international trade, etc.). <i>[Section 2 of P.L. 480]</i></p> <p>c. Food Aid Consultative group consisting of specified federal officials, representatives of private voluntary organizations (PVOs), foreign non-government organizations, and agriculture producer groups, is authorized through FY2002. <i>[Section 205 of P.L. 480]</i></p>	<p>a. Extends P.L. 480 (i.e., authority to enter into new agreements) through FY2011. <i>[Section 307]</i></p> <p>b. Adds “conflict prevention” as a new purpose. <i>[Section 307]</i></p> <p>c. Extends Food Aid Consultative Group through FY2006; clarifies what the group is to review to include policies and guidelines. <i>[Section 307]</i></p>	<p>a. Extends P.L. 480 (i.e., authority to enter into new agreements) through FY2006. <i>[Section 312]</i></p> <p>b. Adds “conflict prevention” as a new purpose. <i>[Section 301]</i></p> <p>c. Extends Food Aid Consultative Group through FY2006. <i>[Section 305]</i></p>

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<p>2. P.L.480 Assistance Levels and Funding</p> <p>a. Minimum Title II assistance is 2.025 million metric tons (MMT) of agricultural commodities per year through FY2002; AID Administrator has some authority to waive minimum. <i>[Section 204 of P.L. 480]</i></p> <p>b. Limits CCC Title II costs to \$1 billion yearly; some Presidential waiver authority. <i>[Section 206 of P.L. 480]</i></p> <p>c. Provides that at least \$10 million but not more than \$28 million of Title II funding per year shall be use to support eligible organizations (PVOs, cooperatives, organizations like the World Food Program, etc.) in conducting Title II activities. <i>[Section 202 of P.L. 480]</i></p>	<p>a. Increases the minimum level of assistance to 2.25MMT per year through FY2011. <i>[Section 307]</i></p> <p>b. Removes limit on CCC Title II costs. <i>[Section 307]</i></p> <p>c. Replaces dollar designations by setting support for eligible organizations at not less than 5% and not more then 10% of Title II funding. <i>[Section 307]</i></p>	<p>a. Increases the minimum level of assistance to 2.1 MMT in FY2002, 2.2MMT in FY2003, 2.3 MMT in FY2004, 2.4 MMT in FY2005, and 2.5 MMT in FY2006. <i>[Section 304]</i></p> <p>b. Doubles limit on CCC Title II costs to \$2 billion per year. <i>[Section 306]</i></p> <p>c. Replaces dollar designations by setting support for eligible organizations at not less than 5% and not more than 10% of Title II funding. <i>[Section 302]</i></p>
<p>3. P.L. 480 Operation & Administration</p> <p>a. Permits PVOs to sell Title II commodities in the recipient country (or a nearby country) to finance commodity transportation, storage,</p>	<p>a. Authorizes the use of U.S. dollars and other currencies for monetization in P.L. 480 – and also Food for Progress and Section 416 programs; permits PVOs to</p>	<p>a. Similar to House <i>[Sections 303, 310, & 325]</i>. Also, a food aid commodity sale is to be “at a reasonable market price in the economy where the</p>

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<p>etc., and local development projects (“monetization”). <i>[Section 203 of P.L. 480]</i></p> <p>b. The AID Administrator has 45 days to decide on Title II proposals submitted by eligible organizations or U.S. field missions. <i>[Section 207 of P.L. 480]</i></p> <p>c. Authorizes \$2 million in each of FY2001 and FY2002 to “preposition” food aid commodities in the U.S. and foreign countries. <i>[Section 407 of P.L. 480]</i></p> <p>d. Authorizes appropriations of up to \$3 million annually through FY2002 for grants to PVOs and U.S. non-profits for stockpiling shelf-stable, pre-packaged foods. <i>[Section 208 of P.L. 480]</i></p> <p>e. Requires USDA (if feasible) to establish a “micronutrient fortification” pilot program; authority expires in</p>	<p>submit multi-country proposals; and permits food aid monetization in more than one country in the region. <i>[Sections 302; 303; 307]</i></p> <p>b. Increases the time for decisions from 45 to 120 days. <i>[Section 307]</i></p> <p>c. Extends authorization through FY2011. <i>[Section 307]</i></p> <p>d. Extends authorization through FY2011. <i>[Section 307]</i></p> <p>e. No provision.</p>	<p>commodity is to be sold.” <i>[Section 310]</i></p> <p>b. Also increases the time to 120 days. Contains other timelines for finalizing program agreements and announcing programs each year. Permits USDA to approve an agreement that provides for direct delivery of commodities to foreign milling or processing facilities that are more than 50% U.S.-owned, with cash proceeds transferred to eligible organizations for carrying out projects. <i>[Section 307]</i></p> <p>c. Extends authorization through FY2006. <i>[Section 311]</i></p> <p>d. Extends authorization through FY2006. <i>[Section 308]</i></p> <p>e. Extends the authorization as an ongoing program through FY2006. <i>[Section 313]</i></p>

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FY2002. <i>[Section 415 of P.L. 480]</i> f. No provision.	f. No provision.	f. Permits President to establish, under Title II, a “pilot emergency relief program to provide live lamb to Afghanistan.” <i>[Section 309.]</i>
4. Certified Institutional Partners No provision in current law. Currently PVOs and cooperatives generally must undergo the same application procedures to participate in various food aid programs each time they apply.	No provision.	Requires AID or USDA, as applicable, to establish a process enabling PVOs and cooperatives that can demonstrate their capacity to carry out the programs (under P.L. 480; Section 416; or Food for Progress) to qualify as “certified institutional partners,” which would entitle them to use streamlined application procedures, including expedited review and approval to receive commodities for use in more than one country. <i>[Sections 302; 325; 334]</i>
5. Farmer-to-Farmer Program Requires that no less than 0.4% of P.L. 480 funds be used to provide U.S. farmers and other agricultural experts technical assistance in developing, middle income and emerging market countries. <i>[Title V of P.L. 480 as amended by Sections 224 and 277 of the FAIR Act of 1996]</i>	Extends funding authority at current 0.4% through FY2011. <i>[Section 307]</i>	Extends funding authority through 2006, and increases minimum funding to 0.5% of P.L. 480 funds. <i>[Section 314]</i>
6. CCC (Section 416) Surplus Donations Permanent law authorizes the use of CCC-owned surplus commodities for	Maintains current law, and requires USDA to publish in the Federal Register, by October 31, an estimate of Section 416	Maintains current law, and permits USDA to approve an agreement that provides for direct delivery of

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overseas donations. <i>[Section 416(b) of the Agricultural Act of 1949 as amended]</i>	commodities to be made available for the fiscal year. Also encourages Section 416 program agreements to be finalized by December 31. <i>[Section 303]</i>	commodities to foreign milling or processing facilities that are more than 50% U.S.-owned, with cash proceeds transferred to eligible organizations for carrying out projects. <i>[Section 334]</i>
7. Bill Emerson Humanitarian Trust Authorizes, through FY2002, a trust totaling not more than 4MMT of wheat, rice, corn, sorghum, or any combination as a reserve solely to meet emergency humanitarian food needs. <i>[Bill Emerson Humanitarian Trust Act of 1998, which replaced Title III of the Agricultural Act of 1980 as amended (Food Security Commodity Reserve)]</i>	Extends the Trust through FY2011. <i>[Section 309]</i>	Extends the Trust through FY2006. <i>[Section 331]</i>
8. Food for Progress (FFP) a. Provides commodities to support countries that have committed to expand free enterprise in their agricultural economies; commodities may be provided under Title I of P.L. 480 or Section 416(b) authorities (sometimes CCC funds are used). Authority expires December 31, 2002. <i>[Section 1110 of the Food Security Act of 1985 as amended by the FAIR Act of 1996]</i> b. Annual limits on CCC funds for administrative costs and for commodity transportation costs are \$10 million and \$30 million, respectively.	a. Reauthorizes FFP through FY2011. <i>[Section 302]</i> b. Increases annual limits on administrative costs to \$15 million, and on transportation costs to \$40 million. <i>[Section 302]</i>	a. Reauthorizes FFP under a new Title VIII of the 1978 Agricultural Trade Act called “Food for Progress and Education Programs,” authorized through FY2006. Permits USDA to provide agricultural commodities to support introduction or expansion of free trade enterprises in recipient country economies, and to provide food or nutrition assistance. <i>[Section 325]</i> b. Permits up to \$55 million per year to be used for transportation, administrative, processing, and related costs. <i>[Section 325]</i>

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c. Annual limit on commodity assistance is 500,000MT.	c. Increases annual limit on commodities to 1 million MT. Also, excludes from the tonnage limit those commodities furnished on a grant basis or on credit terms under Title I. <i>[Section 302]</i>	c. Sets an annual minimum tonnage requirement for FFP of 400,000MT through FY2006, using the CCC. In addition to this amount, authorizes the appropriation of such sums as may be necessary to carry out FFP, plus permits the use of P.L. 480 Title I funds. All commodities and related expenses must be in addition to any other P.L. 480 assistance. <i>[Section 325]</i>
9. International Food for Education School feeding and child nutrition projects have been operated within broader PVO and United Nations World Food Program (WFP) food aid portfolios. Clinton Administration initiated a pilot global food for education initiative whereby USDA has committed to provide up to \$300 million (under Section 416 authority) for commodities and transportation costs for school and pre-school nutrition projects and related activities in developing countries. Approved projects conducted through the WFP, PVOs, and eligible foreign governments using USDA discretionary authorities. <i>[General authority under Section 416]</i>	Authorizes George McGovern-Robert Dole International Food for Education and Child Nutrition Program whereby the President is permitted to direct the provision of U.S. agricultural commodities and financial and technical assistance for foreign preschool and school feeding programs to reduce hunger and improve literacy (particularly among girls), and nutrition programs for pregnant and nursing women and young children. Authorizes the appropriation of such sums as may be necessary each year through FY2011. Gives President authority to designate the federal agency to administer program; defines eligible recipients to include PVOs, cooperatives, <i>intergovernmental</i> organizations, governments and their agencies, and other organizations. <i>[Section 312]</i>	Requires establishment of an International Food for Education and Nutrition Program whereby the Secretary of Agriculture may provide commodities and technical and nutrition assistance for programs that improve food security and enhance educational opportunities for preschool and primary school children in recipient countries. CCC authority and funds of not more than \$150 million shall be used in each of FY2002-2005. Eligible organizations include PVOs, cooperatives, <i>nongovernmental</i> organizations, and foreign countries. <i>[Section 325]</i>

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10. Farmers for Africa & Caribbean Basin No provision in current law.	Requires President to create a Farmers for Africa and Caribbean Basin Program offering grants to eligible organizations to conduct bilateral exchange programs utilizing African-American and other U.S. farmers and agricultural specialists. Authorizes \$10 million in annual appropriations annually through FY2011. <i>[Section 311]</i>	No provision.
11. Terrorism and Foreign Assistance No provision.	No provision.	Sense of Senate that U.S. foreign aid should play increased role to fight global terrorism. <i>[Section 338]</i>
C. Other Trade Programs		
1. Trade Agreement Compliance Under the 1994 Uruguay Round Agreement on Agriculture (URAA) the United States agreed to limit the value of trade-distorting U.S. domestic farm supports to \$19.1 billion per year. However, U.S. law itself does not place an upper limit on such supports.	If the Secretary of Agriculture determines that total spending for such commodity support will exceed the limits in the URAA, the Secretary may make adjustments in the programs to reduce spending to (but not below) such limits. <i>[Section 181]</i>	Same as House bill, but with additional language requiring annual notifications to Congress on current and following marketing year estimates of support to be reported to the World Trade Organization, and effectively requiring Congress to consider amending (within 18 months) any programs that might cause the URAA limits to be breached. <i>[Section 164]</i>
2. Technical Assistance for Barriers to Trade Various trade agreements discipline countries' use of sanitary and phytosanitary (SPS) and other technical	Requires USDA to establish a "Technical Assistance for Speciality Crops" program, providing direct assistance	A section within the Biotechnology and Agricultural Trade Program (see below) directs USDA to assist U.S.

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barriers to trade, used by countries to protect their consumers, agricultural and natural resources. USDA agencies, the U.S. Trade Representative, and other federal agencies have established mechanisms for identifying such barriers and attempting to resolve disputes over them. <i>[various laws]</i>	through public and private projects and technical assistance, to help overcome the “unique barriers” – such as SPS and related barriers – inhibiting exports of U.S. specialty crops (e.g., fruits, vegetables). Requires use of \$3 million annually in CCC funds through FY2011. <i>[Section 310]</i>	exporters harmed by “unwarranted and arbitrary” barriers to trade due to marketing of biotechnology products, food safety, disease, or other SPS concerns; authorizes appropriations of \$1 million annually through FY2006. <i>[Section 333]</i>
3. Biotechnology and Agricultural Trade Program No provision.	No provision.	Requires USDA to establish a Biotechnology and Agricultural Trade Program to address the market access, regulatory, and marketing issues related to exports of U.S. agricultural biotechnology products. Requires CCC to make available \$15 million for the program annually through FY2006. <i>[Section 333]</i>
4. Trade Negotiating Objectives U.S. is now in multilateral negotiations to reform further the terms of agricultural trade in place under the 1994 Uruguay Round Agreement on Agriculture. Present trade law contains a list of explicit U.S. objectives and consultation requirements for agriculture that U.S. negotiators are supposed to follow. <i>[Trade and Development Act of 2000]</i>	No provision.	Sense of Congress provision also contains an explicit description of agricultural trade negotiating objectives. <i>[Section 336]</i>
5. Exporter Assistance Initiative Various federal agencies routinely	No provision.	Authorizes appropriations (\$1 million

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provide market intelligence, trade data, and other information aimed at helping U.S. agricultural exporters find, understand, and sell into overseas markets. For example, both USDA's Economic Research Service and Foreign Agricultural Service maintain written and web-based publications and data series containing much of this information . <i>[various laws]</i>		for each of FY2002-2004 and \$500,000 for each of FY2005-2006) for an "Exporter Assistance Initiative" to create an Internet website providing a single source of information from all federal agencies to help U.S. agricultural exporters. <i>[Section 326]</i>
6. Cuba Trade Sanctions FY2001 agriculture appropriations law codified the lifting of unilateral sanctions on commercial sales of food, agricultural commodities, medicine, and medical products to Iran, Libya, North Korea, and Sudan; and extended this policy to apply to Cuba, but in a more restrictive way by prohibiting all financing of such sales, even with private credit sources. <i>[Section 908 of the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Act, 2001]</i>	No provision.	Lifts restrictions on private financing of agricultural sales to Cuba <i>[Section 335]</i>
7. New Studies and Reports a. Services provided by USDA's Foreign Agricultural Service are generally taxpayer-funded.	a. Requires USDA to study and report to Congress within 1 year on the feasibility of a program charging fees to pay for providing commercial services abroad on matters under USDA's Foreign Agricultural Service. <i>[Section 313]</i>	a. No provision.

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<p>b. Secretary of Agriculture is required to develop a long-term agricultural trade strategy every 3 years. Subsequent farm bills have provided more explicit guidance on trade strategy goals and procedures. <i>[Agricultural Trade Act of 1978; Food, Agriculture, Conservation, and Trade Act of 1990; FAIR Act of 1996.]</i></p> <p>c. No provision.</p> <p>d. No provision.</p>	<p>b. Requires USDA to report to Congress within 1 year on national export strategy. <i>[Section 314]</i></p> <p>c. Requires USDA annual report to Congress on U.S. beef and pork imports each calendar year. <i>[Section 946]</i></p> <p>d. No provision.</p>	<p>b. No provision.</p> <p>c. No provision.</p> <p>d. Requires USDA to report to Congress within 120 days on transportation, infrastructure, and funding deficiencies that have limited the use of perishable commodities in food aid programs. <i>[Section 337]</i></p>
<p>8. Country of Origin Labeling; Grading</p> <p>a. Most imports, including many food items, must bear labels informing the final purchaser of their country of origin. However, certain “natural products” including fresh fruits, vegetables, nuts, live and dead animals (e.g., meats), and fish, among others, generally are exempted. <i>[Section 304 of the Tariff Act of 1930 as amended; Federal Meat Inspection Act and Poultry Products Inspection Act as</i></p>	<p>a. Requires retailers other than restaurants and other food service establishments to inform consumers of the country of origin of “perishable agricultural commodities” (fresh or fresh frozen fruits and vegetables) through labels, marks, or other in-store information; specifies the daily fines for violations. <i>[Title IX, Section 944]</i></p>	<p>a. Requires retailers other than restaurants and other food service establishments to inform consumers of the country of origin of ground and muscle cuts of beef, lamb and pork, of wild and farm-raised fish, of perishable agricultural commodities, and of peanuts, through labels, marks, or other in-store information. Defines what is meant by country of origin for each of these categories; authorizes the Secretary to set up a record-keeping</p>

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<p><i>amended]</i></p> <p>b. USDA provides a fee-based service to the industry that grades meats and meat products based on their quality and affixes those grades to such products; both domestic and imported meats are eligible. <i>[Agricultural Marketing Act of 1946 as amended]</i></p>	<p>b. No provision.</p>	<p>system; authorizes but does not specify fines for violations. <i>[Title X, Section 1001]</i></p> <p>b. Prohibits imported carcasses, meats, or meat food products from bearing a USDA quality grade label. <i>[Title X, Section 1002]</i></p>

IV. NUTRITION PROGRAMS

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A. Food Stamp Program , Food Stamp Act (FSA)	Title IV of the Farm Security Act of 2001	Title IV of the Agriculture Conservation and Rural Enhancement Act of 2001
1. Child Support Child support payments are <i>deducted</i> from the paying household's income in determining its benefits and eligibility – <i>after</i> all income has been counted. The Secretary may prescribe the methods to be used to determine the amount of the deduction. <i>[Section 5(e)(4) of the FSA]</i>	No provisions.	Allows states to <i>exclude</i> child support payments from income (<i>before</i> calculating any deductions) or continue to <i>deduct</i> them. Lifts some administrative and reporting requirements on program operators and recipients by allowing states to use information from state child support agencies and to freeze the amount of any child support exclusion/deduction until a household's eligibility is redetermined. <i>[Section 411]</i>
2. Definition of Income When determining eligibility and benefits household income excludes: noncash income, most education assistance, loans, most reimbursements for expenses, money received for third parties, non-recurring lump-sum payments, the cost of producing self-employment income, federal energy assistance benefits, certain payments related to supporting work efforts, and income excluded by other federal laws.	Allows states to conform food stamp income exclusions with those of other major assistance programs and lift some administrative and reporting requirements on program operators and applicants/ recipients by adding new income exclusions: (1) education assistance and “state complementary assistance program payments” excluded under Medicaid; and	Same as the House bill, with minor and technical differences. <i>[Section 412]</i>

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[Section 5(d) of the FSA]	(2) any other types of income a state does not consider when judging eligibility for cash assistance under its Temporary Assistance for Needy Families (TANF) program or Medicaid. [Section 401]	
<p>3. Standard Deductions</p> <p>When determining food stamp benefits and eligibility, all households are allowed a “standard deduction” from counted income. It is \$134 a month for the 48 contiguous states and the District of Columbia, \$229 for Alaska, \$189 for Hawaii, \$269 for Guam, and \$118 for the Virgin Islands. [Section 5(e)(1) of the FSA]</p> <p>[Note: Standard (and other) deductions reduce the amount of income counted when calculating benefits (thereby increasing them). They also may affect eligibility determinations because “net” household income (after deductions) is a factor in some income eligibility decisions.]</p>	<p>Establishes <i>fixed</i> multiple standard deductions equal to 9.7% of the federal poverty income guideline amounts used for food stamp income eligibility determinations in FY2002. The new standard deductions would not increase over time. Requires that the new standard deductions not be less than the current amount for each jurisdiction or greater than 9.7% of the FY2002 poverty guideline amount for 6-person households. [Section 402]</p> <p>[Note: Poverty guideline amounts vary by household size and are inflation-indexed annually. In both the House and Senate measures, the new standard deductions would vary by household size and would be somewhat higher than current law.]</p>	<p>Establishes multiple standard deductions equal to an <i>increasing</i> percentage of the inflation-indexed poverty guideline amounts. For FYs 2002-2004, the new standard deductions would equal 8% of each year’s poverty guideline amounts. This percentage would rise, in stages, to 10% for FY2011 and following years. Requires that the new standard deductions not be less than the current amount for each jurisdiction or greater than the applicable percentage (see above) of the poverty amount for 6-person households. [Section 171(c)]</p> <p>[Note: The House bill would initially provide higher deduction levels. But over the longer term, the Senate measure would result in somewhat higher deductions because it is keyed to each year’s inflation-indexed poverty guideline amount (not fixed at the FY2002 level, as in the House bill).]</p>

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<p>4. Shelter Costs</p> <p>a. Households are entitled to an “excess shelter expense deduction” for a portion of their shelter expenses (if they are very high in relation to their income). As with the standard deduction (see above), this deduction reduces households’ counted income (thereby increasing benefits) and can affect eligibility determinations.</p> <p>The amount that may be claimed as an excess shelter expense deduction is “capped” for households without an elderly/disabled member. The cap is indexed for inflation, and, for FY2002, it is \$354 a month for the 48 contiguous states and the District of Columbia, \$566 for Alaska, \$477 for Hawaii, \$416 for Guam, and \$279 for the Virgin Islands. <i>[Section 5(e)(7) of the FSA]</i></p> <p>b. By regulation, only payments directly related to shelter may be counted when calculating the excess shelter expense deduction.</p> <p>c. States may develop (and must document) a shelter “allowance – not to exceed \$143 a month – that homeless households not in free shelter throughout the month can use (like a deduction) when their income is calculated for benefit purposes. <i>[Section 5(e)(5) of the FSA]</i></p> <p>d. “Standard utility allowances” (SUAs) are</p>	<p>a. No provision.</p> <p>b. No provision.</p> <p>c. No provision.</p> <p>d. No provision.</p>	<p>a. Increases the cap on the amount that may be claimed as an excess shelter expense deduction. For FY2003, the cap would rise to \$390 a month for the 48 states and the District of Columbia (with commensurate increases for Alaska, Hawaii, Guam, and the Virgin Islands). For FY2004-FY2009, each amount would be annually adjusted for inflation. Effective with FY2010, all caps would be eliminated. <i>[Section 169(c)]</i></p> <p>b. Mandates that any required payment to a landlord be treated as a shelter cost – without regard to the specific charge it covers. <i>[Section 414]</i></p> <p>c. Permits homeless households not receiving free shelter throughout the month to claim a standard deduction from income (\$143 a month) – in lieu of a shelter expense deduction. Repeals the current shelter “allowance.” <i>[Section 414]</i></p> <p>d. Allows states choosing to make SUAs</p>

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used in figuring shelter costs for the excess shelter expense deduction. States may make their use mandatory for all households. However, SUAs may not be used for households that (1) live in certain centrally metered public housing or (2) share expenses with others (unless the expenses are pro-rated). [Section 5(e)(7) of the FSA]		mandatory to do so for <i>all</i> households incurring heating or cooling expenses – without regard to the current metered public housing and expense pro-rating rules. [Section 415]
6. Calculating Earned Income By regulation, whenever income is received on a weekly or bi-weekly basis, the state must convert it to a monthly amount – by multiplying weekly income by 4.3 and bi-weekly income by 2.15 or using the state’s public assistance conversion standard.	No provision.	Eases some administrative and reporting requirements on program operators and recipients by allowing states more leeway in how they convert weekly/bi-weekly income to monthly amounts – as long as they make adjustments to ensure cost-neutrality. [Section 416]
7. Establishing Deductions By regulation, states must adjust households’ benefits for most changes in circumstances/ expenses that affect the amount of deductions (and thereby benefits) they may receive.	No provision.	Lifts significant administrative and reporting requirements on program operators and recipients by allowing states to disregard certain changes in household circumstances/ expenses that affect the amount of deductions they may claim – until the household’s next eligibility redetermination. [Section 417]
8. Resources (Assets) Eligible households are limited to those with total counted liquid resources (assets) of \$2,000 (or \$3,000 for households with elderly	No provision.	Adds households with disabled members to those covered by the \$3,000 asset limit. [Section 171(c)]

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<p>members). Resources that are excluded include items such as: a household's home and personal belongings/ furnishings, life insurance, income-producing property, some retirement accounts, and (to a varying degree) the value of vehicles. <i>[Section 5(g) of the FSA]</i></p>		<p>Allows states to conform food stamp resource (asset) rules with those of other major assistance programs and lift some administrative requirements on program operators and recipients by permitting states to exclude any types of resources they do not consider when judging eligibility under their TANF or Medicaid programs – with exceptions set by the Secretary. <i>[Section 418]</i></p>
<p>9. Issuance Systems in Disasters.</p> <p>Emergency food stamp benefits are required in the case of disasters. Benefits can be issued through coupon allotments or electronic benefit transfer (EBT) systems. <i>[Section 5(h) of the FSA]</i></p>	<p>No provision.</p>	<p>Allows the Secretary to issue disaster assistance in the form of cash when other issuance systems are impracticable. <i>[Section 419]</i></p>
<p>10. Reporting Requirements for Households.</p> <p>With some exceptions, most recipient households must report significant changes in their circumstances as they occur, those with earnings may report every 6 months, and certain others may report quarterly. <i>[Regulations & Waivers under Section 5(c) of the FSA]</i></p>	<p>No provision.</p>	<p>Lifts some administrative and reporting requirements on program operators and recipients by allowing states to require households to report most changes in their circumstances as infrequently as every 6 months – in lieu of other reporting requirements. <i>[Section. 420]</i></p>
<p>11. Able-Bodied Adults Without Dependents (ABAWDs)</p> <p>ABAWDs are ineligible if, during the preceding 36 months, they received benefits for 3 months without (1) working 20+ hours a week, (2)</p>	<p>No provision.</p>	<p>Eases work requirements for ABAWDs by: changing the “3-months-out-of-36-months” rule to make ABAWDs</p>

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<p>participating in a work program 20+ hours a week, or (3) participating in a workfare program.</p> <p>ABAWDs denied eligibility under this “3-months-out-of-36-months” rule can regain it if they meet 1 of 3 work-related requirements for a full month. Qualifying “work programs” do not include job search or job search training. <i>[Section. 6(o) of the FSA]</i></p>		<p>ineligible if, during the preceding <i>24 months</i> they received benefits for <i>6 months</i> while not meeting 1 of the 3 work-related requirements, and by changing the rule for regaining eligibility to provide eligibility whenever ABAWDs meet 1 of the 3 work-related requirements. Changes the definition of “work program” to include job search or job search training. <i>[Section. 421]</i></p>
<p>12. Access through Electronic Benefit Transfer (EBT) Systems</p> <p>By regulation, states may take benefits provided through EBT systems “off-line” after 3 months of inactivity in the recipient’s EBT account.</p>	No provision.	<p>Requires that benefits provided through EBT systems not be made inaccessible until at least 6 months have elapsed since the recipient last accessed the EBT benefit account. <i>[Section 422]</i></p>
<p>13. Cost of EBT Systems</p> <p>The cost of EBT systems must not exceed those of the prior issuance system. <i>[Section 7(i)(2)(A) of the FSA]</i></p>	No provision.	<p>Deletes the current EBT “cost-neutrality” requirement. <i>[Section 423]</i></p>
<p>14. Group Living Facilities</p> <p>a. Where recipients live in substance abuse treatment centers, states may require them to designate the center as their authorized representative and provide their benefits to the center. <i>[Section 8(e) of the FSA]</i></p>	a. No provision.	<p>a. In the case of recipients living in substance abuse treatment centers, small group homes for the disabled, or shelters for battered women/children or the homeless, permits states to use a new method of calculating and issuing</p>

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<p>b. Without a waiver, group living facilities may not redeem food stamp benefits through direct (on-site) use of EBT cards. Recipients' EBT cards must be presented and used at approved retail food outlets. <i>[Sec. 10 of the FSA]</i></p>	<p>b. No provision.</p>	<p>standardized benefits. <i>[Section 424]</i></p> <p>b. Allows the Secretary to authorize group living facilities to redeem food stamp benefits through direct use of EBT cards. <i>[Sec. 425]</i></p>
<p>15. Food Stamp Applications</p> <p>States have responsibility for developing food stamp applications. <i>[Section 11(e)(2)(B) of the FSA]</i></p>	<p>No provision.</p>	<p>Requires that states make food stamp applications available on their internet websites. <i>[Section 426]</i></p>
<p>16. Continuing Eligibility</p> <p>Eligible households are assigned "certification periods" of up to 12 months (or 24 months for the elderly or disabled). At the end of a certification period, specific procedures must be followed to "recertify" a household and continue issuing benefits. <i>[Sections 3(c) & 11(e) of the FSA]</i></p>	<p>No provision.</p>	<p>Replaces assigned certification periods and rules governing recertification with new "eligibility review periods" under which states would periodically review the eligibility status of recipient households following procedures set by the state. <i>[Section 427]</i></p> <p>[Note: These provision would lift significant administrative requirements on program operators and recipients by allowing states to conform their method of reviewing food stamp eligibility with the method used for other major public assistance programs.]</p>

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<p>17. Transitional Food Stamp Benefits</p> <p>Regulations permit 3 months' "transitional food stamp benefits" for households leaving TANF. Transitional benefits generally are adjusted for any loss of income on leaving TANF and reported changes in circumstances that would increase benefits.</p>	<p>Lifts significant administrative and reporting requirements of program operators and recipients by explicitly permitting states to provide expanded transitional food stamp benefits to households leaving TANF. Food stamps could automatically be continued for <i>6 months</i> at the level the household was receiving immediately prior to leaving TANF. <i>[Section 403]</i></p>	<p>Same as the House bill, except that (similar to current policy) transitional benefits would be adjusted upward for the loss of TANF cash aid or any reported changes in household circumstances that would increase food stamp benefits. <i>[Section 429]</i></p>
<p>18. Notices to Retailers</p> <p>"Adverse action" notices must be delivered to retailers by certified mail or personal service. <i>[Section 14(a)(2) of the FSA]</i></p>	<p>No provision.</p>	<p>Permits notices to be delivered to retailers by any form of delivery that provides evidence of delivery. <i>[Section 430]</i></p>
<p>19. Quality Control (QC) & Bonus Payments</p> <p>a. The Food Stamp program's QC system measures the degree to which states make erroneous benefit and eligibility decisions. State "error rates" reported from annual QC sample surveys are used to (1) provide financial rewards to states with very low error rates and (2) assess fiscal sanctions on states having high error rates. Each year, states with total error rates below 6% receive added federal matching money for administration. States with error rates above the national average are assessed fiscal sanctions based on how far above the national average they are.</p>	<p>a. Substantially changes the QC system as it relates to fiscal sanctions by raising the threshold above which states are sanctioned to the national average, plus 1 percentage point. Requires a statistical adjustment to individual state error rates that effectively lowers all state error rates. Provides that sanctions will not be assessed until a state has been above the new (higher) threshold for 3 consecutive years. <i>[Section 404]</i></p>	<p>a. Same as the House bill, except that it reduces, then ends, added federal funding for states with error rates below 6%, and requires the Secretary to conduct annual "investigations" of states with error rates above the new (higher) threshold and fine them if they are found to be seriously negligent in their administration of the Food Stamp program. <i>[Section 431]</i></p>

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<p>b. The Secretary has established a policy whereby assessed sanctions are reduced for states serving high proportions of households with earners or non-citizens (“error-prone” households).</p> <p>c. Federal reviews of QC error-rate determinations and arbitration of federal-state differences must be completed by the end of March each year. By the end of April, final QC error rates must be determined and states notified. <i>[Section 16(c)(8) of the FSA]</i></p> <p>d. QC provisions provide additional federal funding (“enhanced administrative cost-sharing”) for states with error rates below 6%.</p>	<p>b. No provision</p> <p>c. No provision.</p> <p>d. Requires the Secretary to measure states’ performance with respect to (1) compliance with deadlines for prompt determination of eligibility and the issuance of benefits and (2) the percentage of negative eligibility decisions that are made correctly. Each year, requires the Secretary to make “excellence bonus payments” of \$1 million each to (1) the 5 states with the highest combined performance in the 2 measures noted above and (2) the 5 states whose combined performance in the 2 measures is most improved. Retains funding for states with error rates below 6%. <i>[Section 404]</i></p>	<p>b. Establishes in law a requirement to adjust all states’ error rates to account for high proportions of error-prone households. <i>[Section 431]</i></p> <p>c. Changes current-law deadlines to May 31st and June 30th. <i>[Section 432]</i></p> <p>d. Requires the Secretary to measure states’ performance with respect to (1) serving working poor households with children and (2) 4 additional measures set by the Secretary in consultation with the National Governors Association, the American Public Human Services Association, and the National Conference of State Legislatures. Each year, requires the Secretary to make “high performance bonus payments” totaling \$6 million for <i>each</i> of the 5 measures noted above. Reduces, then ends funding for states with error rates below 6%. <i>[Section 433]</i></p> <p>[Note: The changes to the QC system in both the House and Senate measures would greatly reduce the number of states assessed sanctions and the amount of sanctions assessed.]</p>

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<p>20. Grants for Simplified Application and Eligibility Systems</p> <p>No provision.</p>	<p>Requires the Secretary to spend up to \$9.5 million a year to pay states for developing and implementing simple application and eligibility determination systems.<i>[Section 405]</i></p>	<p>No provision.</p>
<p>21. Employment and Training (E&T) Programs</p> <p>a. Through FY2002, food stamp law requires unmatched federal funding for E&T programs for food stamp recipients. For each year, specific amounts are provided (e.g., a total of \$165 million for FY2002). Unmatched money is available until expended (about \$300 million is now unspent).</p> <p>b. States must use at least 80% of their total allocation of unmatched federal funds for services to ABAWDs.</p> <p>c. To receive a portion of their federal funds allocation (e.g., \$75 million in FY2002), states must maintain their E&T spending at the FY1996 level.</p> <p>d. The Secretary may set specific dollar amounts that the federal government will pay</p>	<p>a. Extends the requirement for unmatched federal funding for E&T programs through FY2011. Sets the amount at the current FY2002 level (a total of \$165 million a year). <i>[Section 406(a)]</i></p> <p>No provision.</p> <p>c. No provision.</p> <p>d. No provision.</p>	<p>a. Extends the requirement for unmatched federal funding for E&T programs through FY2006. Sets the amount at \$90 million a year, available until expended. Rescinds the unspent carryover balance.</p> <p>b. In addition to the \$90 million noted above, provides up to \$25 million a year for services to ABAWDs. Eliminates the current-law “80%” requirement for services to ABAWDs.</p> <p>c. Eliminates the current-law “maintenance of effort” requirement.</p> <p>d. Ends the Secretary’s authority to set per-placement funding amounts.</p>

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<p>for each E&T program placement.</p> <p>e. Federal matching funds are provided for non-child-care E&T participant support costs (e.g., transportation) – i.e., half of all costs up to half of \$25 per person per month.</p> <p><i>[Section 6(d) & 16(h) of the FSA]</i></p>	<p>e. No provision.</p> <p><i>[Section 406(a)]</i></p>	<p>e. Eliminates the current-law limit on federal funding for participant support costs.</p> <p><i>[Sections 169(c) & 434]</i></p>
<p>22. Food Stamp Informational Activities</p> <p>States are barred from using TANF funds to conduct food stamp informational (“outreach”) activities. <i>[Section 16(k) of the FSA]</i></p>	<p>No provision.</p>	<p>Permits states to use TANF funds for food stamp informational (“outreach”) activities. <i>[Section 436]</i></p>
<p>23. Pilot Project Waivers</p> <p>The Secretary may grant waivers from Food Stamp Act rules when carrying out pilot projects. This authority is unclear for pilot projects implemented by non-federal entities. <i>[Section 17 of the FSA]</i></p>	<p>No provision.</p>	<p>Makes clear that the Secretary may grant waivers from federal food stamp rules in all pilot projects, regardless of the entity that implements them. <i>[Section 437]</i></p>
<p>24. Reauthorization</p> <p>Expiring at the end of FY2002 are:</p> <ul style="list-style-type: none"> – appropriations authorizations for the Food Stamp program and the Food Distribution Program on Indian Reservations; – authority to reduce administrative cost payments to states by \$197 million a year; – authority for a limited number of pilot projects granting cash food stamp benefits; and – authority for outreach pilot projects. 	<p>Extends expiring authorities through FY2011.</p> <p><i>[Section 406]</i></p>	<p>Extends expiring authorities through FY2006.</p> <p><i>[Section 435]</i></p>

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<i>[Section 18(a), 16(k), 17(b), & 17(i) of the FSA]</i>		
<p>25. Puerto Rico and American Samoa</p> <p>a. In lieu of regular food stamp program, Puerto Rico receives an annual nutrition block grant, authorized through FY2002. It covers all benefits costs and 50% of any administrative costs and is annually indexed for food price inflation. FY2002 grant amount is \$1,350,518,000. <i>[Section 19 of FSA]</i></p> <p>b. American Samoa receives annual grant covering all expenditures for its general nutrition assistance program. The grant is authorized through FY2002 at \$5.3 million a year. <i>[Section 24 of the FSA]</i></p>	<p>a. Extends Puerto Rico's block grant through FY2011, retaining annual inflation indexing. Also permits Puerto Rico to use up to \$6 million of its FY2002 grant to pay costs of upgrading electronic systems without matching the amount. <i>[Section 406(f)]</i></p> <p>b. Extends American Samoa's grant through FY2011. Increases it to \$5.75 million for FY2002 and \$5.8 million for later years. <i>[Section 406(g) & (j)]</i></p>	<p>a. Consolidates nutrition assistance grant funding for Puerto Rico and American Samoa. Mandates the consolidated grant through FY2006. The base consolidated grant is \$1.356 billion (FY2002). It is then adjusted for food-price inflation beginning with FY2003. Puerto Rico's annual share is 99.6%. Like House bill, permits Puerto Rico to use up to \$6 million in FY2002 for costs of upgrading electronic systems. <i>[Section 439]</i></p> <p>b. American Samoa share is .4% of each year's new consolidated grant. Its current grant is repealed. <i>[Section 439]</i></p>
<p>26. Vitamin and Mineral Supplements</p> <p>Food stamp benefits can be used only to purchase food items (or, in some cases, prepared meals). <i>[Section 3(g) of the FSA]</i></p>	No provision.	Permits the use of food stamp benefits to purchase dietary supplements that "provide exclusively one or more vitamins or minerals." Requires a report on the effects of this new provision.

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		[Section 445]
<p>27. Noncitizens</p> <p>a. <i>Children</i> – Legal permanent residents who were living in the U.S. as of August 22, 1996, and who are under age 18 are eligible for food stamps.</p> <p>b. <i>Work history requirement</i> – Legal permanent residents with a substantial work history (defined as 40 quarters, or 10 years) are eligible for food stamps.</p> <p>c. <i>Humanitarian cases</i> – Asylees, refugees, Cuban/ Haitian entrants, certain aliens whose deportation/removal is being withheld for humanitarian reasons, and Vietnam-born Amerasians fathered by U.S. citizens are eligible for food stamps for 7 years after entry/grant of status.</p> <p>d. <i>Disability benefit recipients</i> – Legal permanent residents who were living in the U.S. as of August 22, 1996, and who are receiving federal disability benefits are eligible for food stamps.</p> <p>e. No provision.</p>	<p>a. No provision.</p> <p>b. No provision.</p> <p>c. No provision.</p> <p>d. No Provision</p> <p>e. No provision.</p>	<p>a. Makes legal permanent residents under age 18 eligible for food stamps – regardless of their date of entry. Also exempts them from requirements that their sponsor’s financial resources be deemed to them in determining food stamp eligibility. [Section 452(a)]</p> <p>b. Reduces the work history requirement to 16 quarters (4 years). [Section 452(b)]</p> <p>c. Removes the 7-year limit on eligibility for humanitarian cases. [Section 452(c)]</p> <p>d. Makes eligible disabled legal permanent residents receiving federal disability benefits – without regard to their date of entry. [Section 452(d)]</p> <p>e. Makes eligible individuals who have</p>

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<i>[Section 402(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996]</i>		<p>continuously resided in the U.S. legally for a period of 5 years (e.g., as legal permanent residents). This new 5-year residence rule would not apply in the case of aliens who entered the country illegally and remain illegally for 1 year or more (or who have been “illegal aliens” for 1 year or more), unless they have continuously resided in the U.S. for 5 years as of enactment. <i>[Section 170(b) & (c)]</i></p> <p>[Note: The changes made for children in item (a) above would be effective beginning in FY2004. The 5-year residence rule noted in item (e) above would be effective April 2003.]</p>
B. Commodity Assistance Programs		
The Food Stamp Act (FSA), the Emergency Food Assistance Act, and the Agriculture and Consumer Protection Act of 1973	Title IV, Nutrition Programs, The Food Security Act of 2001.	Title IV, Nutrition Programs, The Agriculture, Conservation and Rural Enhancement Act of 2001
<p>1. The Emergency Food Assistance Program (TEFAP)</p> <p>a. <i>Commodity Purchases</i> - From amounts available under the Food Stamp Act, the Secretary is required to use \$100 million a year through FY2002 to purchase commodities for TEFAP. <i>[Section 27 of the FSA]</i></p>	<p>a. Extends the purchase requirement through FY2011; raises the amount to \$140 million a year beginning in FY2002 and requires the Secretary to use \$10 million a year to pay for costs related to processing, storing, transporting and distributing commodities. <i>[Section 406(i) & (j)]</i></p>	<p>a. Extends the purchase requirement through FY2006 and raises the amount to \$110 million a year beginning in FY2002. Same as House bill with respect to \$10 million set aside for processing, storing, transport and distribution costs. <i>[Section 441]</i></p>

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<p>b. <i>Administrative/distribution costs</i>- \$50 million a year is authorized through FY2002 for the costs of administering the program and distributing commodities. <i>[Section 204(a) of the Emergency Food Assistance Act]</i></p>	<p>b. In addition to \$10 million set-aside noted above, extends through FY2011, the \$50 million authorization for food stamp administrative and distribution costs. <i>[Section 443]</i></p>	<p>[Note: Section 166 of the Senate amendment requires the Secretary to buy not less than \$40 million a year in additional commodities for TEFAP each year through FY2006.]</p> <p>b. Same as the House bill, except the authorization is extended through 2006. <i>[Section 451(d)]</i></p>
<p>2. Commodity Supplemental Food Program (CSFP) and commodity authorities.</p> <p>a. <i>Expirations.</i> Expiring at the end of FY2002 are: authority for the Commodity Supplemental Food Program (CSFP), requirements to provide cheese and nonfat dry milk to the CSFP, requirements for commodity processing agreements, and general authority to obtain commodities to maintain traditional levels of support for various commodity distribution activities. <i>[Section 4 & 5 of the Agriculture and Consumer Protection Act of 1973; Section 1114(a)(2) of the Agriculture and Food Act of 1981]</i></p> <p>b. <i>CSFP Administrative Costs:</i> The Secretary is required to pay the CSFP administrative costs of state/local agencies – but may not use more than 20% of the CSFP appropriations. <i>[Section 5 of the Agriculture and Consumer</i></p>	<p>a. Extends expiring CSFP and commodity authorities/requirements through FY2011. <i>[Sections 441 & 442]</i></p> <p>b. No provision</p>	<p>a. Extends expiring CSFP and commodity authorities/requirements through FY2006. <i>[Section 451]</i></p> <p>b. Replaces the current limit on administrative payments with a requirement for “grants per caseload slot.” Requires the Secretary to provide each state a grant per assigned caseload slot set – set by law at \$50, indexed</p>

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<i>Protection Act of 1973]</i>		beginning in FY2003. <i>[Section 451]</i>
3. Use of Approved Food Safety Technology No provision.	No provision.	Bars the Secretary from prohibiting the use of “any technology that has been approved by the Secretary or the Secretary of Health and Human Services” in acquiring commodities for distribution through domestic nutrition programs. <i>[Section 442]</i>
4. Use of Commodities for Domestic Feeding Programs No provision.	No provision.	Provides that any commodities acquired in the conduct of Commodity Credit Corporation (CCC) operations and any “Section 32” commodities may be used for any domestic feeding program. Covered domestic programs include: TEFAP, and programs authorized under the Richard B. Russell National School Lunch Act, the Child Nutrition Act, the Older Americans Act, or other laws the Secretary determines appropriate. This authority would apply to the extent that the commodities involved are in excess of those needed to carry out other

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		obligations (including quantities otherwise reserved for specific purposes). <i>[Section 457]</i>
C. Child Nutrition Programs		
Richard B. Russell National School Lunch Act and Child Nutrition Act of 1966	Title IV Nutrition Programs, Farm Security Act of 2001	Title IV, Agriculture, Conservation, and Rural Enhancement Act of 2001
<p>1. Commodities for the School Lunch Program</p> <p>Beginning with FY2002, <i>any</i> commodities supplied to the School Lunch program are to be counted in meeting the requirement that 12% of all federal school lunch support (cash + commodities) be in the form of commodities. This would include commodities provided to meet the entitlement (15 cents in value per lunch) and “bonus” commodities provided at the Secretary’s discretion from stocks acquired to support the agricultural economy. <i>[Section 6(e)(1) of the Richard B. Russell National School Lunch Act]</i></p>	No provision.	<p>Delays until FY2004, the date by which <i>bonus</i> commodities supplied to the School Lunch program will count toward the 12% requirement – in effect, mandating that only entitlement commodities count toward meeting the requirement until then. This was the case under pre-FY2002 law. <i>[Section 453]</i></p> <p>[Note: Section 166 of the Senate amendment requires the Secretary to provide at least \$50 million a year through FY2006 to the Defense Department (DoD) for the purchase and distribution of fresh fruits and vegetables to DoD schools and institutions participating in child nutrition programs.]</p>

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<p>2. Eligibility for Free and Reduced-Price School Meals and WIC Benefits: Military Housing</p> <p>a. <i>School meals</i> – All military housing allowances reported on leave and earnings statements are counted as income in determining eligibility for free and reduced-price school meals. The value of on-base (free) housing is not. In the case of “privatized” military housing – where formerly free housing is converted to privately operated housing (or families are moved from free housing to privately operated housing) and military personnel are given a housing allowance to pass on to the housing operator – the allowance is counted. <i>[Regulations under Section 9 of the Richard B. Russell National School Lunch Act]</i></p> <p>b. <i>The WIC program</i> – In determining income eligibility for the Special Supplemental Nutrition Program for Women, Infants, and Children (the WIC program), state may choose to exclude any housing allowance received by military personnel residing “off-base.” <i>[Section 17(d)(2)(B) of the Child Nutrition Act]</i></p>	<p>a. No Provision</p> <p>[Note: H.R. 3216 – passed by the House on December 11, 2001 – contains the provision included in the Senate amendment.]</p> <p>b. No provision.</p>	<p>a. Through FY2003, requires that, in cases where military personnel live in “privatized” housing, their housing allowance will not be counted in determining eligibility for free and reduced-price school meals. <i>[Section 454]</i></p> <p>b. Adds an option for states to exclude any housing allowance provided to military personnel living in <i>on-base</i> “privatized” housing. <i>[Section 455]</i></p>

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3. Funding for the WIC Farmers' Market Nutrition Program No comparable provision. [Note: The FY2003 budget documents indicate that, for FY2002, \$11 million will be made available for the WIC Farmers' Market Nutrition program from WIC discretionary funding. For FY2003, no money is requested for the program.]	No provision.	Makes available an additional \$15 million in mandatory funding for the WIC Farmers' Market Nutrition program – no later than 30 days after enactment. <i>[Section 460]</i>
D. Special Projects		
1. Nutrition Education Clearinghouse No provision.	No provision.	Requires the Secretary to establish (on the Department's website) a nutrition education clearinghouse. <i>[Section 428]</i>
2. Access and Outreach Pilot Projects No provision.	No provision.	Authorizes grants to states and other entities to pay the federal share (75%) of the cost of projects to improve access to food stamp benefits or outreach to eligible individuals. Authorizes appropriations totaling \$3 million. <i>[Section 438]</i>
3. Community Food Projects Through FY2002, the Secretary is authorized to make grants to private nonprofit entities for "community food projects." Funding is reserved from Food Stamp Act appropriations. And grants may not exceed a total of \$2.5 million a year. <i>[Section 25 of the FSA]</i>	Extends authority for community food project grants through FY2011. Increases the amount reserved to \$7.5 million a year. <i>[Section 406(h) & (j)]</i>	Extends authority for community food project grants through FY2006. Maintains the amount reserved at \$2.5 million a year. Increases the federal share of project costs from 50% to 75%. Slightly modifies the list of projects that

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		must be given preference for grants. <i>[Section 440]</i>
4. Innovative Programs for Addressing Common Community Problems No provision.	No provision.	Requires the Secretary to contract with a non-governmental organization to recommend innovative programs for addressing “common community problems” – including loss of farms, rural poverty, welfare dependency, hunger, the need for job training, juvenile crime, and individuals’ and communities’ need for self-sufficiency. Makes available \$400,000 for the contract. <i>[Section 443]</i>
5. Report on Electronic Benefit Transfer Systems No provision.	No provision.	Requires the Secretary to submit a report to Congress on EBT systems (e.g., difficulties relating to their use, fraud). <i>[Section 444]</i>
6. Report on Conversion of the WIC Program into an Individual Entitlement Program No provision.	No provision.	No later than December 31, 2002, requires a report from the Secretary – to the House Committee on Education and the Workforce and the Senate Committee on Agriculture, Nutrition,

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		and Forestry – that analyzes conversion of the WIC program from a <i>discretionary</i> program into an <i>individual entitlement</i> program. [Section 456]
7. Purchases of Locally Produced Foods No provision.	No provision.	Requires Secretary to encourage the purchase of locally produced foods in school meal programs and provides for start-up grants to defray costs incurred in carrying out this policy. [Section 458]
8. Senior Farmers' Market Nutrition Program Using funding available under Commodity Credit Corporation authorities, a Senior Farmers' Market Nutrition program was instituted by the Secretary in January 2001. Initial funding was set at \$15 million. Under the FY2002 Agriculture Department appropriations law, \$10 million is provided as a direct appropriation for a Senior Farmers' Market Nutrition program. This amount may be supplemented with support from the Commodity Credit Corporation.	For FYs 2002-2011, authorizes a Senior Farmers' Market Nutrition program and requires the Secretary to support it with \$15 million a year from Commodity Credit Corporation funds. Authorizes the Secretary to issue regulations to carry out the program. [Section 925] [Note: These provisions are located in Title IX of the House measure.]	For FYs 2002-2006, requires the Secretary to carry out and expand a Senior Farmers' Market Nutrition program. Provides mandatory funding of \$15 million a year. Authorizes the Secretary to issue regulations to carry out the program. [Section 459]
9. Fruit and Vegetable Pilot Program No provision.	No provision.	In the 2002-2003 school year, requires the Secretary to use "Section 32" funds to conduct and evaluate a pilot program to make free fruit and vegetables available to elementary and secondary school students. [Section 461]

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<p>10. Congressional Hunger Fellows Program</p> <p>Bill Emerson and Mickey Leland Hunger Fellowships are provided through the Congressional Hunger Center and given funding through annual Agriculture Department appropriations laws (e.g., \$2.496 million in FY2002).</p>	<p>Establishes – as an independent agency of the legislative branch – the Congressional Hunger Fellows Program to offer fellowships that provide training and placements with domestic and international policy development organizations. The purposes of the program are to: encourage careers in humanitarian service; recognize the needs of poor and hungry persons; provide aid to those in need, increase awareness of the importance of public service, and provide training and development opportunities for future leaders. The program would be funded from the earnings of a trust fund invested in federal securities (an \$18 million appropriation is authorized) and gifts. <i>[Section 461]</i></p>	<p>Same as the House bill, with minor and technical differences.<i>[Section 462]</i></p>
<p>11. Nutrition Information and Awareness Pilot Program. No provision.</p>	<p>No provision.</p>	<p>Authorizes a pilot program to increase domestic consumption of fresh fruit and vegetables. The federal share of project costs would be 50%, and \$25 million a year is authorized to be appropriated for the projects.<i>[Section 463]</i></p>
E. Effective Dates and Cost Estimates		
<p>Effective Dates</p>	<p>Generally effective October 1, 2002.<i>[Section 462]</i></p>	<p>Generally effective September 1, 2001 – except that states may choose not to implement provisions until October 1, 2002.<i>[Section 464]</i></p>

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Cost Estimates	<p>CBO estimates. For all nutrition assistance for FY2002-2011 – \$3.79 billion (outlays/budget authority). This includes \$3.64 billion for Title IV (including \$400 million attributable to new spending for TEFAP), and \$150 million for the Senior Farmers' Market Nutrition Program in Title IX of the bill.</p>	<p>CBO estimates. For all nutrition assistance for FY FY2002-2011) – \$9.34 billion (outlays) and \$8.76 billion (budget authority). For Title IV, CBO estimates FY2002-FY2011 costs of \$8.89 billion (outlays) and \$8.31 billion (BA). For Title I, this would include (1) \$200 million attributable to new commodity purchases for TEFAP and (2) \$250 million attributable to new spending on fruit and vegetable purchases for child nutrition programs.</p>

V. FARM CREDIT

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Consolidated Farm and Rural Development Act (Con Act)	Title V, Farm Security Act of 2001	Title V, Agriculture Conservation, Rural Enhancement Act of 2001
A. Farm Ownership/Real Estate Loans		
1. General Provisions		
a. Currently, if a person qualifies for a farm ownership loan from USDA after all of USDA's funds have been allocated, the person must wait to receive USDA funds until: the next fiscal year; enactment of a supplemental funding bill; or, until funds are re-allocated from another state. <i>[Section 303(a)(1)]</i>	No provision.	a. Expands direct loan use to include refinancing of a "bridge" loan taken out if a person was approved for a USDA loan, but is waiting on available funds. <i>[Section. 502]</i>
b. Purposes for which USDA may make and guarantee loans. <i>[Section 310B(a)]</i>	b. Allows USDA to make or guarantee loans for value-added or processing projects. <i>[Section 523]</i>	No provision.
2. Eligibility		
a. Requires persons to have "operated" a farm for at least three years in order to receive a loan from USDA. <i>[Section. 302(b)(1)]</i>	No provision.	a. Expands eligibility to persons who have "participated in the business operations of" a farm. <i>[Section 501]</i>
b. USDA cannot make a down payment loan if a farmer receives other financing requiring a balloon	No provision.	b. Changes payment time limit to 20 years. <i>[Section 507]</i>

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payment within 10 years. <i>[Section 310E(c)]</i>		
<p>3. Beginning Farmers</p> <p>a. Establishes limits on amount USDA may lend or guarantee to a borrower. <i>[Section 305(a)]</i></p> <p>b. Sets Interest rate terms on real estate loans. <i>[Sec 307(a)]</i></p> <p>c. Permits but does not require USDA to guarantee up to 95% of a down payment loan for a beginning farmer. <i>[Section 309(h)(6)]</i></p> <p>d. State loans guarantee. No Provision</p> <p>e. Allows USDA to make loans to qualified beginning farmers for down payments on farm ownership loans at up to 30% of the farm's value and for up to 10 years. <i>[Section 310E(b)]</i></p> <p>f. Guarantee owner-financed loans. No provision</p>	<p>No provision.</p> <p>No provision.</p> <p>No provision.</p> <p>No provision.</p> <p>Raises loan period to up to 15 years. <i>[Section 515]</i></p> <p>No provision.</p>	<p>a. Sets \$250,000 limitation on farm ownership loan by USDA for a beginning farmer. <i>[Section 503]</i></p> <p>b. Sets interest rates for beginning farmers 50 basis points below other borrowers. <i>[Section 504]</i></p> <p>c. Requires USDA to guarantee 95%. <i>[Section 505]</i></p> <p>d. Adds Section 309(j) to the Con Act to allow USDA to guarantee loans made under a State beginning farmer program. <i>[Section 506]</i></p> <p>e. Raises percentage to up to 40% and time up to 20 years. <i>[Section 507]</i></p> <p>f. Adds Section 310F requiring USDA to carry out a pilot program in at least 10 states with up to five borrowers per state in each year FY2003-2006, to guarantee owner-financed loans made</p>

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		to a beginning farmer. <i>[Section 508]</i>
B. Operating Loans		
1. General Provisions a. Allows USDA to make direct operating loans to farmers for up to seven years. <i>[Section 311(c)]</i> b. Allows USDA to guarantee an annual operating loan each year for up to 15 years to a borrower, after which the borrower must graduate to commercial sources of credit. <i>[Section 319(b)]</i>	No provision. b. Suspends 15-year limit during calendar years 2002-2006. <i>[Section 502]</i>	a. Allows one-time waivers for two years if a borrower meets certain conditions. Also, waives the seven-year limit for Indian farmers on reservations if USDA determines commercial credit is not generally available. <i>[Section 512]</i> No provision.
2. Beginning Farmers Allows USDA to make direct operating loans to beginning farmers who have operated a farm for up to five years. <i>[Section 311(c)(1)(A)]</i>	No provision.	Removes five year limit. <i>[Section 511]</i>
3. Indian Farmers Guarantees on loans are set at 90%, with exceptions for refinanced loans and beginning farmer loans, which are guaranteed at 95%. <i>[Section 309(h)]</i>	No provision.	Adds Section 309(h)(7) to allow USDA to guarantee 95% of an operating loan made to a member of an Indian tribe for a farm within a reservation. <i>[Section</i>

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		512]
C. Emergency Loans		
Emergency loan procedures. <i>[Section 321, 323, 324, 329]</i>	Expands eligibility for emergency loans to include plant or animal quarantines, and sharply increasing energy costs. <i>[Section 510]</i> —Allows financial assistance when energy prices during a three-month period are at least 50% greater than the average price for the preceding five years. —Allows loans of up to \$500,000 due to a quarantine and \$200,000 due to increased energy costs.	No provision.
D. Administrative Provisions		
1. Eligibility a. Sets forth persons and entities eligible for loans and guarantees from USDA. <i>[Secs. 302(a), 311(a), and 321(a)]</i> b. Requires a county committee to certify in writing that an annual review of borrowers' credit history and continued eligibility for loans has been performed. <i>[Section 333]</i> c. Requires a borrower to complete	a. Extends USDA loan eligibility to limited liability companies engaged in farming and controlled by farmers <i>[Section 501]</i> b. Removes requirement. <i>[Section 505]</i> No provision.	a. Same as House Bill. <i>[Section 521]</i> b. Removes requirement that reviews be certified in writing. <i>[Section 525]</i> c. Removes the requirement of the committee's determination before

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<p>educational training unless the county committee determines the borrower has adequate knowledge, in order to be eligible for a direct loan from USDA. <i>[Section 359(f)]</i></p> <p>d. Requires Secretary to evaluate the farming plan of each applicant after the county committee has determined the applicant is eligible for a loan. <i>[Section 360(a)]</i> [Note: The Department of Agriculture Reorganization Act of 1994 (P.L. 103-354) repealed Section 332 of the Con Act, which established county committees.]</p> <p>e. Prohibits USDA from making a direct loan to a borrower who has received debt forgiveness. <i>[Section 373(b)(1)]</i></p> <p>f. Eligibility for USDA employees. No provision</p>	<p>d. Technical amendment removing language requiring county committee to determine loan eligibility. <i>[Section 507]</i></p> <p>e. Amends to allow direct loans to borrowers who have not received debt forgiveness more than two times, and allow loan guarantees to borrowers who have not received debt forgiveness more than three times. <i>[Section 519]</i></p> <p>f. Adds a new section (Section 377) to Subtitle D of the Con Act to allow USDA employees to obtain direct or guaranteed loans, so long as a local county office other than the applicant's home office approves the loan application. <i>[Section 509]</i></p>	<p>USDA may grant a waiver, and requires USDA to set up criteria for granting a waiver. <i>[Section 532]</i></p> <p>d. Technical amendment striking the words "established pursuant to section 332 " (which is authority for county committees that was repealed by P.L.103-354. <i>[Section 552(d)]</i></p> <p>No provision.</p> <p>No provision.</p>

FARM CREDIT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>2. General Provisions</p> <p>a. Sets forth various loan administration procedures. <i>[Section 331(b)]</i></p> <p>b. Allows USDA to contract with private lenders to service loans through the end of FY2002. <i>[Section 331(d)]</i></p> <p>c. Allows USDA to use a private collection agency to collect loan obligations. <i>[Section 331(e)]</i></p> <p>d. Requires USDA to provide a short, simplified application for guarantees of loans up to \$50,000. <i>[Section 333A(g)(1)]</i></p> <p>e. Allows USDA to guarantee 80% of a loan made to a qualified borrower. <i>[Section 339]</i></p> <p>f. Describes the term “debt forgiveness.” <i>[Section 343(a)(12)]</i></p> <p>g. Definitions. <i>[Section 343]</i></p>	<p>a. Allows USDA to administer the certified and preferred lender guaranteed loan programs through central offices in states or multi-state areas. <i>[Section 503]</i></p> <p>b. Extends authority through FY2011. <i>[Section 511]</i></p> <p>No provision.</p> <p>d. Raises amount to \$150,000. <i>[Section 504]</i></p> <p>e. Allows USDA to guarantee less than 80%, if a borrower’s income is below expenditures. <i>[Section 506]</i></p> <p>f. Excludes from the definition any write-down provided as part of a resolution of a discrimination complaint against USDA. <i>[Section 518]</i></p> <p>g. Includes “horses” under the term “livestock.” <i>[Section 521]</i></p>	<p>a. Removes county committees from having to review and make recommendations regarding the debt settlement agreement reached by a borrower and USDA. <i>[Section 522]</i></p> <p>b. Removes Section 331(d). <i>[Section 523]</i></p> <p>c. Removes this authority for contracts entered into after enactment of the farm bill. <i>[Section 523]</i></p> <p>d. Raises amount to \$100,000. <i>[Section 526]</i></p> <p>No provision.</p> <p>f. Similar to House bill. <i>[Section 528]</i></p> <p>No provision.</p>

FARM CREDIT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>h. Sets loan authorization levels and program administration. <i>[Section 346]</i></p> <p>i. Shared appreciation arrangements (SAA). <i>[Section 353(e)]</i></p> <p>j. Reserves funding for socially disadvantaged farmers. <i>[Section 355(c)(2)]</i></p> <p>k. Requires loan assessments to be conducted biannually to assess the progress of a borrower in meeting the goals for the farm operation. <i>[Section 360(d)(1)]</i></p> <p>l. Making and servicing loans. No provision</p>	<p>h. Removes limitation on total loan amounts USDA may make or guarantee. <i>[Section 512]</i></p> <p>i. Prohibits USDA from foreclosing or collecting payments on SAAs until after December 31, 2002. <i>[Section 522]</i></p> <p>j. Allows remaining, unused funds to be reallocated to other states. <i>[Section 520]</i></p> <p>No provision.</p> <p>l. Adds a new section (Section 376) to Subtitle D of the Con Act to require USDA to use Farm Service Agency (FSA) county office employees to make and service loans if personnel are trained to do so. <i>[Section 508]</i></p>	<p>h. Authorizes total USDA loans and guarantees up to \$3.796 billion annually for FY2002-6, with \$770 million for direct loans and \$3.026 billion for guaranteed loans. <i>[Section 169]</i></p> <p>i. Allows SAA borrowers an alternative to repaying the recapture amount by allowing USDA a 25-year agricultural use protection and conservation easement in lieu of payment of recapture amount. <i>[Section 531]</i> NOTE: CBO estimates one-year FY2002 cost of \$66 million for this provision</p> <p>No provision.</p> <p>k. Changes to annual assessments. <i>[Section 533]</i></p> <p>No provision.</p>

FARM CREDIT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
m. Studies of USDA loans. No provision	m. New provision directing USDA to conduct studies of direct and guaranteed loan programs to include number of loans, average principal amount, and delinquency and default rates. <i>[Section 517]</i>	No provision.
3. Interest Rates a. Provides that the interest rate on a loan being rewritten is to be the lower of the original interest rate or the rate in effect at the time the loan is rewritten. <i>[Section 331B]</i> b. Authorizes USDA to administer an interest rate reduction program for guaranteed loans, through FY2002. <i>[Section 351]</i> c. Allows USDA to make payments to a lender to reduce a borrower's interest up to 4%; sets spending limit at \$490 million.	No provision. b. Reauthorizes through FY2011. <i>[Section 514]</i> No provision.	a. Provides a third option of the rate in effect on the date the borrower applies for servicing. <i>[Section 524]</i> b. Permanent reauthorization. <i>[Section 530]</i> c. Sets the limit for beginning farmers at 4%, and 3% for other borrowers. Increases spending to \$750 million per FY and requires at least 25% of the funds must be reserved for beginning farmers until April 1 of each FY. <i>[Section 530]</i>
4. Beginning Farmers a. When USDA acquires property, within 75 days the property must be offered for sale to a beginning farmer at current market value. <i>[Section</i>	No provision.	a. Changes time period to 135 days, and allows USDA to combine/divide acquired properties in order to maximize opportunity for beginning

FARM CREDIT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p><i>335(c)]</i></p> <p>b. Allows a “qualified beginning farmer” to own land in an acreage amount up to 25% of the median acreage of farms in the county. <i>[Section 343(a)(11)]</i></p> <p>c. Loans reserved for beginning farmers and ranchers. <i>[Section 346(b)(2)(A)(ii)]</i></p>	<p>No provision.</p> <p>c. Reserves 35% of loan amounts for beginning farmers and ranchers during FY2002-2011. <i>[Section 513]</i></p>	<p>farmers to purchase. Specifies that when USDA sells acquired property, it may offer to sell or grant an easement for the purpose of farmland preservation. <i>[Section 527]</i></p> <p>b. Increases acreage amount to 30%. <i>[Section 528]</i></p> <p>c. Reserves 35% for FY2002-2006. <i>[Section 529]</i> Requires \$5 million of CCC funds be used for direct farm ownership loans. <i>[Section 169]</i></p>
E. Department of Agriculture Reorganization Act of 1994		
<p>Provides that decisions by FSA county committees become final within 90 days after the date a person applies for benefits. <i>[Section 281(a)]</i></p>	<p>No provision.</p>	<p>Excludes credit decisions from the 90-day finality rule. <i>[Section 551]</i></p>
F. Farm Credit System (Farm Credit Act of 1971)		
<p>a. Requires that in order for a bank for cooperatives to purchase a participation in a loan originated by a commercial bank to an entity that can be financed by another Farm Credit System (FCS) bank, approval must be obtained from the FCS bank that functions where the loan is being</p>	<p>No provision.</p>	<p>a. Removes the requirement that prior approval must be given by the FCS bank. <i>[Section 541]</i></p>

FARM CREDIT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>made. <i>[Section 3.1(11)(B)]</i></p> <p>b. Allows CoBank to finance the export of farm machinery and other farm-related products that are intended for use on farms in foreign countries. <i>[Section 3.7]</i></p> <p>c. Contains provisions for premiums with regard to the insurance of loans for the Farm Credit System (FCS), which has GSE status that implicitly protects against failure and reduce risk. <i>[Section 5.55]</i></p> <p>d. Establishes a 15-member Board of Directors for Farmer Mac, a secondary market agricultural lender. <i>[Section 8.2]</i></p>	<p>No provision</p> <p>No provision</p> <p>No provision.</p>	<p>b. Expands CoBank's ability to lend by removing the "on farm" requirement and allowing it to finance agriculture-related processing equipment and machinery and other capital goods related to storing or handling agricultural commodities. <i>[Section 542]</i></p> <p>c. Allows the FCS Insurance Corporation to adjust premiums charged according to FCS' government sponsored enterprise (GSE) status. <i>[Section 543]</i></p> <p>d. Increases Board to 17 members, and makes other changes to the Board's structure. <i>[Section 544]</i></p>
G. Miscellaneous Credit and Finance Provisions		
<p>1. Horse Breeder Loans [Note: language was included in the FY2002 Agricultural Appropriations law (P.L.107-76; Section 759(c)), providing for loans with loan terms up to 20 years.]</p>	<p>New provision authorizing loans to horse breeders to assist for losses as a result of mare reproductive loss syndrome: –at least 30% of mares failed to produce live, healthy foal; –breeder was unable to meet expenses or obtain credit elsewhere;</p>	<p>No provision.</p>

FARM CREDIT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
	–loan amount up to \$500,000, with term up to 15 years; –loan authority expires end of FY2003. <i>[Section 516].</i>	
2. Emergency Loans for Seed Producers Producers of the 1999 crop of seed who did not received payments from AgriBiotech as a result of bankruptcy proceedings, were eligible for no-interest loans from USDA with repayment due within 18 months. <i>[Section 253 of the Agricultural Risk Protection Act of 2000, PL 106-224]</i>	No provision.	Amends repayment period to 54 months. <i>[Section 1064]</i>
3. Family Farmer Bankruptcy Provisions Chapter 12 of Title 11 USC, sets forth bankruptcy provisions for family farmers.	No provision.	Reenacts Chapter 12, effective to October 1, 2001. <i>[Section 1071]</i>

VI. RURAL DEVELOPMENT

RURAL DEVELOPMENT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
A. Rural Community Advancement Program		
<p>Rural Community Advancement Program (RCAP). Subtitle E, 7 U.S.C. (2009 <i>et seq.</i>). Authorizes all RCAP loans and grants under the Consolidated Farm and Rural Development Act of 1972 (P.L.92-419), 7 U.S.C. 1926, 1926(a), 1926(c), 1926(d), and 1932 except for sections 381-H, 381N and 381(0) of the 1972 Act. [<i>FAIR Act, Section 761</i>]</p> <p>[Note: RCAP integrates 13 different loan and grant program accounts into 3 funding accounts: Rural Utilities, Rural Business and Cooperative Development, and Rural Communities Facilities. RCAP permits local authorities to transfer up to 25% from one account to another. <i>RCAP is not scored by CBO under the farm bill</i>, but the funding streams are part of the loan and grant programs administered under USDA Rural Utilities Services (RUS), Rural Business and Cooperative Service (RBS), and Rural Housing Service (RHS). Conference appropriation agreement authorizes \$940.3 million, including \$133.7 million in salaries and expenses.]</p>		
B. Fund for Rural America		
<p>Fund for Rural America, 7 U.S.C. 2004(f). Three program accounts: rural development, competitive research grants, and a Secretary's discretionary fund. [<i>FAIR Act, Section 793</i>]</p> <p>[Note: FAIR authorizes the Fund for Rural America for 1997, 1999, and 2000. The Agriculture Research, Extension, and Education Reform Act of 1998 (P.L.105-185) extends authorization through 2002 at \$60 million per year. Although funds were appropriated, appropriators in both House and Senate proscribed expenditures to carry out Fund programs in 2002 as they did in</p>	Not Extended	Not Extended

RURAL DEVELOPMENT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
FY1999.]		
C. Telecommunications		
1. Authorizes grants to broadcast systems . [<i>FAIR, Section 759B</i>] Consolidated Farm and Rural Development Act of 1972, U.S.C. 1932(f), [<i>Section 310B(f)</i>]	No Provision	Grants to Broadcasting Systems. Authorizes \$5 million each year, FY2002-2006. [<i>Section 632</i>]
2. Title X of the District of Columbia Appropriations Act of 2001 (P.L. 106-553) authorizes the Launching Our Communities' Access to Local Television Act of 2000 .	Authorizes \$200 million during FY2002-2006 for loan guarantees. [<i>Section 601</i>]	No Provision
3. Consolidated Farm and Rural Development Act, 7 U.S.C. 1981 <u>et seq.</u>	No Provision	Establishes Rural Teleworks Program and authorizes funding of \$150 million. [<i>Section 641</i>]
4. Telemedicine and Distance Learning Grants authorized through 2002. Statutory authority provided by the Rural Electrification Act of 1936, 7 U.S.C. 901 <u>et seq.</u> Distance learning/medical link program established under Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa-5).	No Provision	Reauthorizes the Telemedicine and Distance Learning Program . [<i>Section 652</i>]

RURAL DEVELOPMENT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
4.The Rural Electrification Act of 1936 (7 U.S.C. 901 <u>et seq.</u>)	No Provision	Enhanced Access to Broadband Services. Provides \$100 million per year, FY2002-2006 for grants and loans. [Section 605] [Note: Limited to communities of less than 20,000 population; standards to be reconsidered every 3 years.]
D. Value-added Agriculture Development		
1. Establishes value-added market grants under the Agricultural Risk Protection Act of 2000 (P.L.106-224; 7 U.S.C. 162. [Section 231(a)]	Value-Added Agricultural Product Market Grants. Establishes expanded eligibility for value-added grants Authorizes \$60 million each year FY2002-2011. [Section 602]	Value-added Agriculture Market Development Grants. Provides \$75 million per year, FY2002-2006. [Section 606]
2. Establishes the intermediary lending program under the Food Security Act of 1985 (7 U.S.C. 1932 note; Public Law 99-198). [Section 1323(b)(2)(C)]	No Provision	Value-Added Intermediary Relending Program. Provides \$15 million in each year, 2003-2006. [Section 634]
3. Agricultural Risk Protection Act of 2000 (P.L.106-224; 7 U.S.C. 162). [Section 231(a)(1)]	Agriculture Innovation Center Demonstration Program. Authorizes \$5 million in FY2002 and not less than \$10 million in FY2003 and 2004. [Section 603] [Note: The provision makes available part of the funding for value-added market grants in Section 602.	No Provision
4. Consolidated Farm and Rural Development Act of 1972, 7 U.S.C.	No Provision	Delta Region Agricultural Economic Development. Provides \$7 million

RURAL DEVELOPMENT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
1981 <u>et seq.</u>		each fiscal year 2002-2006 for animal nutrition technology development and value-added manufacturing. [<i>Section 647, Section 379f</i>]
5. Consolidated Farm and Rural Development Act of 1972, 7 U.S.C. 1922-1949.	Training for Farm Workers in new technologies necessary for higher value crops. Authorizes up to \$10 million each year, FY2002-2011. [<i>Section 617</i>]	No Provision
E. Water and Waste Treatment Programs		
1. Subtitle A, Consolidated Farm and Rural Development Act of 1972, 7 U.S.C. 1922-1949.	Grants to Nonprofit Organizations to finance the construction or improvement of well-water systems for low or moderate income households. [<i>Section 614</i>]	No Provision
2. Consolidated Farm and Rural Development Act of 1972, 7 U.S.C. 1921 <u>et seq.</u>	No Provision	SEARCH Grants for Small Communities Provides \$51 million to communities under 3,000 in population. [<i>Section 646</i>] [Note: SEARCH grants assist very small communities in meeting various environmental regulations associated with water and waste disposal. Program would create a new Subtitle J to the Consolidated Farm and Rural Development Act of 1972.]
3. Amends <i>Section 306(a)</i> the Consolidated Farm and Rural	Reauthorizes Community Water Assistance Program . Provides \$75	Reauthorizes Community Water Assistance Program [<i>Section 629</i>].

RURAL DEVELOPMENT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>Development Act of 1972(7 U.S.C. 1926a(i)) to reauthorize and increase from \$500 million to \$590 million annual funding for Water and Waste Treatment grants and loans to assist local communities in meeting State standards established under the Safe Drinking Water Act (42 U.S.C. 300f <u>et seq.</u>) and the Federal Water Pollution Control Act (33 U.S.C. 1251 <u>et seq.</u>) [<i>FAIR, Section 741</i>]</p> <p>[Note: The FAIR amendment redefines “small communities” and “smallest community” as ones under 10,000 and 3,000 population respectively.]</p>	<p>million annually FY2002-2011. [<i>Section 604</i>]</p>	<p>Increases authorization for water programs from \$590 million to \$1.5 billion, FY2002-2006. [<i>Section 621</i>]</p>
F. Rural Entrepreneur and Business Investment Programs		
<p>1. Consolidated Farm and Rural Development Act of 1972, 7 U.S.C. 1891 <u>et seq.</u></p>	<p>No Provision</p>	<p>Rural Entrepreneurs and Microenterprise Assistance Program. Authorizes \$50 million each year, FY2002-2006. [<i>Section 638</i>] [Note: Program creates a new Subtitle D to the Consolidated Farm and Rural Development Act of 1972.] Senate Amendment 2615 makes budget authorization for [<i>Section 638</i>] discretionary.</p>
<p>2. Consolidated Farm and Rural Development Act of 1972 7 U.S.C. 1921 <u>et seq.</u></p>	<p>No Provision</p>	<p>National Rural Cooperative and Business Equity Fund. Authorizes appropriation of \$150 million to be matched by private investors. USDA will guarantee 50% of each investment</p>

RURAL DEVELOPMENT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
		with a maximum total of \$300 million. Administered by the Small Business Administration. <i>[Section 601]</i> [Note: Program would create a new Subtitle G to the Consolidated Farm and Rural Development Act of 1972.]
3. Consolidated Farm and Rural Development Act of 1972 7 U.S.C. 1921 <u>et seq</u>	No Provision	Rural Business Investment Program. Provides for grants up to \$1 million each to establish Rural Business Investment Companies to be administered by the Small Business Administration. CBO estimates the cost at \$70 million in loan subsidies and \$50 million in grants. <i>[Section 602]</i> Senate Amendment 2853 permits up to 10% of the funds to be invested in rural areas with a city of up to 100,000 population. [Note: Program would create a new Subtitle H to the Consolidated Farm and Rural Development Act of 1972.]
G. Strategic Rural and Regional Planning Programs		
1. Provides implementation authority through (I) the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 <u>et seq.</u>); (II) subtitle G of title XVI and title XXIII of the Food, Agriculture, Conservation, and Trade Act of 1990; (III) title V of the Rural Development Act of 1971 (7 U.S.C.	Pilot Program for Development of Strategic Regional Development Plans. Authorizes \$60 million each year FY2002-2011. Secretary will select 10 states in which to implement the strategic plans. <i>[Section 613]</i>	No Provision

RURAL DEVELOPMENT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
2661 et seq.); or (IV) section 1323(b) of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1932 note). [FAIR, Section.793(c)(1)(A)(ii)]		
2. Consolidated Farm and Rural Development Act of 1972, 7 U.S.C. 1926(a). [Section 306(a)]	No Provision	Multijurisdictional Regional Planning Grants. Authorizes \$30 million each year FY2003-2006 to fund regional planning organizations. Maximum grants of \$100,000, “not to exceed 75% of the federal share of the cost of providing assistance to local governments.” [Section 624]
3. The Consolidated Farm and Rural Development Act of 1972, 7 U.S.C.1921 et seq.	No Provision	Rural Endowment Program. \$82 million for planning grants [Section 385C(d)], endowment grants [Section 385C(f)], and private technical assistance [Section 385C(h)] [Section 604] [Note: For rural areas with populations under 25,000]
H. Rural America Infrastructure Account		
1. Authorizes various loans and grants under the Consolidated Farm and Rural Development Act of 1972 (P.L92-419), 7 U.S.C. 1926, 1926(a), 1926(c), 1926(d), and 1932 except for Sections 381-H, 381N and 381(O) of the 1972 Act.	No Provision	Full Funding for Pending Rural Development Loans and Grants. [Section 603] [Note: Establishes an account in the U.S. Treasury to be known as the “Rural America Infrastructure Development Account.” This provision authorizes a one-time removal of the backlog of

RURAL DEVELOPMENT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
		pending applications for rural development loans and grants. CBO estimates the cost at \$454 million.]
I. Other Rural Development Programs		
1. Consolidated Farm and Rural Development Act, 7 U.S.C. 1926(a). <i>[Section 306(a)]</i>	No Provision	Rural Firefighters and Emergency Medical Personnel Training Program. Authorizes \$10 million in first year and \$30 million annually, FY2003-2006. <i>[Section 627]</i>
2. Consolidated Farm and Rural Development Act of 1972, 7 U.S.C. 1891 <u>et seq.</u>	No Provision	Rural Seniors. Provides \$125 million in grants for programs targeting rural seniors. <i>[Section 639]</i>
3. Consolidated Farm and Rural Development Act, 7 U.S.C. 1981 <u>et seq.</u>	No Provision	Historic Barn Preservation Program. Authorizes \$25 million in each year, FY2002-2006. <i>[Section 642]</i>
4. Consolidated Farm and Rural Development Act of 1972, 7 U.S.C. 1921 <u>et seq.</u>	No Provision	Northern Great Plains Regional Authority. Creates the Authority and provides \$30 million in each year, FY2002-2006. <i>[Section 647]</i> [Note: Program would create a new Subtitle K to the Consolidated Farm and Rural Development Act of 1972.]
5. Section 4, Rural Electrification Act of 1936 (7 U.S.C. 904); Section 310B(a)(3) of the Consolidated Farm and Rural Development Act of 1972, 7 U.S.C. 1932(a)(3).	Loans and Loan Guarantees for Renewable Energy Systems <i>[Sections 605 and Section 606]</i>	No Provision

RURAL DEVELOPMENT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>6. Changes legal status of the Alternative Agricultural Research and Commercialization Center by converting it to a wholly-owned government corporation within USDA. <i>[Section 721 of FAIR Act, Amends Section 1658 of the Food , Agriculture, Conservation, and Trade Act of 1990 (P.L.101-624) (7 U.S.C. 5902)]</i></p>	<p>No Provision</p>	<p>Repeals corporate authorization and transfers assets to an account to support “critical emerging issues” in future food production, environmental management, and farm income. <i>[Section 651]</i> [Note: Repeals Subtitle G of Title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901 <u>et seq.</u>)</p>
<p>7. Rural Business and Cooperative Service: Miscellaneous loans and grants: (1) Establishes Business Opportunity Grants. <i>[FAIR Act Section 741(a)(10)]</i> (2) Establishes Business Enterprise Grants under the Consolidated Farm and Rural Development Act of 1972, <i>[Section 310B(c)]</i> (3) Authorizes Rural Economic Development Loans under the Rural Electrification Act of 1936 <i>[Section 313]</i>; (4) Authorizes Rural Cooperative Development grants under the Consolidated Farm and Rural Development Act of 1972 7 U.S.C. 1932, <i>[Section 310(B)(e)]</i> (5) Title VIII of the Omnibus Budget Reconciliation Act of 1993 (P.L.103-</p>	<p>Authorizes Rural Business Opportunity Grants <i>[Section 607]</i>, Rural Cooperative Development Grants <i>[Section 609]</i>, Rural Venture Capital Demonstration Program <i>[Section 611]</i>, at same funding level through 2011.</p> <p>Makes Rural Empowerment Zones and Rural Enterprise Communities eligible for direct and guaranteed loans for essential community facilities. <i>[Section 616]</i></p>	<p>Amends <i>Section 306(a)(11)(D)</i> of the Consolidated Farm and Rural Development Act, 7 U.S.C.1926(a)(11)(D)) to reauthorize Business Opportunity Grants through FY 2006. <i>[Section 622]</i> Amends <i>Section 310B(e)(9)</i> of the Consolidated Farm and Rural Development Act (7 U.S.C 1932(e)(9)) to reauthorize Rural Cooperative Development Grants through FY2006. <i>[Section 631]</i></p>

RURAL DEVELOPMENT CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>66) and the Taxpayer Relief Act of 1997 (P.L.105-277) establishes Rural Empowerment Zones and Rural Enterprise Communities (EZ/ECs). .</p> <p>[Note: The 1996 FAIR Act incorporates EZ/ECs. The Agriculture Reorganization Act of 1994 (P.L.103-354) organizes USDA Rural Development into the RUS, RBS, and RHS, the former Farmers Home Administration non-farm functions. Act provided for the transfer to RBS of the assets and liabilities of Business and Industry Guaranteed Loan Program (310a))1) of the Consolidated Farm and Rural Development Act of 1972.]</p>		
<p>Cost of Rural Development Title</p>	<p>CBO Estimate: \$1.5 billion in direct authorization. Total direct and discretionary authorization FY2002-2011, \$3.6 billion.</p>	<p>CBO Estimate: \$1.711 billion in direct authorization for rural development programs. Total direct and discretionary authorization FY2002-2006, \$3.4 billion.</p> <p>[Note: This estimate excludes \$550 million for energy related programs also budgeted by CBO under Title VI. Including this funding brings the total estimated direct authorization for Title VI to \$2.261 billion.]</p>

VII. RESEARCH

RESEARCH CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
National Agricultural Research, Extension, and Teaching Policy Act of 1977 (NARETPA); the Agricultural Research, Extension, and Education Reform Act of 1998; omnibus farm legislation passed in 1985 and 1990; and others, as noted	Title VII, Research and Related Matters	Title VII, Agricultural Research, Education, and Extension and Related Matters
A. Funding Authorities: USDA In-House Research and Cooperative Extension		
1. Authorizes \$850 m. annually for the Agricultural Research Service through FY2002. <i>[Section 1463 of NARETPA]</i>	Extends authority through FY2011 with no changes. <i>[Section 708]</i>	Increases funding authority to \$1.5 billion annually through FY2006. <i>[Section 716]</i>
2. Authorizes \$420 m. for cooperative extension programs through FY2002. <i>[Section 1464 of NARETPA]</i>	Extends authority through FY2011 with no changes. <i>[Section 714]</i>	Increases funding authority to \$500 million annually through FY2006. <i>[Section 717]</i>
B. The Initiative for Future Agriculture and Food Systems		
1. Authorizes the transfer of \$120 m. annually in FY1999-2002 from the U.S. Treasury to USDA for a competitive grants program on critical emerging issues and high-priority research. <i>[Section 401 of 1998 Act]</i>	Requires the Secretary to transfer \$1.16 billion into the Initiative from the Commodity Credit Corporation in equal annual amounts over a 9-year period ending in FY2011. <i>[Section 750]</i>	Authorizes the transfer of \$130 million annually through October 1, 2002, and of \$225 million annually through 2006 from the Commodity Credit Corporation <i>[per Section 1099B]</i> for the Initiative <i>[Section 169]</i> , and recommends that the Secretary reserve 10% of Initiative funds for grants to minority-serving institutions. <i>[Section 741]</i>

RESEARCH CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
	Designates \$25 million of Initiative funds in FY2004-08 to be awarded to minority-serving schools for research on biotechnology to benefit developing countries. USDA's Foreign Agricultural Service (FAS) would administer the program. <i>[Section 763]</i>	Contains a comparable provision, with funding authorized under Title IV of the 1998 Act. <i>[Section 750]</i>
2. Defines priority mission areas for the Initiative. <i>[Section 401 of the 1998 Act]</i>	Adds alternative fuels, precision agriculture, crop diversification, and small livestock farm improvement to the list of areas to be addressed by the Initiative. <i>[Section 743]</i>	Makes no change to existing law.
C. Land Grant Institutions in Insular Areas		
1. Defines the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Marianas, the Trust Territory of the Pacific Islands, the Virgin Islands of the United States, and the District of Columbia as "states" for the purposes of the Act. <i>[Section 1404 of NARETPA]</i>	Redefines territories to include the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau (and excludes the District of Columbia) solely for the purposes of a new grant program to strengthen the food and agriculture curriculum at those institutions. <i>[Section 761]</i>	<p>Redefines territories as "insular areas" rather than as states, adding the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau to the list. Retains "state" definition for the District of Columbia. Exempts Micronesia, Marshall Islands, and Palau from eligibility for formula funds under the Hatch Act of 1887 and the Smith-Lever Act of 1914. <i>[Section 701]</i></p> <p>Creates new authority for \$20 million through FY2006 for competitive or non-competitive grants to insular institutions to strengthen distance learning programs in agriculture using advanced technologies. Requires 50% matching funds. <i>[Section 775]</i></p>

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2. Requires institutions to match federal formula funds for research and extension at 50% beginning in FY2002, and prohibits the Secretary from waiving the requirement. <i>[Section 3(d) of the Hatch Act of 1887, as amended]</i>	Sets the matching fund requirement at 50% for the U.S. Territory institutions through 2011 and grants the Secretary authority to waive the requirement if a Territory cannot meet the obligation. <i>[Section 749A]</i>	Sets a 50% matching fund requirement through FY2006 for Puerto Rico, U.S. Virgin Islands, and Guam, and grants the Secretary authority to waive the requirement. <i>[Section 776]</i>
D. 1890 Land Grant Universities		
1. Authorizes appropriations of such funds as may be necessary for research programs, and establishes a 6% minimum (of appropriation for 1862 schools) for extension programs. <i>[Section 1444 of NARETPA]</i>	Contains no provision addressing funding authority for 1890 land grant colleges.	<p>Raises the minimum amount that can be appropriated for extension programs from 6% to 15% of extension formula funds appropriated for the 1862 schools. <i>[Section 757]</i></p> <p>Establishes a minimum amount to be appropriated for research programs at 25% of the amount appropriated for the 1862 schools. <i>[Section 757]</i></p>
2. Authorizes \$15 m. annually through FY2002 for grants to upgrade facilities. <i>[Section 1447(b) of NARETPA]</i>	Extends authority through FY2011 with no changes. <i>[Section 709]</i>	Increases authorization to \$25 million annually through FY2006. <i>[Section 760]</i>
3. Requires 50% in state funds to match federal formula funds for research and extension. <i>[Section 1449 of NARETPA]</i>	Requires an annual 10% increase in state matching funds beginning in FY2003, to reach 100% in FY2008. The Secretary may waive the requirement above 50% if a state cannot meet the obligation. <i>[Section 749]</i>	Raises the matching funds requirement to 60% in FY2003 and annually in 2004-06 by 110% of the previous year's amount. The Secretary may waive the requirement above 50% if a state cannot meet the obligation. <i>[Section 762]</i>

RESEARCH CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
E. 1994 Institutions (Tribally Controlled Land Grant Institutions)		
1. Authorizes annual appropriation of \$4.6 m. in FY1996-2002 for an endowment fund. <i>[Section 533 of Equity in Educational Land Grant Status Act of 1994]</i>	Removes authority for appropriations to an endowment fund and authorizes appropriations of such sums as are necessary in FY1996(sic)-2011. <i>[Section 729]</i>	Provision comparable to House, but authorizes appropriations for FY2002-06. <i>[Section 755(c)]</i>
2. Authorizes \$50,000 annual payments to each institution. <i>[Section 534 of 1994 Act]</i>	Increases payment authority to \$100,000 annually. <i>[Section 741(a)]</i>	Provision identical to House. <i>[Section 755(e)]</i>
3. Bases withdrawals and expenditures from the endowment fund on a formula using an Indian student count as defined in the Carl D. Perkins Vocational and Applied Technology Education Act. <i>[Section 533(c)(4)(A) of 1994 Act]</i>	Bases withdrawals and expenditures on a formula using an Indian student count as defined in the Tribally Controlled College or University Assistance Act of 1978. <i>[Section 741(b)]</i> NOTE: Makes student count mechanism more flexible and clarifies calculation of full-time Indian students. Previous calculation was designed for two specific tribal colleges under the Carl Perkins Act, and the new one is designed for 24 of the now 31 tribal colleges under the 1978 Act.	Provision identical to House. <i>[Section 755(d)]</i>
4. Authorizes \$5 m. annual appropriations for extension programs and contains formula for distribution of funds. <i>[Section 3(b) of Smith-Lever Act of 1914]</i>	Authorizes such sums as are necessary through FY2011. <i>[Section 753]</i>	Authorizes such sums as are necessary and directs the Secretary to develop a new distribution formula. <i>[Section 754]</i>
5. Excludes 1994 Institutions from eligibility for formula funds under the Hatch Act of 1887 and	Adds the 1994 Institutions to the definition of colleges and universities eligible to receive Hatch and Smith-Lever Act funds	No comparable provision to House, but makes the 1994 Institutions eligible to compete for grants for integrated

RESEARCH CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
the Smith-Lever Act of 1814. <i>[Section 533(a)(2) of 1994 Act]</i>	for research and extension programs. <i>[Section 742]</i>	research and extension projects under Section 406 (b) of the 1998 research reform act. <i>[Section 756]</i>
F. Priority Research Areas		
1. Authorizes a competitive grants program to support research and extension programs on 24 specified topics. <i>[Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990]</i>	Adds wind erosion, crop loss, land use management, water and air quality, revenue insurance, agrotourism, fruit and vegetable harvesting, nitrogen fixation, marketing, private lands research, livestock disease threats, and plant gene expression to the list of priority research areas. <i>[Section 744(b)]</i>	Adds animal infectious diseases, childhood obesity, integrated pest management, beef cattle genetics, and development of publicly held plant and animal varieties to the list of priority research areas. Authorizes \$100,000 annually for high priority research on reducing hazards from dairy pipeline cleaners. <i>[Section 734]</i>
2. Authorizes agricultural genome research. <i>[Section 1671(b) of the 1990 Act]</i>	Adds plant pathogens to research subjects under the Agricultural Genome Initiative. <i>[Section 744]</i>	Makes no change to existing law.
3. Authorizes competitive grants for research and extension programs on organic agriculture. <i>[Section 1672B of the 1990 Act]</i>	Contains no provision addressing existing authority.	Reauthorizes and expands the research focus for organic agriculture to include genomics research, improvement of publicly held crop and livestock varieties, marketing research, and on-farm research. <i>[Section 736]</i>
4. Authorizes research and extension programs on precision agriculture. <i>[Section 403 of the 1998 Act]</i>	Extends authority through FY2011. <i>[Section 730]</i>	Extends authority through FY2006 and adds emphasis on horticulture, mechanization, robotics, and energy use efficiency. <i>[Section 743]</i>
5. Authorizes selected high-priority research areas. <i>[Title IV of the 1998 Act]</i>	Contains no provision addressing existing authority.	Adds bovine Johne's disease control and grants for youth organizations to high-priority subjects under the 1998 Act.

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		<i>[Sections 748 and 749]</i>
G. International Research		
1. Authorizes cooperative international research, extension, and teaching programs. <i>[Section 1458 of NARETPA]</i>	Authorizes placement of agriculture students at U.S. colleges and universities at USDA Foreign Agricultural Service field offices overseas. <i>[Section 745(c)]</i>	Contains no provision addressing existing authority.
H. Biotechnology		
1. Authorizes USDA to withhold 1% of biotechnology research funding to support risk assessment research on bioengineered organisms. <i>[Section 1668 of 1990 Act]</i>	Increases withholding to 3% and adds authority to study the environmental effects of biotechnology and develop a long-term policy for introduction. <i>[Section 747]</i>	Increases withholding to 3% and directs the Secretary to give priority in awarding biotechnology risk assessment grants to applicants who take an interdisciplinary approach that includes environmental, biosafety, and nutritional aspects. <i>[Section 732]</i>
I. Research Facilities		
1. Provides general authority for federal funds to construct or modernize research facilities at colleges and universities. <i>[Research Facilities Act of 1963]</i>	Makes no change to existing law.	Adds new authority to Section 1417 of the 1977 Act for competitive grants to land grant schools and Hispanic-serving schools for construction or modernization of research facilities. Preference would be given to proposals offering matching funds. <i>[Section 704]</i>
2. Protecting agriculture facilities. <i>[No existing authority]</i>	Creates new authority to assess civil penalties against anyone who damages or disrupts an animal or agricultural enterprise, research facility, or other agricultural or biomedical facility. Also authorizes recovery of economic damage and establishes a fund to compensate the	Contains a similar provision, with stronger penalties and greater emphasis on bioterrorism. <i>[Section 1058]</i>

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	victims of such attacks. <i>[Section 790]</i>	
3. Competitive grants for purchasing lab equipment. <i>[No existing authority]</i>	No comparable provision.	Creates new authority for \$250 million over 5 years for competitive grants to land grant and non-land grant schools for purchasing specialized scientific equipment. <i>[Section 715]</i>
J. Competitive Research Grants Administration		
1. Reimbursement for indirect costs associated with competitive grants is limited to 19% of the total grant. <i>[Section 1462 of NARETPA]</i>	Makes no change to existing law.	Permits institutions awarded a competitive grant to receive reimbursement for indirect costs (excluding equipment costs) at a percentage established by the granting agency's audit agency. <i>[Section 714]</i>
2. Competitive grants are disbursed in the year in which the funds are appropriated. <i>[Section 1467 of NARETPA]</i>	Makes no change to existing law.	Makes funds appropriated for competitive grants available for obligation over a 2-year period. <i>[Section 718]</i>
3. Joint requests for proposals. <i>[No existing authority]</i>	No comparable provision.	Adds authority for the Secretary to transfer grant funds to or receive grant funds from other federal research agencies in order to facilitate joint research and eliminate duplication. <i>[Section 719]</i>
K. Biosecurity		
1. Agriculture Infrastructure Security. <i>[No existing authority]</i>	No comparable provision.	Adds a new biosecurity subtitle to NARETPA to establish a fund to protect ARS, Forest Service, APHIS, and other federal facilities related to the safety of

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		crops, livestock, and food. Establishes an advisory board on the use of the fund. <i>[Section 723, Chapter 1]</i>
2. Biosecurity Planning and Response. <i>[General authority exists for high priority research and extension initiatives under Section 1672(e) of the 1990 Act]</i>	Amends the 1990 farm act to list research on technology to protect agriculture (including livestock) and the food supply from bioterrorism and naturally occurring threats as a high priority research topic. <i>[Section 744]</i>	New subtitle authorizes such sums as necessary for research on counterbioterrorism. Authorizes \$100 million annually in FY2003-05 for construction or renovation of bioterrorism research facilities. Expresses sense of Congress that funding for USDA agencies with biosecurity responsibilities should be increased as necessary. <i>[Section 723, Chapter 2]</i>
L. Research related to Rural and Beginning Farmers		
1. Risk management education. <i>[Section 524(a)(3) of the Federal Crop Insurance Act]</i>	No comparable provision.	Creates a competitive grant program to be administered by CSREES to enhance land grant and non-land grant education programs on risk management for beginning farmers. <i>[Section 785]</i>
2. Research on rural issues. <i>[Section 1417 of NARETPA]</i>	No comparable provision.	Adds an emphasis on rural economic, community, and business research to existing rural research authority. <i>[Section 703]</i>
3. Technology transfer for rural development. <i>[No existing authority]</i>	No comparable provision.	Establishes a joint ARS- Rural Business-Cooperative Service program to make ARS and RBCS rural development technologies available to rural areas more quickly. <i>[Section 795]</i>
4. Rural electronic commerce	No comparable provision.	Authorizes a \$60 million, 5-year

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development program. <i>[No existing authority]</i>		extension program to help small businesses in rural areas adopt electronic commerce business practices and technologies. <i>[Section 733]</i>
4. Beginning farmer and rancher education. <i>[No existing authority]</i>	No comparable provision.	Creates a competitive grant program to help local and regional education, training, outreach, and technical assistance organization assist beginning farmers and ranchers. Authorizes \$15 m. annually over 3 years to be transferred from the U.S. Treasury to support the program. <i>[Section 796]</i>
5. Rural research fund. <i>[No existing authority]</i>	No comparable provision.	Establishes a Rural Research Fund account within USDA, funded by \$60 million transferred from the U.S. Treasury over 4 years, to support competitive research grants on rural public policy. <i>[Section 798]</i>
6. Alternative Agriculture Research and Commercialization Revolving Fund. <i>[Section 1664(g)(1) of 1990 Act]</i>	Extends authority for appropriations through 2011.	Title VI (Rural Development) of the Senate-passed H.R. 2646 contains a provision to repeal the authority for the Alternative Agricultural Research and Commercialization Corporation and transfer its funds to USDA to be used for research on future food production, environmental protection, and farm income. <i>[Section 651]</i>
M. Miscellaneous Research Provisions		
1. National Agricultural Research, Extension, Education,	Adds to the advisory board members from a non-land grant institution and from the	Extends authority for advisory board with no changes.

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and Economic Advisory Board. <i>[Section 1408 of NARETPA]</i>	House and Senate Agriculture and Appropriations Committees. <i>[Section 745]</i>	
2. ARS review. <i>[First authorized in 1998 Act]</i>	No comparable provision.	Reauthorizes an outside review of the purpose, efficiency, and effectiveness of ARS research. <i>[Section 794]</i> NOTE: S. Rpt. 107-117 indicates that the earlier review was not carried out according to the intent of the original language.
2. Senior Scientific Research Service. <i>[No existing authority]</i>	No comparable provision.	Establishes a 100-member Senior Scientific Research Service comprised of highly qualified scientists. Minimum GS-15 salary. <i>[Section 750B]</i>
3. Regulatory and inspection research. <i>[No specific authority exists for this type of research, but such work currently is conducted under general authority found in NARETPA]</i>	No comparable provision.	Authorizes the Secretary to conduct urgent applied research to support the regulatory programs of AMS, APHIS, FSIS, and FGIS. <i>[Section 792]</i>
4. Repeal of certain activities and authorities. <i>[Sections 615(b) and (c) of the 1998 Act]</i> <i>[Section 617 of the 1998 Act]</i> <i>[Section 1634 of the 1990 Act]</i>	Food safety research information office and national conference. <i>[Section 771]</i> Reimbursement of expenses under the Sheep Promotion, Research, and Information Act of 1994. <i>[Section 772]</i> National Genetic Resources Program. <i>[Section 773]</i>	No comparable provisions.

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<p><i>[Sections 1639 and 1640 of the 1990 Act]</i></p> <p><i>[Section 1420 of the 1985 Act]</i></p> <p><i>[Section 1437 of the 1985 Act]</i></p> <p><i>[Section 1438 of the 1985 Act]</i></p> <p><i>[Sections 1412 and 1413(c) of NARETPA]</i></p> <p><i>[Research Facilities Act of 1963]</i></p>	<p>National Advisory Board on Agricultural Weather. <i>[Section 774]</i></p> <p>Agricultural information exchange with Ireland. <i>[Section 775]</i></p> <p>Pesticide resistance study. <i>[Section 776]</i></p> <p>Expansion of education study. <i>[Section 777]</i></p> <p>Support for advisory board. <i>[Section 778]</i></p> <p>Task force on 10-year strategic plan for agricultural research facilities. <i>[Section 779]</i></p>	

VIII. FORESTRY

FORESTRY CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
Primarily, provisions of the Cooperative Forestry Assistance Act of 1978 (CFAA), P.L. 95-313	Title VIII - Forestry Initiatives	Title VIII - Forestry
A. Forest Landowner Assistance		
<p>1. Forestry Incentives Program (FIP) provides cost-sharing for tree planting and other forest improvement practices. <i>[Section 4, CFAA]</i></p> <p>2. Stewardship Incentives Program (SIP) provides cost-sharing for a wide variety of forestry practices. <i>[Section 6, CFAA]</i></p> <p>3. No provision.</p> <p>4. No provision.</p>	<p>1. Repeals FIP. <i>[Section 801]</i> NOTE: FIP expires at the end of FY2002. The repeal in the House bill is not needed to effectively end the program.</p> <p>2. Repeals SIP. <i>[Section 801]</i></p> <p>3. Establishes new Forest Land Enhancement Program (FLEP) to <i>supplant</i> FIP and SIP, with cost-sharing for the same practices (and more) and \$20 million annually in mandatory spending. <i>[Section 802]</i> NOTE: The House bill replaces former programs with this new program</p> <p>4. No provision.</p>	<p>1. Reauthorizes FIP through 2006. <i>[Section 804]</i></p> <p>2. No provision. NOTE: SIP is permanently authorized, and requires no reauthorization</p> <p>3. Establishes new Sustainable Forest Management Program to <i>supplement</i> FIP and SIP, with cost-sharing for additional practices and \$48 million annually in mandatory spending. <i>(Section 806)</i> NOTE: The Senate Bill adds to existing programs.</p> <p>4. Establishes new Sustainable Forestry Cooperative Program to assist landowners in creating cooperatives for sustainable forest management. <i>(Section 805)</i></p>

FORESTRY CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
B. Suburban and Community Forestry Initiative		
(NOTE: Existing financial and technical assistance programs to urban areas, communities, and private nonprofit organizations are permanently authorized in Section 9 of CFAA, and are unchanged in the House and Senate bills.)	No provision.	Creates new Suburban and Community Forestry and Open Space Initiative, to conserve private forest land and working forests in suburbs and help control urban sprawl, through 50% cost share grants to states and nonprofits. Authorized at \$50 million for FY2003, as needed thereafter. (<i>Section 813</i>)
C. Watershed Forestry		
<p>1. (Many existing forestry assistance programs include activities to protect watersheds, but none focuses on watershed protection.)</p> <p>2. No provision</p>	<p>1. No provision.</p> <p>2. No provision.</p>	<p>1. Creates new Watershed Forestry Assistance Program, for cost-sharing by states for forest practices to protect and enhance water quality, authorized at \$20 million annually. (<i>Section 812</i>)</p> <p>2. Creates new Chesapeake Bay Watershed Forestry Program to use forest management to improve wildlife habitat, water quality, watershed planning, <i>et al.</i>, with up to 75% cost-share grants; authorized at \$3 million for FY2002 and \$3.5 million for FY2003-FY2006. (<i>Section 810</i>)</p>
D. Fire Protection		
(NOTE: Existing financial and technical assistance programs to states and to volunteer fire departments are permanently authorized in Section 10 of CFAA, and are unchanged in the	1. Creates new Enhanced Community Fire Protection program to inform and assist landowners in wildfire protection; authorized at \$35 million annually. Appears to allow federal activities on	1. Similar to H.R.2646. (<i>Section 811</i>)

FORESTRY CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
House and Senate bills. Fire research is authorized under the Forest and Rangeland Renewable Resources Research Act (P.L. 95-307), and 3 fire research centers already exist.)	<p>private lands (<i>Section 804</i>)</p> <p>2. No provision.</p> <p>3. Authorizes new hazardous fuel reduction grants of \$5-10 per ton of hazardous fuel removed from forests to operators of facilities that produce energy from biomass, with monitoring of grant recipients and of treatment effects (the latter being limited to federal lands), authorized at \$50 million annually. (<i>Section 921, in Title IX</i>)</p> <p>4. No provision.</p>	<p>2. Authorizes creation of 2 forest fire research centers. (<i>Section 808</i>)</p> <p>3. Authorizes new hazardous fuel reduction grants of \$5-10 per ton to operators of facilities that produce energy from hazardous fuel removed from forests, or to persons to use or increase value of hazardous fuels; grant allocation based on minimizing environmental effects and maximizing community benefits, with monitoring of grant recipients, and of environmental and employment effects. Authorized at \$50 million annually. (<i>Section 809</i>)</p> <p>4. Requires independent investigation of firefighter fatalities by USDA Inspector General. (<i>Section 820</i>)</p>
E. Forest Health Protection		
(NOTE: Existing forest health protection program authorizes insect and disease survey and control on federal lands and on with consent, cooperation, and participation on other lands is permanently authorized in Section 8 of CFAA, and is unchanged in the House and Senate bills.)	<p>1. No provision.</p> <p>2. No provision.</p>	<p>1. Authorizes new research, monitoring, and treatment program for Sudden Oak Death Syndrome, with an advisory committee to oversee implementation; authorized at \$14.25 million annually, with allocation among activities specified. (<i>Section 819</i>)</p> <p>2. Authorizes new program of Adaptive Ecosystem Restoration of Arizona and New Mexico Forests and</p>

FORESTRY CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
		Woodlands, to improve ecological health and reduce threats to forests while encouraging collaboration, by creating two ecological institutes, requiring federal cooperation, and monitoring results; annual authorization is \$10 million. (<i>Section 821</i>)
F. Forestry Research		
Forestry research at land grant universities is authorized under the McIntire-Stennis Act of 1962 (P.L. 87-788). (NOTE: Forest Service research is authorized under the Forest and Rangeland Renewable Resources Research Act of 1978, P.L. 95-307.)	Reaffirms the importance of forestry research under McIntire-Stennis. (<i>Section 807</i>) Note: Incorrectly cites the public law number as P.L.87-88.	Identical to House version. (<i>Section 802</i>)
G. Renewable Resources (RREA)		
The Renewable Resources Extension Act (RREA; P.L. 95-306) authorizes educational assistance in natural resources management.	Reauthorizes RREA, doubles authorized funding to \$30 million annually, and establishes new Sustainable Forestry Outreach Initiative. (<i>Section 803</i>)	House and Senate provisions are similar, but not identical. Reauthorizes RREA, doubles authorized funding to \$30 million annually, and establishes new Sustainable Forestry Outreach Initiative. (<i>Section 803</i>)
H. International Forestry		
1. Technical forestry assistance to other countries is permanently authorized under Title VI of P.L. 101-513 (Foreign Operations Appropriations, 1991).	1. Effectively reauthorizes the International Forestry ” through 2011. (<i>Section 805</i>)	1. No provision.

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2. The Forest Service Office of International Forestry expires at end of FY2002 under Section 2405(d) of the 1990 Farm Bill.	2. No provision	2. Reauthorizes “Office of International Forestry” through 2006. <i>(Section 801)</i>
I. Tribal Forestry		
1. No provision. 2. No provision.	1. No provision. 2. No provision.	1. Establishes Office of Tribal Relations to improve communication between tribal governments and USDA and Forest Service. <i>(Section 817)</i> 2. Establishes program for Assistance to Tribal Governments, to provide technical, financial, educational, and related forestry assistance; authorized funding “as needed.” <i>(Section 818)</i>
J. National Forest Management		
(Many programs and authorities exist. The broadest authorization is in the Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA; P.L. 93-378) as amended by the National Forest Management Act of 1976 (NFMA; P.L. 94-588).)	Authorizes “Long-Term Forest Stewardship Contracts” for reducing hazardous fuels in the national forests as part of timber sale contracts (<i>i.e.</i> , authorizes goods-for-services contracts, where the Forest Service can use timber to pay for fuel treatment services). <i>(Section 806)</i>	Authorizes 28 Long-Term Forest Stewardship Contracts for reducing hazardous fuels in the Wildland-Urban Interface in national forests as part of timber sale contracts, with 14 using goods-for-services contracts (where the Forest Service can use timber to pay for fuel treatment services) and the other 14 using separate contracts to collect woody material and to sell the timber. <i>[Section 815]</i>

IX. MISCELLANEOUS PROVISIONS

MISCELLANEOUS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
A. Federal Crop Insurance		
<p>Prohibition on Continuous Coverage The Federal Crop Insurance Act, as amended by the Agriculture Risk Protection Act of 2000, requires participating producers in the federal crop insurance program to select a coverage level that is a multiple of 5, between the 55% and 85% level of crop yield coverage, for the 2001 through 2005 crop years. <i>[Section 508(e)]</i></p> <p>Note: “Continuous coverage” refers to the ability of farmers to select any level of coverage between 50% of normal yield and 85% of yield. The reason farmers are not allowed to choose any level of coverage and must choose in 5% increments is because the premium subsidy structure is set in law in 5% increments. The percentage of the crop insurance premium subsidized by the federal government falls as a producer selects higher levels of coverage. The continuous coverage prohibition is a federal cost-saving measure that prevents producers who would normally choose, for example, a 65% level of coverage, from dropping back to 64% coverage just to receive the higher subsidy level.</p>	No provision.	<p>Makes permanent the temporary prohibition on continuous coverage in current law. <i>[Section 1012]</i></p> <p>Note: CBO scores an average annual savings of approximately \$320 million beginning in FY2006.</p>

MISCELLANEOUS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
Quality Loss Adjustment Procedures The Federal Crop Insurance Act, as amended, requires USDA to contract a study reviewing the quality loss adjustment procedures of the crop insurance program, and make adjustments based on this review. <i>[Section 508(m)(3)]</i>	No provision.	Requires USDA to implement the review findings by the 2003 insurance year. <i>[Section 1013]</i>
Conservation Requirements The 1985 farm bill (P.L. 99-198) prohibits any farmer from receiving certain federal farm payments or loans when the producer grows a crop on either highly erodible land <i>[Sect. 1211]</i> , or a converted wetland <i>[Sect. 1221]</i>	No provision.	Prohibits farmers from receiving a crop insurance indemnity payment when the producer grows a crop on highly erodible land or a converted wetland. <i>[Section 1014]</i>
Sweet Potatoes The Federal Crop Insurance Act prohibits farmers from receiving crop insurance indemnity payments once the crop leaves the field, except for tobacco and potatoes. <i>[Section 508(a)(2)]</i> The FY2002 agriculture appropriations act (P.L. 107-76) allows sweet potatoes to receive indemnity payments after harvest for FY2002 only. <i>[Section 760]</i>	Permanently includes sweet potatoes as a crop that would be eligible for indemnity payments after harvest. <i>[Section 928]</i>	Identical to the House provision. <i>[Section 1011]</i>
Specialty Crop Insurance Initiative The Federal Crop Insurance Act, as amended, authorizes USDA to reimburse private entities for the cost of research and development of new crop insurance programs. Mandatory funding of \$10 million for each of FY2001 and 2002, and not more than \$15 million in FY2003 and subsequent	No provision.	Increases funding for research and development reimbursements to \$32 million in FY2002 (up \$22 million); \$27.5 million for each of FY2003 and FY2004 (up \$12.5 million in each year); and \$25 million for each of FY2005 and FY2006 (up \$10 million in each year). Also increases funding for education and

MISCELLANEOUS CURRENT LAW/POLICY	HOUSE BILL	SENATE BILL
<p>years is provided <i>[Section 522(b)]</i>. The act also authorizes USDA to establish crop insurance education and information programs for producers in states that traditionally have a low participation rate in the crop insurance program or are underserved by the program. Mandatory funding of \$5 million for FY2001 and each subsequent year is provided. <i>[Section 524]</i></p>		<p>information programs to \$10 million in FY2003 (up \$5 million); \$13 million in FY2004 (up \$8 million); and \$15 million for each of FY2005 and FY2006 (up \$10 million in each year. Total 5-year increase for R&D reimbursements is \$67 million; total 4-year increase for education programs is \$33 million. The combined \$100 million additional cost is funded through savings associated with reducing the payment limits for farm commodity support programs. <i>[Section 169]</i></p>
<p>Restriction of Crop Insurance Payments to Previously Cropped Land No restriction in current law</p>	No provision.	<p>Prohibits the subsidization of any federal crop insurance policy that covers a farm commodity that is planted on land that has not been farmed for at least 1 of the 5 crop years prior to 2002, or 3 of the previous 10 crop years. Requirement is reduced to 1 of 20 years if the farmer has used and continues to use crop rotation practices. <i>[Section 194(c)]</i></p>
<p>Adjusted Gross Revenue Insurance Pilot Program The Federal Crop Insurance Act, as amended, authorizes USDA to conduct pilot programs to evaluate whether a new risk management program is suitable for the marketplace and addresses the needs of farmers. <i>[Section 523]</i> USDA currently implements an Adjusted Gross Revenue (AGR) pilot program which</p>	No provision.	<p>Requires USDA to continue through at least the 2004 insurance year, the adjusted gross revenue (AGR) insurance pilot program in effect for the 2002 crop year. Expands the pilot program in 2003 to include at least 8 counties in the state that produces the highest quantity of specialty crops for which AGR insurance is currently not available (i.e., California). Counties selected by USDA should produce a</p>

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allows a farmer to insure a percentage of historical revenue for all crops grown on the farm rather than insuring each crop separately.		significant quantity of specialty crops. <i>[Section 1079D]</i>
Study on Producer Indemnification for Government-Caused Disasters The Federal Crop Insurance Act limits covered perils under the crop insurance program to drought, flood, or other natural disaster (as determined by the Secretary). <i>[Section 508(a)(1)]</i>	No provision.	Requires the Secretary of Agriculture to conduct a study of the feasibility of expanding crop insurance and the noninsured assistance program to farmers experiencing disaster conditions caused primarily by a federal agency action. Report to be submitted to the House and Senate Agriculture Committees within 150 days of enactment. <i>[Section 1085]</i>
Risk Management Education for Beginning Farmers The Federal Crop Insurance Act established a “Partnership for Risk Management” program within USDA’s Cooperative State Research, Education and Extension, Service (CSREES) whereby competitive grants are made to qualified public and private entities to educate farmers about various available strategies to manage farm financial risk. Annual mandatory funding of \$5 million is authorized. <i>[Section 524(a)(3)]</i>	No provision.	Allows the Secretary, (through CSREES,) to establish risk management education programs targeted to the needs of beginning farmers and ranchers, using existing available funds in Section 524 of the Federal Crop Insurance Act. <i>[Section 785]</i>
B. Noninsured Assistance		
Sea Grass and Sea Oats The 1996 farm bill (P.L. 104-624) makes eligible for the noninsured assistance program all crops that are not eligible for	Specifically includes sea grass and sea oats as an eligible crop under the noninsured assistance program. <i>[Section 929]</i>	No provision.

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federal crop insurance coverage, and certain specific crops. <i>[Section 196(a)(2)]</i>		
C. Emergency Crop Disaster and Income Loss Assistance		
<p>Various emergency supplemental acts in recent years have provided <i>ad hoc</i> direct payments to crop producers to compensate them for major production losses caused by natural disasters. Most recently, the FY2001 agriculture appropriations act (P.L. 106-387) provided such sums as are necessary for disaster payments for 2000 crop year losses. <i>[Section 815]</i> Separately, the FY2002 agriculture appropriations act (P.L. 107-76) made an additional \$75 million available exclusively to apple producers for the loss of markets for their 2000 crop. <i>[Section 741]</i></p>	No provision.	<p>Authorizes the Secretary of Agriculture to use \$1.8 billion in Commodity Credit Corporation (CCC) funds to make payments to producers who experienced losses to the 2001 crop caused by natural disasters. Payments are to be made in the same manner as for 2000 losses. Secretary has discretion to use some of the funds to reimburse farmers for income losses not caused by a natural disaster. <i>[Section 191]</i></p> <p>Provides \$100 million in CCC funds to make payments to apple producers for the loss of markets during the 2000 crop year. <i>[Section 193]</i></p> <p>Transfers \$50 million from the U.S. Treasury to USDA to pay the salaries and expenses of administering emergency crop and livestock programs. <i>[Section 195]</i></p> <p>All funds made available for these programs carry an emergency designation, and therefore do not count toward the budget limitations placed on new farm bill spending. <i>[Section 197]</i></p>
D. Livestock		
1. Emergency Livestock Assistance	Permanently authorizes livestock assistance,	a. Requires the Secretary of Agriculture to

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<p>Various emergency supplemental acts in recent years have authorized <i>ad hoc</i> assistance for livestock farmers when on-farm feed or forage is damaged or destroyed by a natural disaster (Livestock Assistance Program) or to replenish herds when a natural disaster causes widespread livestock mortality (Livestock Indemnity Program). Programs are generally funded through the borrowing authority of USDA's Commodity Credit Corporation. Most recent authority was granted for calendar year 2000 livestock losses in emergency provisions included within the FY2001 agriculture appropriations act (P.L. 106-387) [Section 806]</p>	<p>subject to annual appropriations, and at discretion of the Secretary of Agriculture. Such assistance would include indemnity payments for livestock mortality losses, livestock feed assistance, compensation for sudden increases in production costs, and other assistance as deemed appropriate by the Secretary of Agriculture. [Section 931]</p> <p>b. No provision.</p>	<p>implement a program to provide feed assistance to livestock producers affected by disasters, subject to annual appropriations. For FY2003 through FY2008, \$500 million is authorized to be appropriated. [Section 168]</p> <p>b. Requires the Secretary to use \$500 million of Commodity Credit Corporation funds to make payments for livestock losses in 2001 in a county that has received emergency designation by the President or Secretary after January 1, 2001. Of this amount, \$12 million is for the American Indian Livestock Program. All 2001 livestock assistance is to be administered the same as that provided for 2000 losses by the FY2001 agriculture appropriations act. The CCC funding is given an emergency designation and therefore does not count toward the spending limitations on the 2002 farm bill [Section 192 and 197]</p>
<p>2. Lambs for Afghanistan</p>	<p>No provision.</p>	<p>Authorizes a pilot emergency relief program to provide live lamb to Afghanistan and requires USDA to submit a report by January 1, 2004. [Section 309]</p>
<p>E. Migrant and Seasonal Farmworker Assistance</p>		
<p>The 1990 farm bill (P.L. 101-624) gave permanent authority to the Secretary of Agriculture to disburse up to \$20 million in</p>	<p>No provision.</p>	<p>Increases the authority for appropriations to \$40 million for FY2002 through FY2006. No authority for appropriations</p>

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<p>grants (subject to annual appropriations) to public agencies or private tax-exempt organizations that have experience providing emergency services to low-income migrant and seasonal farmworkers. <i>[Section 2281]</i></p> <p>Note: To date, one appropriation has been made to the program, in an emergency supplemental act in FY1999 (P.L. 106-31).</p>		<p>beyond FY2006. <i>[Section 1061]</i></p>
F. Tree Assistance and Caneberries		
<p>1. Tree Assistance Program:</p> <p>a. Implemented on an <i>ad hoc</i> basis, usually under temporary authority given in various emergency supplemental acts over the years. NOTE: Program implemented in 1998 Supplemental Appropriations Act (P.L. 105-174) reimbursed tree and vine owners up to 100% of the cost of replanting when owners suffer 20% or greater loss (adjusted for normal mortality).</p> <p>b. Payment limit of \$25,000 per eligible tree and vine owner. Excludes assistance to owners earning more than \$2.5 million gross annual revenue in the tax year preceding the year when the losses occurred. [See note above]</p>	<p>a. Authorizes a program of assistance to growers who planted trees, vines and bushes for commercial purposes and suffered losses as a result of a natural disaster. Assistance would consist of reimbursement of 75% of the cost of replanting trees lost in excess of 15 % mortality (adjusted for normal mortality), or sufficient seedlings to reestablish the stand. <i>[Title IX, Subtitle A, Sections 901-902, 904]</i></p> <p>b. Payments may not exceed \$50,000 for each grower, or an equivalent value in tree seedlings. No requirement on amount of gross annual revenue, but grower must own 500 acres or less of commercial trees. <i>[Title IX, Subtitle A, Section 903(a)]</i></p>	<p>a. Same as House bill, except that it contains an authorization for appropriations for fiscal years 2002-2006. <i>[Title X, Subtitle D, Section 1062]</i></p> <p>b. Payments may not exceed \$100,000 to each grower or an equivalent value in tree seedlings. No requirement on amount of gross annual revenue or acreage. <i>[Title X, Subtitle D, Section 1062]</i></p>

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2. Caneberries Marketing Order: No provision	Amends the Agricultural Marketing Agreement Act of 1937 to authorize a marketing order for caneberries (including raspberries, blackberries, and logenberries). Not applicable to canned and frozen caneberries unless approved by processors. Provides for research and market promotion, including paid advertising. Imports of caneberries must comply with the market order restrictions as domestic caneberries [Title IX, Section 925]	No provision.
G. Energy		
Miscellaneous laws and regulations (see below)	Various titles	Title IX - Energy, and other sections
1. Commodity Credit Corporation (CCC) Bioenergy Program		
Under the Bioenergy Program, CCC may grant payments to farmers who grow bioenergy crops for the production of ethanol and biodiesel. Allowable commodities include crops such as barley, corn, soybeans, and wheat, as well as cellulosic crops such as switchgrass and short rotation trees. [7 CFR 1424]	Animal fats, agricultural byproducts, and oils are added to the list of allowable commodities. [Section 922]	No Provision. Note: S. 1731 expresses the sense of the Congress that the Bioenergy Program should be continued and expanded. In addition, the section states that expanded ethanol and biodiesel production will be needed to phase out methyl tertiary butyl ether (MTBE)—a common additive in gasoline that has contaminated groundwater in several states.[Section 907] S.Amdt. 2676, and S.Amdt. 2678, substitutes, add the House language to the Senate bill. [Sec 921]

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2. Renewable Energy on Conservation Reserve Program (CRP) Lands		
The Farm Security Act of 1985 created the Conservation Reserve Program (16 U.S.C. 3830 et. seq.) To assist and encourage farmers and ranchers to conserve and enhance soil and other resources <i>[Section 3832(a)(7)(A)]</i>	Amends the Act to allow the use of CRP land for wind energy generation and biomass harvesting for energy production (with reduced payments). <i>[Section 213]</i>	Amends the act to allow the use of CRP land for wind energy generation (with reduced payments). <i>[Section 212(h)]</i>
3. Emergency Loans to Respond to Sharply Increasing Energy Costs		
The Consolidated Farm and Rural Development Act (7 U.S.C. 1969) provide for emergency loans for natural disasters. <i>[Section 329]</i>	Amends the Act to allow loans in response to economic emergencies, which are defined to include sharply increasing energy costs. <i>[Section 501]</i>	No provision.
4. Grants to Reduce Hazardous Forest Fuels for Energy Production		
The Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et. seq) provides for technical and financial assistance for rural fire control. There are no provisions for biomass reduction grants. <i>[P.L. 95-313]</i>	Creates a new section of the code which authorizes the Secretary of Agriculture to provide grants to energy producers who purchase biomass that poses a wildfire hazard for the production of electric power, useful heat, or transportation fuels. Authorizes \$50 million each fiscal year. <i>[Section 921]</i>	Similar to the House provision, but amends the Cooperative Forestry Assistance Act to add a section on hazardous fuels reductions instead of establishing a new section of the code. <i>[Section 809]</i>
5. Clean Energy		
Under the current law, the Consolidated Farm and Rural Development Act (CFRDA) (7 U.S.C. 1921 et. seq.), there are no provisions for clean energy. <i>[P.L. 87-128]</i>	No provision	Several sections amend various laws (see below).CFRDA is amended to add a Subtitle L (3 chapters) on “Clean Energy” that establishes programs on biobased products, renewable energy and energy

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		efficiency, and carbon sequestration. <i>[Section 902]</i>
6. Clean Energy - Chapter 1: Biobased Product Development		
a. No provision for biobased products under CFRDA.	1. No provision	a. Requires the Administrator of the Environmental Protection Agency to publish a list of biobased products that are environmentally preferable (defined as a having a reduced effect on human health and the environment compared with competing products). Federal agencies are required to purchase environmentally preferable biobased products, if available. For FY2002 through FY2006, mandatory spending is increased by \$2 million per year, to remain available until expended. <i>[Section 388B]</i>
b. No provision for biorefineries under CFRDA.	b. There is no provision for biorefineries. However, the bill amends the Agricultural Research, Extension, Education, and Reform Act of 1988 (7 U.S.C. 7624) to extend authority to provide grants for pilot projects on biobased product development. Authority, which expired at the end of FY2001, is extended to FY2011. <i>[Section 725]</i>	b. Establishes a new grant program to assist in the development and construction of biorefineries, defined as facilities that convert biomass into fuels and chemicals. For FY2002 through FY2006, mandatory spending is increased by \$15 million per year, to remain available until expended. <i>[Section 388C]</i> Also, Section 379 of the Act is amended to give priority to bioenergy and biochemical projects for grants.
c. Biodiesel fuel under CFRDA. No provision	c. No provision.	c. Establishes a new program to provide grants to nonprofit organizations that educate fleet operators and the public

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		about the benefits of biodiesel. For FY2002 through FY2006, \$5 million annually is authorized to remain available until expended. <i>[Section 388D]</i>
7. Clean Energy - Chapter 2: Renewable Energy Development and Energy Efficiency		
a. CFRDA allows loans and loan guarantees for the installation of solar energy systems. <i>[Section 30]</i>	a. Amends Section 30 of the Act to allow loans and loan guarantees for renewable energy systems. No new budget authority is granted. <i>[Section 606]</i>	a. Establishes a new program to assist farmers, ranchers, and rural business ventures in the establishment or expansion of electrical facilities powered by renewable energy. For FY2002 through FY2006, mandatory spending is increased by \$16 million, to remain available until expended. <i>[Section 388E]</i>
b. No provision for energy audits under CFRDA.	b. No provision	b. Establishes a new program to provide grants to entities that assist farmers, ranchers, and rural small businesses in performing audits to identify potential for improving energy efficiency and developing renewable energy. For FY2002 through FY2006, mandatory spending is increased by \$15 annually, to remain available until expended. <i>[Section 388F]</i>
c. No provision for energy systems under CFRDA.	c. No provision.	c. Establishes new a system of grants and loans to farmers, ranchers, and rural small businesses for the purchase of renewable energy systems. Recipients must have sales less than \$1 million per year. For FY2002

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		through FY2006, mandatory spending is increased by \$33 million per year, to remain available until expended. <i>[Section 388G]</i>
d. No provision for hydrogen and fuel cells under CFRDA.	d. No provision.	d. Establishes a new grant program for cooperative research on hydrogen and fuel cell technologies for use in farm, ranch, and rural applications. For FY2002 through FY2006, mandatory spending is increased by \$5 million annually, to remain available until expended. <i>[Section 388H]</i>
e. No provision for technical assistance to support energy development under CFRDA.	e. Amends the Food Security Act of 1985 (16 U.S.C. 3839aa) to allow the Secretary to provide education and technical assistance to farmers and ranchers to develop and market renewable energy resources. No new budget authority is created. <i>[Section 942]</i>	e. Establishes a new program providing technical assistance for farmers and ranchers to develop renewable energy resources. The Secretary may retain up to 4% of the funds in the above areas to assist farmers and ranchers in developing and marketing renewable energy. <i>[Section 388I]</i>
8. Clean Energy - Chapter 3: Carbon Sequestration Research, Development and Demonstration Program		
a. No provision for carbon sequestration research under CFRDA.	a. Amends the Agricultural Risk Protection Act of 2000 (P.L. 106-224, Section 211) to extend the authorization of the Carbon Cycle Research Program, which provides grants to land grant universities for carbon cycle research. Authorization is extended through 2011 (originally a one-time authorization of \$15 million). <i>[Section 751]</i>	a. Authorizes new funding for basic and applied carbon sequestration research, conducted either by the Secretary of Agriculture, or by other entities funded through competitive grants. The research goals include the study of net sequestration of carbon by soils and plants, and the net greenhouse gas emissions from agriculture. \$25 million is authorized annually for FY2002 through FY2006. S.Amdt. 2546

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		added state forestry agencies to the list of eligible entities. <i>[Section 388J]</i>
b. No provision for demonstration projects.	b. No provision.	b. Authorizes projects, administered by the Secretary, to demonstrate the ability to monitor and verify carbon sequestration, and to educate farmers and ranchers about the economic and environmental benefits of conservation practices that increase sequestration. \$10 million is authorized each year for FY2002 through FY2006. <i>[Section 388K]</i>
9. Biomass Research and Development		
The Biomass Research and Development Act of 2000 provides competitive funding for R&D projects on biofuels and other biobased chemicals and products, administered by the Secretaries of Agriculture and Energy. \$49 million per year is authorized for FY2002 through FY2005. The authority for the program expires December 31, 2005. <i>[P.L. 106-244, Title III]</i>	Extends authority for the program through FY2011; adds animal byproducts to the definition of “biomass”; and adds a livestock trade association representative to the Technical Advisory Board. Authorized appropriations will increase from zero to \$49 million in each of FY2006 through FY2011. <i>[Section 746]</i>	Amends the Act to nullify the \$49 million appropriation, and instead provides for mandatory funding of \$15 million each year for FY2002 through FY2006, to remain available until expended. Program authority is extended by one year, to September 30, 2006. <i>[Section 903]</i> (Note: Congress provided \$15 million for this initiative in FY2002. Total funding would remain at \$15 million per year, but would be mandatory.)

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10. Renewable Energy Projects		
<p>The Rural Electrification Act of 1936 authorizes the Rural Utilities Service, which provides credit assistance to build and operate electric generating facilities, wholesale transmission equipment, and local distribution lines. The Secretary of Agriculture is authorized to provide loans and grants to improve electricity supply in rural areas. Currently, there are no provisions for renewable energy.</p> <p><i>[7 U.S.C. 901 et. seq.]</i></p>	No provision.	<p>Amends the Act to establish a loan and grant program for renewable energy projects at rural electric utilities and cooperatives. Grants may cover up to 75% of an economic feasibility study or for technical assistance on a project. Loans, at 4% interest, may be used to cover a percentage (to be determined by the Secretary) of the project cost. For FY2002 through FY2006, \$9 million per year in mandatory spending is provided, to remain available until expended.</p> <p><i>[Section 904]</i></p>
11. Carbon Sequestration Demonstration Program		
<p>The Agricultural Research, Extension, and Education Reform Act of 1998 establishes an account in the Treasury to be used by the Secretary of Agriculture for matching grants to address critical emerging agricultural issues.</p> <p><i>[P.L. 105-185]</i></p>	No provision.	<p>Amends the Act (adding Section 409) to authorize \$20 million each year for FY2002 through FY2006 to establish projects that can show demonstrable reductions in net greenhouse gas emissions or increases in carbon sequestration by soils and forests.S.Amdt. 2546 added farmer cooperatives to the list of eligible entities.</p> <p><i>[Section 905]</i></p>

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12. Mandatory Spending Increases for Energy Provisions		
Not relevant.	None.	\$110 million/year; \$550 million total (CBO estimate)
H. Anti-trust and Competition		
1. Competition Task Force and GIPSA Resources. a. Interagency Task Force on Agricultural Competition. No provision b. GIPSA Staffing. No provision	Directs the Secretary of Agriculture to set up an Interagency Task Force on Agricultural Competition comprised of nine employees from USDA and the Department of Justice. The Task Force is directed to conduct hearings into competition issues in agriculture and submit a report on findings and recommendations for administrative and legislative action. <i>[Section 937]</i> b. Authorizes appropriations to enhance the capability of the Grain Inspection, Packers and Stockyards Administration (GIPSA) to review competition in the meatpacking industry and hire litigation attorneys. <i>[Section 938]</i>	No provision (NOTE: An earlier version of the Senate farm bill (S. 1628) contained a Competition title that was struck during committee markup.) b. No provision
2. Meat Packer Concentration a. Prohibition on Packer Ownership. <i>[Section 202 of the Packers and Stockyards Act of 1921]</i> No provision	a. No provision	a. Prohibits packers from owning, feeding, or controlling livestock for more than 14 days prior to slaughter. Exempts

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<p>b. Arbitration Clauses. Packers and Stockyards Act of 1921. No provision</p> <p>c. Terms of Contract Discussion. Packers and Stockyards Act of 1921 No provision</p>	<p>No provision</p> <p>No Provision</p>	<p>cooperatives or entities owned by a cooperatives and small packers owned by producers from this prohibition. Provides for a transition period of 18 months for packers of swine who own, feed or control livestock intended for slaughter on the date of enactment, and up to 180 days after enactment date for packers of other types of livestock. <i>[Section 1043]</i></p> <p>b. Adds a new section 413A to Packers and Stockyards Act that removes mandatory arbitration clauses from livestock contracts and allows for dispute settlement through other legal means in addition to arbitration. <i>[Section 1046]</i> (Note: This provision was offered and adopted as a floor amendment by Senators Feingold, Grassley, and Harkin.)</p> <p>c. Amends PSA to add new section 417 that permits a party to a discuss terms of a contract. <i>[Section 1044]</i></p>
I. Animal Transport, Inspection and Health		
<p>1. Definitions under the Animal Health Protection Act Current animal health-related statutes define ‘animal’, ‘interstate’, Secretary, and ‘United</p>	No Provisions	Adds new definitions for: animal, article, disease, enter, export, facility, import,

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States' [Animal Health Protection Act (21 USC§134)].		Indian Tribe, interstate commerce, livestock, means of conveyance, move, pest, and State. <i>[Sec. 1023]</i> . [Note: Similar definitions are found in 7USC§7702 from the Plant Protection Act, P.L. 106-224, §403 , 114 STAT 438-440.]
2. Mailing Poultry and Other Animals Section 651 of the FY2002 Agricultural Appropriations law (P.L. 107-67) authorized the Postal Service to (1) require airlines to accept certain animals (including day-old chicks) as mail, and (2) assess a surcharge to shippers to cover additional costs of shipping animals. The surcharge authority expires June 30, 2002.	No provision	Removes expiration date on surcharge authority. <i>[Section 1060]</i>
3. Other Animal Movement a. Importation. Authorizes the President to suspend animal importations to protect U.S. animals from infectious contagious animal diseases (Section 101 of Title 21). Gives the Secretary a variety of authorities to prevent the dissemination of a disease into the United States ((21 USC §102, §103, and (§§105 and 134a.)).	No Provisions.	a. Consolidates current authorities on animal importation. Among other things, authorizes the Secretary to prohibit or regulate the importation of any animal, transport vehicles or facilities if this is needed to prevent entry or dissemination of a pest or disease into the United States. Applies similar restrictions to animals that have strayed into the United States, and permits the Secretary to order the destruction, disinfection or removal of animals and other property to prevent disease <i>[Section 1024]</i> . [Note: Similar authorities are found 7USC §7714 for Plant Protection Authorities.]

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<p>b. Exportation. Authorizes the Secretary to adopt measures and issue regulations to prevent the exportation of diseased livestock and poultry (21 USC §§113,120,134b and §§612-614.)</p> <p>c. Interstate Movement. Broadly authorizes the Secretary to regulate and to adopt measures to prevent the transport or movement of diseased or quarantined livestock and poultry within the United States. (21 USC §§120, 125-128, 134a)</p> <p>d. Animal Enterprise Terrorism No provision</p>	<p>No provisions.</p> <p>No Provisions.</p> <p>no provision</p>	<p>b. Gives Secretary new authority to recover costs from owners for failures to comply and to regulate exportation. Consolidates and keeps current authorities. <i>[Section 1025]</i>.</p> <p>c. Consolidates current authorities. <i>[Section 1026]</i>.</p> <p>New provision making it unlawful for a person to travel in interstate or foreign commerce or use or cause to be used the mail or any facility for the purpose of causing physical disruption of the functioning on an animal enterprise, or to intentionally damage or cause loss of property used by an animal enterprise. Establishes penalties for such violations. <i>[Section 1058]</i></p>
<p>4. Seizure, Quarantine, and Disposal.</p> <p>a Several sections of Title 21 give the Secretary broad authorities to prevent the spread of contagious infectious diseases within the United States. (see 21USC §§ 111, 113, 123, 134(a) and 134a(b)).</p>	<p>No Provisions.</p>	<p>a. Adds new authorities allowing the Secretary to ‘hold’, ‘treat’ or ‘destroy’ animals, articles and means of conveyance (from imports or in interstate commerce), if these are affected by or have been exposed</p>

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<p>b. No provisions.</p> <p>c. Inspection, Seizures, and Warrants. Authorizes the Secretary to inspect, without a warrant all persons or means of conveyance entering the United States for prevention of introduction or dissemination of any communicable animal disease (7USC§134d). The Secretary has similar authorities in interstate commerce when, on probable cause, there is a need to determine whether persons or means of conveyance are carrying infected or exposed animals, products, or regulated articles. The statute also authorizes the inspection of premises, and seizures (on probable cause and with a court warrant) to prevent the introduction or dissemination of an animal disease. Needed warrants may be executed by USDA officials.</p> <p>e. Detection, Control, and Eradication of Diseases and Pests. No similar authorities</p>	<p>No Provisions.</p> <p>No provisions.</p> <p>No Provisions.</p>	<p>to a pest or a disease and in connections to an extraordinary emergency. Current emergency authorities to seize, quarantine, and dispose of animals or regulated items are consolidated and kept. <i>[Section 1027]</i>.</p> <p>b. Makes final compensation payment not subject to judicial review (<i>Section 1027</i>). [Note: similar language is found in 7USC§7715 for Plant Protection Authorities.]</p> <p>d. Gives new authorities to the Secretary to stop and inspect, on probable cause, persons or means of conveyance coming from quarantined areas in intrastate commerce. Retains current authorities for warrantless inspections of persons or means of conveyance in international and interstate commerce and authorities to inspect premises with a warrant, but adds allowance for said warrant to be executed by a U.S. marshal. <i>[Section 1028]</i>. (Note: Similar authorities are found in 7USC§7731 for Plant Protection.)</p> <p>e. Authorizes the Secretary to carry out activities to detect, control, or eradicate any pest and disease of livestock (including the drawing of blood and diagnostic testing of</p>

[illegible]

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<p>Agencies.</p> <p>No similar authorities exist related to animal health laws.</p>		<p>heads of a Federal agencies with respect to any activity that is under their jurisdiction. The new provision also appoints USDA as lead agency with respect issues related to pests and diseases of livestock. <i>[Section 1031].</i></p>
<p>8. Reimbursable Agreements.</p> <p>The Secretary is currently authorized to enter into reimbursable fee agreements with persons at locations outside of the United States to run animal and plant health importation preclearance programs. (7USC§2260a). Statute also authorizes the Secretary to pay USDA employees for: (1) performing inspection or quarantine services relating to imports and exports; (2) paying for all overtime, night, or holiday work performed; and (3) requiring reimbursements from the person for whom the services are performed. (7USC §2260).</p>	<p>No Provisions.</p>	<p>Keeps current authorities, but adds a new subsection for late payment penalties, including the payment of interest as currently required under 31USC§3717 on Interest and Penalties on Claims <i>[Section1032].</i></p>
<p>9. Administration and Claims.</p> <p>No similar authorities exist related to animal health laws.</p>	<p>No provisions.</p>	<p>Adds new authorities for the Secretary to acquire and maintain real or personal property, to employ a person, and to make grants, contracts, or agreements to carry out this Act. In addition, the Secretary acquires new authority to pay tort claims outside of the United States, as authorized by applicable statutes. <i>[Section 1033]</i></p>

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<p>10. Penalties.</p> <p>a. Current law establishes criminal penalties of fines and/or up to one year of imprisonment, and also civil penalties of up to \$1000 for violations animal importation regulations (21USC§104). Section 21USC§117 establishes penalties for knowingly transporting diseased livestock or poultry in violation of law with:(1) criminal penalties that make it a misdemeanor punishable by up to \$5,000 fines or imprisonment, or both to; and (2) civil penalties of fines up to \$1,000 after a notice and the opportunity for a hearing on record. Orders for penalties shall be treated as a final, and are reviewable under 28USC§158. (Similar civil and criminal penalties are established by in Title 21 sections 122, 127, and 134b).</p>	No Provisions.	<p>Streamlines criminal and civil penalties for violations of animal health statutes. Provides for new civil penalties, and fines. Provides new authority for the Secretary to suspend or revoke accreditation to any veterinarian that violates the Act. The Secretary may also summarily suspend an accreditation if there is reason to believe that the statutes have been violated. A prompt post-suspension hearing is mandated in such cases <i>[Section 1034]</i>.</p> <p>(Note: Identical authorities are found in 7USC§7734 for Plant Protection Authorities.)</p>
<p>12. Regulations and Orders.</p> <p>Currently several statutes authorize the Secretary to issue regulations necessary to carry out animal health law provisions for export, transport, certification, inspection, disinfection of livestock and poultry. (21USC§§ 111, 120, 125 and 134f).</p>	No Provisions.	<p>Consolidates the Secretary's broad authority to promulgate regulations, and issue orders, as necessary to carry out animal health statutes. <i>[Section 1036]</i>.</p>
H. Plant Protection		
New Penalties for Violations of the Plant Protection Act	No Provisions.	Amends §424 of the Plant Protection Act (7USC§7734): (1) by eliminating criminal penalties provisions with a new subsection

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		which describes criminal penalties for major violations (e.g., multiple violations or for violations with the intent to harm agriculture in the United States), and for other violations; and (2) by adding a subsection to allow for forfeiture in criminal and civil cases and for the establishment of appropriate procedures. <i>[Section 1068]</i> .
J. Pseudorabies Eradication		
Section 2506(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 authorized the pseudorabies eradication program until 1995. Later, section 916 of Federal Agriculture Improvement and Reform Act of 1996 amended the statute (21USC §114i) to extend the program through 2002.	No Provisions	Extends the pseudorabies eradication program authority until FY2006. <i>[Section 1059]</i> .
K. Preclearance Quarantine Inspections for Hawaii		
No Provisions	No Provisions	Orders the Secretary to conduct preclearance inspections for departures out of Hawaii and destined to the continental United States or its territories, provided that no less than \$3 million in FY2002 appropriations be made available for an act different that P.L. 107-76 (Agriculture appropriations for FY2002). <i>[Section 1063]</i> .

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L. Non-Ambulatory Farm Animals		
<p>No similar provision for unlawful practices (Packers and Stockyards Act (PSA) of 1921)</p>	<p>Adds a new section to Title III of PSA that introduces new definitions, unlawful practices, and exceptions, as follows:</p> <p>‘Humanely euthanized’ is defined to mean to kill an animal by mechanical, chemical, or other means that immediately render the animal unconscious, with this state remaining until the animal’s death,”</p> <p>“Non-ambulatory Livestock” means any livestock that is unable to stand and walk unassisted.</p> <p>Makes it unlawful under Section 312 of the PSA (1) for any stockyard owner, market agency, or dealer to buy, sell, give, receive, transfer, market, hold, or drag any non-ambulatory livestock unless the non-ambulatory livestock has been humanely euthanized. Non-GIPSA farms, or cases in which non-ambulatory livestock receive veterinary care intended to render the livestock ambulatory animals are excepted. Requires the issuance of new regulations. [Section 945].</p>	<p>Same as House [<i>Section 1045</i>].</p>
M. Animal Welfare Act (nonfarm animals)		
<p>1. Care and Treatment standards for dogs. No provisions</p>	<p>No Provisions</p>	<p>Amends the Animal Welfare Act ordering the Secretary to include minimum standard requirements: (1) for the socialization of dogs intended for sale as pets; and (2) for</p>

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		addressing the initiation and frequency of breeding of female dogs, in the Secretary's promulgation of standards to govern the humane handling, care, treatment, and transportation of animals by dealers, research facilities, and exhibitors. <i>[Section 1049]</i> .
<p>2. Birds, Rats, and Mice</p> <p>a. Definition for 'animal' in the Animal Welfare Act. The Animal Welfare Act sets minimum standards of animal care for experimental laboratories, animal dealers, and others. In 1970, the AWA was amended to protect "warm-blooded animals" used in research but gave the Secretary the authority to determine AWA's applicability to animals not specifically mentioned in the Act. Current regulations specifically exclude birds, rats and mice for research use from protection under this Act (see 9CFR§1.1). On September 28, 2000 USDA reached an out of court settlement with the Alternatives Research and Development Foundation to begin a rulemaking process on the regulation of birds, rats and mice under AWA. However, Agriculture Appropriations Acts for FY 2001 and for FY2002 have prohibited the use of appropriated funds to carry out the rulemaking process (see P.L. 106-387 §772, and P.L. 107-76 §732).</p>	No Provisions.	<p>Excludes birds, rats and mice used for research from protection under the Animal Welfare Act (AWA) by amending the definition of "animal" in Section 26 of the Animal Welfare Act [7USC§2156 2(g)]. The provision codifies current regulations, which specifically exclude birds, rats and mice for research use from protection under this Act (see 9CFR§1.1). <i>[Section 1051]</i>.</p>

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b. Report	No provisions.	Requires from the Secretary of Agriculture a report, completed by the Comptroller General within one year, on the implications of including birds, rats, and mice within Animal Welfare Act the definition of an animal. The report must contain descriptions and estimates of costs, regulatory appraisals, and current enforcement funding. <i>[Section 1083]</i> .
<p>3. Animal Fighting Ventures and Cockfighting</p> <p>Imposes fines of not more than \$5,000 or imprisonment for not more than 1 year, or both, for each violation (<i>Section 26 (e) of the Animal Welfare Act, as amended by Section 17 of the Animal Welfare Amendments Act of 1976</i>)</p> <p>Defines ‘Interstate or Foreign Commerce’ as: (A) any movement between any place in a State to any place in another State or between places in the same State through another State; or (B) any movement from a foreign country into any State. (<i>Section 26(g)(2)</i>)</p>	<p>Amends Section 26(e) of AWA by increasing fines to not more than \$15,000 and imprisonment to no more than 2 years, or both, for each violation. <i>[Section 940(a)(1)]</i>.</p> <p>Adds phrase “or from any State into a foreign country” to the statute’s ‘interstate or foreign commerce’ definition. <i>[Section 940(a)(2)]</i>.</p>	Same as House <i>[Section 1052]</i> .

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<p>4. Interstate Movement of Animals for Animal Fighting:</p> <p>Currently, interstate movement of animals for fighting is legal to states where fighting is allowed. Section 26(d) of the Animal Welfare Act, as amended, reads as follows: “(d) Notwithstanding the provisions of subsection (a), (b), or (c) of this section, the activities prohibited by such subsection shall be unlawful with respect to fighting ventures involving live birds only if the fight is to take place in a State where it would be in violation of the laws thereof.” (7USC§ 2156(d)).</p>	<p>Amends Section 26(d) of the Animal Welfare Act to prohibit the interstate movement of animals for fighting. Section 26(d) would read as follows: “(d) Activities Not Subject to Prohibition- This section does not apply to the selling, buying, transporting, or delivery of an animal in interstate or foreign commerce for any purpose, so long as the purpose does not include participation of the animal in an animal fighting venture.” <i>[Section 941(a)]</i>.</p>	<p>Same as House <i>[Section 1053]</i>.</p>
<p>5. Humane Methods for Animal Slaughter Humane Methods Slaughter Act of 1958.</p>	<p>Free standing provision expresses sense of Congress that USDA should fully enforce the Humane Methods Slaughter Act of 1958 (7USC§§1901 et seq.) <i>[Section 939]</i>.</p>	<p>Similar to House bill, except that also calls for resuming the tracking and reporting of Act violations to Congress. <i>[Section 1067]</i>.</p>
<p>N. Genetically Engineered Products</p>		
<p>Report on Genetically Engineered Food (GEF) and Genetically Engineered Pest Protected Plants</p>	<p>Authorizes \$0.5 million for a National Academy of Sciences report on GEF regulations, safety and monitoring. <i>[Section 933]</i>.</p>	<p>Sense of the Senate Resolution for the Secretary to submit a report on genetically engineered pest-protected plants. Authorizes appropriations of \$10 million from FY2002 and sums as necessary for other fiscal years. <i>[Section 1083]</i></p>
<p><i>Public Education of GEF</i></p>	<p>Authorizes a USDA program to educate the public about GEF. <i>[Section 935]</i>.</p>	<p>No provision</p>

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O. Pesticides and School Pesticide Management Plans		
1. Fees <i>[Section 4, Federal Insecticide, Fungicide, and Rodenticide Act, FIFRA]</i>	No provision	Amends FIFRA to reauthorize fee collection (to support preregistration of pesticides), increase maintenance fees, prohibit collection of registration fees for five years, and allow expedited registration processing for inert gradients. It also would strictly limit increases in tolerance processing fees charged to registrants of pesticides used on food. <i>[Section 1041]</i>
2. Small Business Eligibility for reduced fees. Permits lower maintenance fees for businesses with 150 or fewer employees. <i>[Section 4, FIFRA)]</i>	No provision	Expands the number of businesses eligible for reduced fees from those with 150 or fewer employees to those with 500 or fewer employees. <i>[Section 1041]</i>
3. Pest Management in Schools No provision	No provision	Amends FIFRA to create a new section 33, “School Environment Protection Act of 2002 “ that requires Pest Management in Schools. Requires states to develop pest management plans as part of state cooperative enforcement agreements with the EPA. Set requirements for what should be included in plans and requires the EPA to distribute guidelines to states no later than one year after enactment, after which State educational agencies would be required to develop plans and submit them to the Administrator for approval. Local education agencies would be required to

[illegible]

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<p>3. Definition of Socially disadvantaged group. Defines a socially disadvantaged group as a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual identities. <i>[Section 2501(e) of the FACT Act of 1990]</i></p>	No Provision	<p>guidelines to ensure fair representation of socially disadvantaged for conducting elections if necessary after analyzing the data contained in the election report. <i>[Section 1057]</i></p> <p>Adds “gender” to the categories qualifying as a socially disadvantaged group.<i>[Section 1057]</i></p>
Q. Outreach and Assistance to Geographically Disadvantaged Farmers and Ranchers		
No Provision	No Provision	<p>Establishes a program to encourage geographically disadvantaged farmers and ranchers in owning and operating farms and ranches and participating equitably in the full range of agriculture programs offered by the USDA. Authorizes \$20 million annually for FY2002-2006 to carry out this program, and defines a geographically disadvantaged farmer or rancher as one in an insular area or a state other than one of the 48 contiguous states. <i>[Section 1079B]</i></p>

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R. Farm Marketing Programs		
<p>1. State Marketing Programs. Federal support for: the promotion of agricultural products through research to improve the marketing, handling, storage, distribution and transportation of agricultural products; cooperation between federal, state and local agencies, producers, industry organizations and others in research and application of effective marketing program; and integrated administration of all law enacted by the Congress to aid the distribution of agricultural products through research , market aids and services and regulatory activities.[<i>The Agricultural Marketing Act of 1946, Title II</i>]</p> <p>2. Farmers Market Promotion Program. Federal aid to promote the development and expansion, of direct marketing of agricultural commodities from farmers to consumers farmers' market and other means (i.e., farmers markets) [<i>The Farmer-to-Consumer Direct Marketing Act of 1976</i>]</p>	<p>1. No provision</p> <p>2 No provision.</p>	<p>Among other things, establishes a State Marketing Program funded with CCC funds (mandated at \$7 million FY2003, \$8 million for FY2004 and \$10 million for each of fiscal years 2005 and 2006). Fund are to be allotted to state departments of agriculture and other appropriate State agencies for cooperative projects in marketing services and research. From the CCC funds allotted under this program, , the Secretary is to give priority to initiatives designed to support direct and others marketing efforts of small farms and limited resource farmers. [<i>Section 1050</i>]</p> <p>Among other things, authorizes (but does not require) \$10 million annually for fiscal years 2002-2006 to make grants under a new 'Farmers' Market Promotion Program' to establish, expand and promote farmers markets. Maximum grant amounts set at \$500,000 in any fiscal year. Includes types of entities eligible for such funds, and the criteria and guidelines for grant submission, evaluation and funding of projects.[<i>Section 1050</i>]</p>
S. Studies, Reports and Task Forces		
1. Studies and Reports -Salmon, Genetically modified plants, U. of Arkansas Litter Bank,		Requires the Secretary to issue a report or study on: Pouched and canned salmon;

