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A New Farm Bill: Comparing the 2002 Law with Previous Law and House and Senate Bills

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Summary

On May 13, 2002, President Bush signed a new farm bill — The Farm Security and Rural Investment Act of 2002 (P.L.107-171). This comprehensive new law contains ten titles covering commodity support, conservation, nutrition, trade, research, credit, rural development and other related programs. It makes significant changes to commodity, conservation and nutrition programs, and is intended to guide most federal farm and food policies through FY2007. The Congressional Budget Office (CBO) estimates (using the March 2002 baseline) place the total cost of the new bill (i.e., baseline plus new funding) at just under $274 billion over its six-year life-span. The total reflects an increase of $51.6 billion in federal spending, $37.6 billion of which is projected to be used to increase farm commodity program spending.

Of the $274 billion in total 6-year budget authority for programs under the new law, it is estimated that some $99 billion will go for direct subsidies to about 600,000 farmers. Just under $150 billion will support the cost of food stamps and commodity assistance for some 17 million low-income Americans. The remaining $25 billion is expected to be spent on conservation ($21 billion), trade ($2.1 billion), rural development ($1 billion), and research, forestry and energy ($2.5 billion) programs.

The new farm bill has been hailed by supporters as a corrective to previous policy that was criticized for not providing a "safety net" for farmers, and that prompted some $35 billion in ad hoc emergency farm spending laws between fiscal years 1999 and 2002. Critics of the new farm law expressed concern about its cost and its resurrection of old policy mechanisms that they contend encourage overproduction that will further depress farm prices. There also is concern that the generous farm subsidies in the new law conflict with U.S. trade agreements and/or impede U.S. efforts to get other countries to cut their farm subsidies.

The House approved its original farm bill (H.R. 2646, the Farm Security Act of 2001) on October 5, 2001. The Senate version of this legislation (The Agriculture, Conservation, and Rural Enhancement Act, or ACRE) was approved on February 13, 2002, and was nearly three times the size of the House bill. Despite this, the commodity policy changes in both bills reflected a similar policy direction. Both chambers' bills maintained marketing loan assistance and fixed, decoupled annual farm payments, although at different levels. They both also added target prices and counter-cyclical income support (or deficiency payments) for major field crops. Conservation and nutrition programs were enhanced by both bills, although more so in the Senate bill. Other differences between the House and Senate included: the pace of new spending; the amount of new funding for commodity programs versus other USDA activities (e.g., conservation, food assistance, etc.); how much to fund each of the commodity support programs; and the federal caps on farm payments. The final law adopted the more evenly paced annual spending of the House bill; spent most (73%) new money on farm commodity programs; split the differences over funding for each of the three major commodity programs; and set new farm payment caps that lowered base limits but maintained rules allowing payments for up to three entities, spouses, and unlimited commodity certificates. This report will not be updated.

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For more information, see CRS Report RL31195, *The 2002 Farm Bill: Overview and Status*; CRS Report RS21233, *The 2002 Farm Law at a Glance*.

Individual topic comparisons include the following CRS reports: CRS Report RL31524, *The 2002 Farm Bill: Comparison of Commodity Support Provisions with House and Senate Proposals and Prior Law*, by Jasper Womach; CRS Report RL31486, *Resource Conservation Title of the 2002 Farm Bill: Comparison of New Law with Bills passed by the Senate and Prior Law*, by Jeffrey Zinn; and CRS Report RL31271, *Energy Provisions the Farm Bill: Comparison of the New Law with Previous Law and House and Senate Bills*, by Brent Yacobucci.

A New Farm Law: Comparing the 2002 Law with Previous Law and the House and Senate Bills

Overview

President Bush signed a new farm law (P.L. 107-171, the Farm Security and Rural Investment Act of 2002, on May 13, 2002. This followed almost two years of hearings, committee deliberations, and floor debates. The House passed its bill (H.R. 2646) on October 5, 2001. The Senate passed its version of this legislation on February 13, 2002. The House and Senate conferees began formal meetings on April 9, 2002 and reached agreement on their differences on April 22, 2002. The House approved the conference agreement (H.R. 2646, H.Rept. 107-424). on May 2, 2002 by a vote of 280-141; the Senate approved it on May 8, 2002 by a vote of 64-35.

The final law contains ten titles: Commodity Programs, Conservation, Trade, Nutrition Programs, Credit, Rural Development, Research and Related Matters, Energy, and Miscellaneous. At the time of its enactment, the new law was projected to add $73.5 billion to federal funding for food and agriculture programs over 10 years.[1] This included new funding for farm commodity programs (+$47.8 billion); conservation programs (+$17.1 billion); trade (+$1.1 billion); nutrition programs (+$6.4 billion); research (+$1.3 billion); and rural development (+$870 million). April 2002 CBO estimates projected new federal costs for the new law at $82.8 billion.

Total budget authority for programs in the new law (that is, baseline spending plus new spending) was projected by the Congressional Budget Office (CBO) when the legislation was approved to be $274 billion over its six-year life span. Of this amount some $99 billion was expected to go to about 600,000 farmers in the form of direct payments; $150 billion to support the cost of food stamps and commodity assistance to some 17 million low income persons; and the remaining $25 billion for conservation ($21 billion), trade ($2.1 billion), rural development ($1 billion), and research, forestry and energy ($2.5 billion) programs.

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[1] Based on March 2001 CBO baseline estimates. March 2002 baseline estimates brought the estimated new cost to a total of $82.8 billion over 10 years.

Economic and Policy Setting

Consideration of new farm policy began in 2001, more than a year before the major provisions of the 1996 farm bill were due to expire. The early timing was driven in large measure by the persistence of low prices for many major field commodities, and the desire to address farm income problems through changes to underlying farm policy, rather than by annual multi-billion dollar farm aid packages like those enacted between 1998 and 2001.

The economic environment in 2001 was quite different from that existing in 1995-96 when the previous farm bill was considered. In 1995, world commodity supplies were low, demand was growing, and prices for most program commodities were at near record highs. This favorable economic climate, along with growing pressure to bring federal spending under control, changed party control of the Congress, and trade agreements to cut back domestic farm support, made the time propitious for major policy changes. By 1998, however, prices for many major commodities had begun to fall as previous growth markets overseas suffered financial crisis and supplies overtook demand. When the House and Senate began examining new farm policy options early in 2001, this followed three years of stagnant commodity prices and "emergency" farm aid packages totaling over $ 33 billion. The economic environment made it easier for the Congress to approve a congressional budget resolution that contained allowances for some $73.5 billion in new farm bill spending. Subsequently, however, the rosy budget scenario changed.

A mild recession, declining revenues, and the mounting costs of the U.S. war against terrorism precipitated by the events of September 11, 2001, have combined to deplete the budget surplus. Some pointed to pending deficits as a reason to rethink the wisdom of substantial increases in farm spending. Others, mostly farm groups and their legislators, pushed for quick farm bill action fearing the loss of the allowed increases. Still others worried about the implications of not passing legislation in time for farmers' spring planting decisions, and about the potentially costly consequences of legislating in an election year. Different party control of each chamber of Congress, a new administration reluctant to push for an early farm bill, and other national events delayed completion of the new farm bill until May 2002.

1996 Farm Law. When the previous 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 that time legislators in the Congress were also facing constraints because of severe budget deficits and trade initiatives that added pressure for changes to 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, P.L. 104-127) was enacted in April, 1996. This followed nearly two years of deliberations and the extension for one year of previous law provisions

beyond their original 1995 expiration date.[2] The Agricultural Market Transition Act (AMTA), Title I of the FAIR Act, contained commodity program 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 fixed, gradually declining, decoupled annual payments (so-called production flexibility contract (PFC) payments, sometimes called AMTA payments).[3] These were provided each year in lump sums, irrespective of market prices or farmers' planting decisions. The expectation was that over time the amount of AMTA payments would decline and end completely after 2002, by which time farmers would have adjusted to a free market, and would receive payments only under the capped marketing loan assistance program.

Opponents of this gradual phase-out of federal assistance worried about what would happen if prices and markets declined, as began to happen in late 1997 and early 1998. Proponents pointed out that farmers getting PFC/AMTA 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 prices were high (as they were in 1996) and economic conditions were good. Moreover, bill promoters pointed out that there was still counter-cyclical income relief in the form of the marketing loan assistance program, although it was capped.

When the 1996 farm bill was enacted, prices for most major commodities were at record highs; demand was high and growing, and commodity supplies were tight. By 1998, however, conditions in the farm economy had deteriorated. Demand 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. The concept of self-sufficiency and independence from federal farm programs eroded as the Congress approved, and the President signed seven emergency farm aid bills in 1999, 2000, and 2001. These adhoc "emergency" spending measures provided some $33 billion to agriculture (primarily to wheat, feedgrain, oilseed, cotton and rice farmers). This assistance helped to stabilize farm income for those receiving payments (primarily wheat, feedgrain, cotton and rice farmers) It also helped to keep average farm family income higher than the national average for all U.S. households.

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[2] 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 in 1995. The Congress extended the expiring provisions of the 1990 law (P.L. 104-624) for an additional year until another farm law could be enacted in 1996. Many of the key policy changes made by the 1996 law were authorized through 2002.

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

The 107th Congress. As the proportion of net farm income drawn from federal subsidies grew, many in Congress and elsewhere began to push for longer term changes to underlying farm policy that would offer more certainty to farmers than does reliance on ad hoc annual financial aid packages. Thus, shortly after coming into session in 2001, the 107th Congress began to examine agriculture policy and solicit proposals from the various producer groups. Hearings were held by the House and Senate, and testimony was presented both in Washington D.C. 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 agreement before the adjournment of the first session on December 19, 2001. A much revised Senate bill was passed on February 13, 2002. House and Senate conferees agreed to a compromise bill, renamed the Farm Security and Rural Investment Act of 2002, in late April. The House approved the conference agreement on May 2; the Senate approved it on May 8, 2002. The President signed the measure on May 13, 2002 (P.L. 107-171).

Administration Views. Like its predecessor, the Bush Administration did not put forward a new farm bill. In its first year (2001), 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. On September 19, 2001, as the House Agriculture Committee prepared to mark up its farm bill, the Administration issued a report that laid out a set of "principles" for farm policy.[4] 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 encouraged overproduction of commodities, did not target benefits to farmers most in need, jeopardized global markets, and increased 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 expressed concern about the bill's potential to undermine U.S. efforts to phase out foreign countries' export 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.

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[4] *Food and Agriculture Policy: Taking Stock for the New Century.*

In early January 2002, USDA officials indicated that they expected Congress and the Bush Administration to agree on a farm bill by early March, 2002. OMB officials informed Congress that the President now supported the $73.5 billion in additional farm spending over ten years that was permitted by the FY2002 year congressional budget resolution. This appeared to remove some of the concern that failure to enact a new farm bill before the next budget resolution could risk loss of new funding for farm bill programs.

In late February, 2002, following passage of the Senate farm bill, the Administration indicated that it preferred the House bill's more gradual approach to new spending to the quicker expenditure of funds in the Senate amendment. Administration officials feared the Senate approach would exhaust federal farm support in the early years and force substantial amounts of new spending in later years. They also preferred the lower marketing loan rates of the House bill. On the other hand, USDA officials were concerned about the large proportion of new funding in the House bill for farm commodity programs compared to the Senate bill, and appeared to favor some of the more expansive nutrition program provisions of the Senate bill. As time went on, some USDA officials expressed reservations about Senate bill provisions that added marketing loan assistance for pulse crops (e.g. dried beans, chick peas, lentils) and to the bill's restriction on meat packer ownership of livestock. The Administration offered no public alternatives to the House and Senate proposals, but continued to press the conferees on the importance of U.S. trade negotiating objectives (e.g., getting other countries to reduce their domestic commodity supports), and the risk of exceeding the $19 billion limit on trade-distorting domestic support that the U.S. agreed to under the WTO Uruguay Round Agreement. The Administration also refused to take a public position on the controversial payment limitation issue that was debated at length in the Senate.

By the time Congress approved the farm bill in May, 2002, the Spring planting season was already under way. Moreover, mid-term elections were rapidly approaching and several farm states/districts were viewed as keys to control of the House and Senate. Thus, despite earlier reservations by Administration officials, President Bush signed the new farm law on May 13,2002, saying *"This bill is generous and will provide a safety net for farmers. And it will do so without encouraging overproduction and depressing prices. It will allow farmers and ranchers to plan and operate based on market realities, not government dictates."*

House and Senate Action

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 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.[5] 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.[6] Several substitute amendments or alternatives to the Committee bill were offered during debate in the first session. Among these was the Daschle Amendment (S.Amdt. 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 (S.Amdt. 2473) that would have replaced and completely revised the commodity provisions of the Daschle substitute and substantially increased spending for nutrition programs[7];
- A substitute amendment offered by Senators Roberts and Cochran (S.Amdt. 2671) that would have modified the Daschle substitute to reflect some of the concerns expressed by the Administration (discussed previously), and
- A substitute amendment (S.Admt. 2678) by Senator Hutchinson (Ark.) offering the House-passed farm bill (H.R. 2646) as a substitute.

Early in the second session of the 107th Congress, debate was renewed over the Senate farm bill (Daschle Substitute Amendment S.Amdt. 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 (S.Amdt. 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 or caps on farm payments, and used the savings 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

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[5] The Committee filed a written report on S. 1731 on December 7, 2001 (H.Rept. 107-117)

[6] Several efforts to invoke cloture in order to cut off debate on this legislation 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.

[7] The 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.

additional "emergency" farm assistance for FY2002[8], and a myriad of new conservation, rural development, research, and animal health and welfare provisions.

One formal and several informal meetings of House-Senate conferees [9]and staff took place prior to the spring recess. Resolution of the differences was not reached before Congress left for the Easter and Passover holidays. However, press accounts reported that at that time there was a tentative agreement on the amounts of new funding to add to the major farm bill titles ($46 billion for commodity programs; $17.1 billion for conservation programs; $6.4 billion for nutrition programs; $3.3. billion for remaining titles — research, rural development, forestry, farm credit, trade, etc.; and a $2.6 billion "cushion fund.") Assuming some $1.9 billion in crop insurance program savings, this informal agreement kept total new spending in line with the budget resolution allowance ($73.5 billion), according to press reports. The amounts reportedly allocated by title were not officially substantiated, and whatever agreement was reached at that time was subject to subsequent change when the conferees resumed conference deliberations after the spring recess.

Staff meetings during the recess worked out minor, noncontroversial differences between the bills, and developed options or alternative proposals that the members might consider to resolve major differences when conference negotiations resumed.

The Conference Committee formally reconvened on April 9, 2002, and many minor differences were quickly resolved. Less easy to resolve were differences over how spending was to be allocated among the various titles, the marketing loan rates and eligibility requirement, the pace of new spending, limits on farm payments, new dairy policy, and meat packer concentration. Pressure to complete action came from policy analysts who suggested that a new bill would have to be enacted quickly if its policies were to apply to crop year 2002 production. There also was pressure from political analysts closely watching contested elections in key agriculture states. They predicted that the outcome of the farm bill debate could determine the outcome of the mid-term elections and party control of the House and Senate, and that the legislation could become more expensive in light of the election year timing.[10] As time passed without legislation, the USDA began to be pressured to publish the 2002 loan rates. This was resisted by the Administration and others, who recognized the political unacceptability of the existing law rates and the likely election year repercussions, as well as the possibility that putting out the rates might delay congressional action on a new law. Another pressure point came when a multi-billion dollar farm aid bill for FY2002 was introduced by Senator Roberts (S. 2040) in case a new farm bill was not enacted in time for the 2002 crops.

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[8] Funding designated as "emergency" does not require budget offsets.

[9] Senate conferees were Senators Harkin (Iowa), Leahy (Vt.), Conrad (N.D.), Daschle (S.D.), Lugar (Ind.), Helms (N.C.), and Cochran (Miss). House conferees were Representatives Combest (Texas), Boehner (Ohio), Goodlatte (Va.), Pombo (Calif.), Everett (Ala.) Lucas (Okla.), Chambliss (Ga.), Moran (Kansas), Stenholm (Texas), Condit (Calif.), Peterson (Minn.), Dooley (Calif.), Clayton (N.C.) and Holden (Pa.).

[10] Typically, farm bills are scheduled to expire in off-election (or odd) years in order to avoid the pressure of election politics. This was not the case with the 1996 farm law and this year's bill, although in both cases, there were efforts to get legislation approved a year early.

In late April, after several weeks of negotiations, the House-Senate conferees reached a conference agreement. The House approved the Conference Report (107-424) on this bill on May 2. The Senate approved it on May 8, and the President signed it on May 13 (P.L.107-171). Titled the Farm Security and Rural Investment Act of 2002, the new law provides for $73.5 billion in new spending for food and agriculture programs, based on 2001 baseline estimates by CBO. [11] Using 2002 baseline estimates, CBO subsequently projected that budget authority added by the new law would total $82.8 billion over ten years, bringing overall total spending for these programs to $451 billion over the next ten years. More recent program cost estimates, based on higher than expected commodity prices, suggest that the cost might be lower.

Narrative Comparison: Summary

Although the House and Senate proposed farm bills varied from one another in many respects, there were common features to both. First, although farm commodity support was the main focus of each bill and generally got the most attention, the measures proposed and finally approved contained much more than farm commodity provisions. Other titles addressed conservation, trade, nutrition programs, credit, rural development, research, and forestry. Moreover, both bills and the final law restored some provisions struck by earlier law (e.g. federal target prices; the wool, mohair, and honey programs) and added new programs (e.g. countercyclical payments and payments for dairy and pulse crops).[12] The two chambers' bills also substantially increased funding for farm commodity programs, but differed over how much of the increased funding should go for each of the payment vehicles (i.e., fixed payments, marketing loan assistance, or countercyclical income support).

The House-passed farm bill had a 10-year life span; the Senate bill authorized its programs for 5 years. The time span in the House bill 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 reflected a more traditional time-frame for multi-year farm bills. The Conferees agreed to a six year farm bill.

Both bills proposed changes that utilized the $73.5 billion in increased funding allowed by the budget resolution, although the Senate bill was re-estimated to spend $6.1 billion more than that amount when CBO discovered in early March 2002 that it had made an estimating error in its original calculations. The Senate measure also used up its 10-year funding total more quickly than did the House, and added another $2.45 billion in farm aid for FY2002, although this cost was not counted because it

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[11] March 2002 CBO estimates (using updated baseline from April 2001) calculate that the new budget authority added by the Farm law will total $82.8 billion.

[12] 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 temporarily restored federal aid for the honey, wool and mohair programs as part of several "emergency" funding packages enacted to shore up farm income.

was designated as "emergency" spending. The conferees agreed to a more measured pace of new spending than the Senate bill, and dropped the additional "emergency" spending. The $73.5 billion mark allowed for new spending was met by the conference agreement (although subsequent updated cost projections by the CBO now estimate over $82 billion in new costs).

The House and Senate bills also continued 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 were more generous in this regard (+ $21.3 billion compared to $15.7 billion in the House bill). The conferees agreed to split the difference, increasing conservation funding by $17.1 billion over ten years.

The Senate bill also provided significantly more funding for domestic food programs (+$9.3 billion) than the House (+$3.7 billion), with much of the difference related to Senate provisions restoring food stamp eligibility to certain legal aliens. Both bills also made changes to the food stamp program to assist states in conforming program rules to those of other welfare programs and increase commodity donations to domestic food programs. The conference agreement adopted the Senate proposals regarding legal alien eligibility for food stamps. This brought new10-year funding increases estimated at $6.4 billion for this program and several commodity distribution programs, according to CBO, 2001 baseline estimates. The Senate bill also contained extensive energy (ethanol) provisions that were not in the House version. Some of these remained in the final version. Finally, the Senate bill was more generous than the House with respect to funding for research and rural development. In the end, funding increases for both of these categories were reduced to shore up spending for farm commodity and food assistance programs.

Some of these and other significant differences between the bills are described in more detail below.

Spending. 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 agriculture programs. This provided for a total of $73.5 billion in new budget authority for FY2002-2011above baseline spending. The expectation was that this new money would be used to finance new policies 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.[13]

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

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[13] As 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.

commodity programs as well as nutrition programs, trade, research, conservation, and rural development, among other things. It did *not* reflect the additional $2.45 billion in farm "emergency" assistance for FY2002 that the Senate added to its bill.[14] It also did not reflect some $6.1 billion in higher costs that the CBO later said were left out of earlier Senate bill projections of commodity program costs because of an error in the original calculations. The revised estimates brought new spending in the Senate-passed bill to a total of $79.6 billion. The final conference agreement brought additional 10-year spending back to the $73.5 billion total allowed by the budget resolution, based on 2001 baseline estimates. When CBO re-estimated baseline spending in March 2002, the total new spending provided by the new farm bill rose to $82.8 billion.

The additional funding in the new farm bill, when added to April 2002 baseline estimates (i.e. spending estimated without any change in previous law), will bring total spending for all of the programs in the farm bill to $273.9 billion over the next *six years* (the life of the bill), according to CBO estimates. This represents an estimated $222.2 billion in baseline spending and $51.7 billion in new spending.

Of the *6-year* total spending (baseline plus increases), CBO estimated that the new law will provide:

- $98.9 billion for commodity support programs;
- $21.3 billion for conservation;
- $149.6 billion for nutrition programs, mostly food stamps;
- $2.1 billion for agricultural trade;
- $1 billion for rural development;
- $760 million for research;
- $405 million for energy related provisions, and
- $85 million for forestry

Commodity Programs. Under both the House and Senate bills, well over half of the new spending would have gone for commodity programs — $48.8 billion under the House bill and $46 billion under the Senate bill.[15] However, the bills differed with respect to how much of this commodity program spending should go for fixed annual "contract" payments, new counter-cyclical income relief, or higher marketing loan assistance (i.e., loan deficiency payments).

Based on 2002 baseline estimates, the House bill would have added an estimated $25.1 billion to commodity program budget authority over 5 years, and $48.8 billion over 10 years ($7.7 billion more than the originally estimated Senate bill). Initial estimates for the Senate farm bill showed it raising total commodity program spending (Title I) by $26.8 billion over five years and by $41.1 billion over

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[14] A voice vote to waive this additional funding as "emergency" assistance was approved by the Senate as part of an amendment (S.Amdt. 2839; this designation means that the additional funding does not require offsets in spending elsewhere to conform to budget rules.

[15] This 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.

ten years. Adjusting for the $6.1 billion calculating error by CBO, the Senate farm bill's commodity program costs would have risen by $30.5 billion (over five years) and just under $46 billion over 10 years. This does not count the additional $2.4 billion in FY2002 "emergency" farm assistance the Senate added since this was designated "emergency spending" and not subject to budget offsetting rules for new spending.

The final law (Conference agreement) increased spending for commodity programs by a total of $25.6 billion and $47.8 billion, respectively, over five and ten years — more than the 10-year added cost of the Senate bill commodity provisions ($46.1 billion), and slightly less than the House bill ($47.97 billion). Based on new (2002) baseline estimates for the *six-year* life span of the new law, CBO projected that the government would spend $37.6 billion more for commodity programs under the new farm bill. This represented 73% of the new funding for all of the titles of the new farm law. Total spending for farm commodity programs (i.e., baseline plus new spending) will be $98.9 billion over 6 years, according to CBO estimates, and represents 36% of spending for all of the programs in the new farm law.

The House and Senate proposed about the same amount of new funding ($12.7-$12.9 billion) for fixed (formerly called "contract,") payments to "program" farmers (i.e., wheat, feedgrain, cotton, rice, and oilseed farmers). The conferees agreed to less than was proposed by the House and Senate bills ($9.9 billion) for fixed payments. The new counter-cyclical program proposed in the House bill was projected to cost $37.2 billion over ten years; the Senate's counterpart was less generous ($19.1 billion). The conferees more or less split the difference, agreeing to new spending of $29.4 billion for counter-cyclical income support. More extensive differences were in each chamber's marketing loan assistance provisions. The Senate bill would have added to marketing loan assistance, proposing changes that would have increased spending by $18.7 billion over ten years. The House, on the other hand, proposed to *reduce* spending for marketing loan payments by some $5.8 billion over ten years. The conferees agreed to an *increase* of $2.2 billion in marketing loan assistance over ten years.

Nutrition Programs. The Senate proposed to raise spending for nutrition programs (primarily, the food stamp program) by $9.3 billion over 10 years, compared to an increase of $3.7 billion for these programs in the House bill. The conferees compromised on a 10-year spending increase of $6.4 billion for these programs (9% of all new spending in the bill), and adopted the Senate proposal to restore food stamp eligibility to many legal aliens cut off by the 1996 welfare reform law. Under the six-year life span of this legislation, nutrition programs are projected by CBO to cost a total of $149.6 billion. This includes an increase of $2.8 billion (1.9% in funding) over the 6-year period.

The large funding increases for nutrition programs in the Senate bill were derived, in part, from savings in commodity program spending due to a provision that would have substantially lowered the limit on commodity payments to farmers. According to CBO estimates, the payment limit reduction in the Senate bill would have lowered commodity program spending by $695 million over 10 years. [The payment limit is discussed in more detail later in this report in the selected issues section.]

Selected Conference Issues

Commodity Programs

Program Crops. Both the House and Senate bills maintained the system of fixed annual payments to wheat, feedgrain, cotton and rice farmers that replaced target price supports in 1996. Both bills also added soybeans and peanuts to the crops that are eligible for these fixed payments. The House bill provided more funding for contract payments than did the Senate. Both bills also maintained marketing loan assistance (adding peanuts, as well), but the House bill set loan rates at, or slightly below, those set by previous law, thus reducing spending for this program by $5.8 billion over 10 years, according to CBO. The Senate substantially raised these rates, adding some $18.3 billion for marketing loan assistance. Both bills added a new program of counter-cyclical income support (which also included peanuts). In sum, the House approach tended to rely more heavily on fixed annual payments and greater levels of counter-cyclical income support than the Senate, which put more of its new funding into substantially raising marketing loan assistance. In overall spending for commodity programs, the conferees agreed to spend just under $48 billion over ten years, coming closer to the House mark ($48.7 billion) than the Senate ($46 billion). The conference agreement approved 10-year funding increases among the three commodity programs as follows:

- $9.9 billion in fixed payments (less than both House and Senate bills);
- $29.4 billion for counter-cyclical income support (versus $37 billion in the House bill and $19 billion in the Senate bill); and
- $1.7 billion in marketing loan assistance (the House bill would have reduced this assistance by $5.8 billion; the Senate bill would have added $18.3 billion in new spending).

Both bills maintained the 1996 policy changes that provide broad planting flexibility to farmers and remove annual cropland set-aside tools formerly used to reduce surplus production and/or control federal farm spending. To protect the interests of fruit and vegetable producers (who do not receive federal subsidies and who worried that some of the subsidized crop producers might plant these alternative crops as well as their subsidized program crops) both the House and Senate bills maintained the planting restriction on most fruits and vegetables by program farmers. Although some farm groups supported the types of production controls in place before the 1996 law, most did not, and these were *not* restored under the new farm law.

Another commodity proposal was tested by a Senate bill provision that added pulse crops (dried peas, lentils, chickpeas) to the mix of commodities eligible for marketing loan assistance. Proponents contended that these crops should receive the

same benefits as other field crops and that this would encourage production and greater rotation of other crops (e.g., wheat and feedgrains). Objection to this came from some who saw the addition of new crops as moving in the wrong direction, that is, expanding federal support and market interference in farm policy. Provisions in both bills added soybean eligibility for fixed payments and countercyclical income support; restored previously discontinued farm support payments for honey and wool (the Senate bill also added mohair), and added new direct payment programs for peanuts and fluid milk. The conferees adopted provisions adding most pulse crops, soybeans, peanuts, honey, wool and mohair to the list of commodities eligible for direct farm payments.

Peanuts. Both bills terminated the peanut poundage quotas and nonrecourse loans and created a compensation plan for peanut quota holders, set at a much lower loan rate, and, as noted above, made peanut producers eligible for marketing loan assistance and fixed and counter-cyclical payments. The end of the quota program, despite the generous buy-out provisions ($220/ton/year for five years) in the conference agreement, drew objections from some in certain peanut producing districts. Among the concerns expressed were the impact of this on small growers and on those retired farmers and/or spouses who relied on leasing quota for their income. Despite these objections, the quota buyout (in both bills) was agreed to by the conferees.

Dairy. Disagreement about the extension, or reauthorization of the expired Northeast Dairy Compact and its possible expansion to other regions of the country split along regional lines. The House farm bill did not extend the Northeast (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 final Senate bill. This would have replaced the NE Dairy Compact with a new counter-cyclical payment program for dairy farmers in all states, with one quarter of the $2 billion in funding allotted going to Northeast states. The earmark of funds for the Northeast was intended to offset the loss of the higher farm milk prices permitted by the defunct Compact in that region. The conferees agreed to a revised counter-cyclical payment program for dairy farmers, without the set-a-side for Northeast farmers. Instead of earmarking $500 million of its $2 billion cost for Northeast states as in the Senate bill, the Conference agreement will make payments to all dairy farmers whenever the monthly price of fluid farm milk in Boston falls below $6.94. The payments will be available on up to 2.4 million pounds of annual production, thus targeting benefits to small and mid-sized operations. This compromise was crafted largely by Northeast legislators representing generally small dairy operations. It, as well as earlier efforts to extend the NE Dairy Compact, was opposed by many from the Midwest, who regard this as a support system that will continue to encourage price-depressing overproduction, and continue an unwise policy that favors regions with small producers to the detriment of mid-western, and western producers. Those favoring countercyclical income assistance contend that it will benefit all farmers by reducing the impact of volatile prices, and that it will be available to all dairy farmers, not just those in one region. Some, however, are concerned about the budget implications of a new "uncontrollable" farm support program and its implications for U.S. efforts to get European and other trading competitors to reduce their domestic support programs.

Farm Payment Limits. Current law limits on payments to farmers were revised and applied to new programs under both the House and Senate farm bills. The Senate limitations, which were more stringent than those in the House bill, were opposed by many farm groups. Proponents of lowering the payment cap 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 also charge that the current system encourages the growth of large corporate farms and helps to drive small and mid-sized farms out of business. Some also assert that "excessive" payments undermine the credibility of and popular support for a farm policy that purports to be designed to help small and mid-sized farmers. Opponents of payment limits (which include nearly all of the farm 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 making profitable efficiencies. Moreover, they point out that many of the farms receiving large payments also have similarly large costs of production and might not operate as efficiently or productively if federal support was not tied in some way to output.

The farm payment limits first imposed in 1970 generally 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. [16] 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 very 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 proposals for the more stringent payment limits that were added to the Senate farm bill during floor debate.[17]

The House bill *raised* the current law overall limit on commodity program payments from a total of some $460,000 per year, per farmer, to $550,000, but did not apply this limit to the value of commodity certificates.[18] It also provided a

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[16] From $75,000 to $150,000. This followed substantial increases in farm spending enacted under several multi-billion farm "emergency" aid packages.

[17] 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

[18] The previous law amount reflects the total allowance, including additional amounts provided by emergency market loss payments in previous years, and allowances for the three-entity rule and spouses. The amount shown reflects the fixed contract payment limit of $40,000 set by the 1996 farm law, plus an additional $40,000 cap for emergency market loss payments for a total of $80,000. To this is added the $150,000 limit on marketing loan

(continued...)

separate payment limit for peanuts. The Senate bill *lowered* the current law payment limit to $275,000 for all crops (including peanuts and other newly covered crops) and included the value of marketing certificates under this limit. Under the House and Senate proposals the limits would have worked as follows:

- **Fixed payments and counter-cyclical payments**. The *House bill* set a maximum of $50,000 per farmer per year for fixed "contract" payments, and $75,000 per farmer per year for newly created counter-cyclical payments for regular program crops (grains, cotton, rice, oilseeds). Thus, the House bill set the payment cap for both these programs at $125,000. A separate $75,000 limit for counter-cyclical payments applied to the new peanut program. The *Senate bill* set a *combined* maximum per person payment of $75,000 for both fixed payments and counter-cyclical payments, and applied this limit to all eligible crops, including the newly eligible peanuts.

- **Marketing Loan Payments**. Under the *House bill,* marketing loan assistance would have been capped at $150,000 for wheat, feedgrains, oilseeds, cotton and rice, and there would have been separate payment limits of $150,000 for *each* of the peanut, honey, wool, and mohair programs.[19] The *Senate bill* establishes one limit of $150,000 in marketing loan benefits for *all* of the eligible commodities (wheat, feedgrains, oilseeds, cotton, rice, honey, wool, lentils, dry peas, and chick peas)[20]. It also applied this limit to the value of commodity certificates and loan forfeitures which, under previous law and the House bill, are not counted toward the payment limits.

- **Three-entity Rule and Spouse Allowance**. The House bill maintained the former law three-entity rule and spouse allowance. These permit a spouse to qualify for payments, and permit additional payments for up to two additional farms (at half the first farm cap). In effect, the House bill allows for an additional $275,000 in commodity program payments for a qualifying farmer. The Senate bill maintains the spouse benefit, capped at $50,000, but eliminates the separate payment cap for additional farms. Under the Senate bill, all payments to an individual farmer, regardless of the number of farms, are counted toward the $225,000 payment limit.

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[18] (...continued)
benefits (doubled from 1996 farm law by subsequent congressional actions) and the three-entity rule and spouse allowance which is capped at a total of $230,000 (or half the payment allowance) for a maximum of $460,000 per farmer. (See CRS report RS21138 for more information on payment limits.)

[19] The 1996 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 payments at that level.

[20] The Senate bill does not contain assistance for mohair.

- **Wealthy Individuals.** The Senate bill contains language that would prohibit those with adjusted gross incomes above $2.5 million annually from receiving any farm payments. This provision was intended to counter media and other critics who often point to receipt of farm payments by wealthy public figures (e.g., professional athletes and movie stars) as an illustration of poor farm policies. There is no comparable provision in the House bill.[21]

The 10-year savings from the Senate payment limit provision, which was used by the Senate bill to help fund a food stamp program expansion, was estimated by the CBO at $784 million ($454 million over 5 years).[22] Most analysts predicted that the impact of the Senate payment limit would have been the greatest for large rice and cotton farmers whose federal payments generally tend to be larger than those producing other field crops. The conference agreement to allow unlimited gains from commodity certificates helped to reach a compromise on payment limits. The *conference agreement* included:

(1) new payment caps that will apply to the 2003 crops (not 2002 crops);
(2) fixed payments that will be capped at $40,000;
(3) counter-cyclical payments limited to $65,000;
(4) marketing loans capped at $75,000 per farmer per year;
(5) allowance for payments for up to two additional farms and spouses;
(6) no limits on the value of commodity certificates; and
(7) a prohibition on farm payments if a person's gross income (from non-farm income) exceeds $2.5 million annually.

[For more detailed information on this topic and the crops it would affect, see CRS Report RS21138, *Farm Commodity Payment Limits: Comparison of Proposal]*

Federal Budget and Trade Agreements

The return of deficit spending or at least substantially depleted budget surpluses because of the War on Terrorism and an economic slowdown, raised questions about how much funding would be available for changes in farm policy by the time Congress approved legislation. There was some concern about whether the additional money agreed to in the past budget resolution ($73.5 billion) would be honored if a farm bill was not passed before the next budget resolution (May 2002). Both the Administration and congressional leaders 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

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[21] The lower payment limits were added during Senate floor debate under an amendment (S.Admt. 2826) offered by Senators Dorgan and Grassley.

[22] These figures, changed from the previous report, represent the most recent CBO revisions of Senate bill costs. Some Senate proponents of the payment limit suggest that these savings estimates are understated because the CBO did not fully account for the savings associated with counting the value of marketing loan writeoffs. See [http://www.agweb.com], April 10, 2002.

over ten years. Despite this agreement, concern about the cost of the bills remained. Budget-conscious policymakers watching budget surpluses turn into deficits expressed concern about the cost of the legislation, and their doubts were reinforced when the CBO discovered that it had underestimated the cost of the Senate-passed bill by over $6 billion. In the end, the conference agreement held to the allowed $73.5 billion (although subsequent CBO estimates using March 2002 baselines project that it will cost over $82 billion). More recent estimates of commodity market prices by the USDA suggest that commodity program provisions may cost less than originally estimated. Efforts in the 107th Congress seeking to use the savings from the revised program costs to pay for some $6 billion to additional agriculture spending for disaster relief. This was not approved.

The Administration was concerned that the new commodity program spending in both the House and Senate Farm bills might exceed the $19 billion cap on spending for market-distorting domestic farm support that the U.S. agreed to in the Uruguay Round WTO trade agreements. To deflect this concern, both bills contained provisions (adopted in conference) that require the Secretary of Agriculture to make adjustments if the spending cap is breached. Some policy analysts question the mechanics of the adjustment provisions and their practical application. Strong criticism of the new subsidies in the farm bill has come from some of our trading partners (particularly the EU and Japan) who are being pressured by U.S. negotiators to substantially reduce their domestic support programs. Other criticism has come from less developed countries and their supporters who contend that the generous farm subsidies in the U.S. (as well as the EU and Japan) are harming economic development and agricultural productivity in those nations.

Conservation Programs

Both the House and Senate bills increased spending on conservation programs, as did the finally-approved version. Major points of difference between the chambers included how much additional funding should be provided for these programs versus farm commodity programs, what portion, if any, of the funding should be mandatory, whether new programs or benefits should be created, and how much funding they should receive. The Senate bill provided significantly more money (some $6 billion) for conservation programs than the House bill. In the House, an attempt (Kind-Boehlert Amendment) to add more spending for conservation programs by taking away some of the new funding for commodity programs was unsuccessful. The difference in spending between the House and Senate bills for conservation programs was a difficult issue in the Conference Committee, and was made worse when CBO discovered that it had underestimated the overall cost of the Senate bill by some $6 billion. The conferees compromised on the funding difference between the House and Senate, essentially cutting the difference in half.

A Senate provision, strenuously opposed by some farm groups who feared the potential loss of state and local control of water rights to the federal government through farmer participation in wetlands and other conservation programs, was dropped in conference. Environmentalists objected to the changes made to the Senate measure. In their view, the conference agreement weakened the environmental and conservation standards for participating in the programs. Concern also was raised by some trading partners who fear that the environmental payments are a cover for

further domestic farm support. Some USDA officials also questioned the cost-effectiveness and environmental benefits of some of the new conservation programs.

Concentration in the Livestock Sector

A livestock packers amendment offered by Senator Tim Johnson and others was accepted during Senate floor debate. It would have prohibited 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 strong 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 livestock prices to producers to keep them low. The Senate-proposed restriction on packer ownership was supported by the American Farm Bureau and Iowa Pork Producers Association, two major farm interest groups. It was opposed by most meat processors and the National Cattle and Beef Association and National Pork Producers Council. An amendment modifying the meat packer restrictions to clarify that they did not affect livestock under marketing contracts was adopted during Senate deliberations. The restrictions on packer ownership were a sticking point in conference deliberations. Several reports analyzing the proposed restrictions questioned their likelihood of reducing concentration in the livestock sector or raising prices for producers, which are the intended goal of this legislation. There was stiff opposition in the House to the packer ownership restriction and it was dropped from the finally enacted law. Predictions by economists that meat prices will remain low in 2003 make it likely that this issue will be revisited in the 108th Congress. [For more information on this issue, see CRS Report RL31553, Livestock: A Ban on Ownership and Control by Packers.]

Comparison Caveats

The following table compares provisions of previous law to those in the House-passed farm bill (H.R. 2646), the Senate-passed bill (an amendment to H.R. 2646) and the finally enacted law (P.L. 107-171). It supercedes an earlier CRS report that compared only the House and Senate-passed bills to then-current law. The report is intended to identify the major differences from previous law and new law and between the House and Senate, and to provide an historical record of the issues that legislators grappled with as they pursued a 2002 farm bill. It is designed to assist those interested in the major issues surrounding the various titles of the farm bill and their resolution by the House-Senate Conferees. Although the report is quite extensive, it does not cover every provision in the proposed farm bills and new law, largely because of the enormous size of the various bills and final law. [23] It does,

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[23] The USDA Department of Agriculture (USDA) website includes comprehensive (continued...)

however, cover most of the significant or controversial changes that were proposed and those where there were major difference between each of the chambers' bills and previous and new law. Judgments about which provisions to include were made by each of the CRS specialists covering the relevant title, with some modifications and additions by the coordinator. The comparison is presented under topic headings, using the titles of the House and Senate farm bills as the general organizing theme (although this does not work in all cases because of the differences in the bills' configurations, and because topically related provisions are not all in the same sections). Funding information in this report is based on CBO estimates, unless otherwise noted.

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[23] (...continued)
comparisons for programs by agency as well as comparisons by the USDA-Economic Research Service. [http://www.USDA.gov].

SIDE by SIDE COMPARISON: Old Law, House and Senate Bills, New Law

I. COMMODITY PROGRAMS

COMMODITY PROGRAMS PRIOR LAW/POLICY (P.L. 104-127), COVERS 1996-2002	HOUSE BILL (H.R. 2646) COVERS 2002-2011	SENATE AMENDMENT COVERS 2002-2006	NEW LAW (P.L. 107-171), COVERS 2002-2007
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.	The Farm Security and Rural Investment Act of 2002
Title: Federal Agriculture Improvement and Reform (FAIR) Act of 1996 (P.L. 104-127) *[Section 101]*	Farm Security Act of 2001. *[Section 1]*	Agriculture Conservation and Rural Enhancement (ACRE) Act of 2001. *[Section 1*]	The Farm Security and Rural Investment Act of 2002 (P.L. 107-171)
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	1. No provision	1."**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). *[Section 102]*	1. No provision.

COMMODITY PROGRAMS PRIOR LAW/POLICY (P.L. 104-127), COVERS 1996-2002	HOUSE BILL (H.R. 2646) COVERS 2002-2011	SENATE AMENDMENT COVERS 2002-2006	NEW LAW (P.L. 107-171), COVERS 2002-2007
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 payments and do not plant to the crop or any fruit or vegetable not designated as industrial or experimental. *[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)]			
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. *[Section 102(3) of the FAIR Act]]*	2. No Provision	2. Defines **"Contract"** as a contract entered into under subtitle B, Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments. *[Section 102]*	2. No provision
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	3. No Provision	3. Redefines **"contract acreage**" to mean the acreage determined under section 111(f) of the bill, which refers to "direct and counter-cyclical payments." *(Section 102(4)]*	3. Uses phrase "Base Acres" and defines it with respect to a covered commodity to mean the number of acres established under section 1101 (Establishment of base acres and payments acres). [Section 1001]

COMMODITY PROGRAMS PRIOR LAW/POLICY (P.L. 104-127), COVERS 1996-2002	HOUSE BILL (H.R. 2646) COVERS 2002-2011	SENATE AMENDMENT COVERS 2002-2006	NEW LAW (P.L. 107-171), COVERS 2002-2007
target price support programs under Section 171 (b)(1) of the Fair Act of 1996.*[Section 102]*			
4. **"Contract Commodity**" is defined to mean wheat, corn, grain sorghum, barley, oats, upland cotton, and rice. *[Section 102]*	4. "**Covered Commodity"** replaces "covered" for "contract" and adds *soybeans, and other oilseeds* to current law . *[Section 100]*	4. **"Contract Commodity"** is redefined to add *oilseeds* to current law. *[Section 102]*	4. House Provision *[Section 1001*]
5. **"Contract Payment**" is defined to mean production flexibility contract payments to wheat, corn, grain, barley, oats, upland cotton and rice farmers *[Section 102]*	5. No provision	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. *[Section 102]*	5. No provision
6. **"Counter-cyclical Payment"** No provision	6. **"Counter-cyclical Payment**" means a payment made to producers under section 105, *Availability of Counter-cyclical Payments*. *[Section 100]*	6. No definition	6. House Provision *[Section 1001*]
7. **"Fixed Decoupled Payment**"	7. "**Fixed Decoupled Payment"** means a payment made to producers under *section 104 Availability of*	7. No definition.	7. Replaces "fixed decoupled payment" with "direct payment." *[Section 1001]*

COMMODITY PROGRAMS PRIOR LAW/POLICY (P.L. 104-127), COVERS 1996-2002	HOUSE BILL (H.R. 2646) COVERS 2002-2011	SENATE AMENDMENT COVERS 2002-2006	NEW LAW (P.L. 107-171), COVERS 2002-2007
	Fixed Decoupled Payments. *[Section 100]*		
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 *[Section 101]*	8. **"Payment Yield**" is the yield established under *section 102* for a covered commodity. *[Section 100]*	8. **"Payment Yield"** means the payment yield determined under Section 111(g) *[Section 102]*	8. In general, **"payment yield**" means the yield established under section 1102 for a farm for a covered commodity. "Updated Yield" means the payment yield elected by the owner of a farm to be used in calculating counter-cyclical payments. [*Section 1001]*
9. **"Loan Commodity"** means each contract commodity, extra long staple cotton and oilseed. *[Section 102]*	9. No Provision	9. "Loan Commodity" means wheat, corn, grain, sorghum, barley, oats, upland cotton, estra long staple cotton, rise, oilseeds, wool, honey, dry peas, lentils and chick peas. *[Section 102]*	9. Senate provision amended to substitute "soybeans and other oilseeds" for "oilseeds," specify "small chickpeas," and add "mohair." [*Section 1001*]
10. **"Target price**" No provision NOTE: Eliminated for most field commodities by the AMTA of 1996.	10. **"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.*[Section 100]*	10. No provision	10. House definition. *[Section 1001]*
A. Wheat, Corn Grain Sorghum, Barley, Oats, Upland Cotton, Rice, Soybeans and other Oilseeds.			
1. General			
a.. Sign-up period is required to begin not later than 45 days after enactment and end	Establishes a sign-up period, lasting not more than 180	Establishes a sign-up period, that begins not less 45 days after	USDA is to provide notice to farmers, as soon as practical after enactment, of

COMMODITY PROGRAMS PRIOR LAW/POLICY (P.L. 104-127), COVERS 1996-2002	HOUSE BILL (H.R. 2646) COVERS 2002-2011	SENATE AMENDMENT COVERS 2002-2006	NEW LAW (P.L. 107-171), COVERS 2002-2007
August 1, 1996. Production flexibility contracts (PFCs) cover 7 years, 1996 thru 2002 crops. *[Section 112]*	days after enactment, during which producers sign "agreements" covering crop years 2002 thru 2011 (10 years). *[Section 110]*	enactment and lasts for 180 days, during which producers sign "contracts" covering crop years 2002 thru 2006 (5 years). *[Section 111]*	the opportunity to sign agreements and establish base acres for direct and counter-cyclical payments. *[Section 1101]*
b.) Base Acres and Payment Acres			
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.*[Sections 111 and 112]*	The base acres for each crop are either the acres specified in existing PFC 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. *[Section 103]*	Same as House bill. *[Section 111]*	Same as House and Senate bills. *[Section 1101]*
	Payment acres equal 85% of base acres in calculating payment amounts. *[Section 100(9) and 103(f)]*	Payment acres equal 100% of base acres in calculating payment amounts. *[Section 111]*	Same as House bill. *[Section 1101(f)]*
c.) Payment Yield			
Program payment yields for each crop are frozen at 1986 program levels. *[Section 102]* Note: Soybeans and other oilseeds are not eligible crops and there are no provisions	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	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.	Similar to House bill. Payment yield is the yield established for the 1995 crop. Oilseed payment yield is the average yield from 1998-01, adjusted back to the national average from 1981-85. Yields for counter-cyclical payments

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for establishing base acres and yields for oilseeds.	for farms without past contracts. Oilseed yield is the average yield from 1998-01, adjusted back to a 1981-85 equivalent. *[Section 102]*	*[Section 111]*	may be updated using specified formulas. *[Section 1102]*
d) Producer Contract (Agreement)			
(1.) Requirements.			
Eligible producers must sign a contract that includes specific requirements in order to receive payments. *[Section 111]*	Producers must agree during each crop year to certain requirements in order to receive fixed, decoupled direct payments and counter-cyclical payments. *[Section 106]*	Same as old law. Producers sign contracts. *[Section 111]*	Same as House bill. *[Section 1105]*
a.) Conservation and Wetlands Compliance			
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 do not impose any new obligations on producers. *[Section 111]*	Same as old law. *[Section 106]*	Same as old law. *[Section 111]*	Same House and Senate bills and old law. *[Section 1105(1)(A) and (B)]*
b.) Planting Flexibility and Limitations			
Farmers are allowed to plant any crop	Same planting flexibility	Same planting flexibility	Same as House bill, except allows that

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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. *[Section 118]*	allowance as old law, but wild rice is added to exceptions. *[Section 107]*	allowance as old law, but wild rice is added to exceptions beginning in 2003. *[Section 113]*	if prohibited crops are planted they may be destroyed before harvest, and planting trees or other perennial crop producing plants is prohibited on base acres. *[Section 1106]*
Violations of planting flexibility limitations generally result in termination of the contract on each farm in which the producer has an interest. *[Section 116]*	No provision.	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. *[Section 112]*	Same as House bill.
c.) 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. *[Section 117]*	Same as old law. *[Section 106(c)]*	Same as House bill. *[Section 111]*	Same as old law, and House and Senate bills. *[Section 1105(b)]*

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2. Direct Fixed, Decoupled Payments			
a.) Eligibility.			
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 other oilseeds are not eligible PFC commodities. *[Section 111]*	Farms with existing PFC contracts, and other producers with a history of contract crop or oilseed production from 1998-01 are eligible for fixed, decoupled payments on their base acres and yields. Soybeans and other oilseeds also are made eligible. These crops are to be known as "agreement crops." Provision is made for expiring CRP acres to be added to the agreements. *[Section 101(a) and 103(a)]*	Same as House bill. *[Section 111]*	Same as House and Senate bills except that these crops are to be known as "covered crops." *[Section 1103]*
b.) Payment Rates.			
Farmers who sign production flexibility contracts (PFCs) 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. *[Section 114]*	Similar framework to old law. Farmers who sign "agreements" receive direct fixed, decoupled annual payments, unrelated to crops or acreage actually planted. The payment amount for each commodity is payment acres (85% of base acres) times the payment yield times the payment rate.	Similar framework to old law. Farmers who sign contracts receive fixed, decoupled annual payments, 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.	Same as House bill. *[Section 1105]*

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Estimated 2002 contract payment rates: 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 Other Oilseeds, not contract crops	Payment rates are specified for all years as follows: 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 Other Oilseeds, $0.0074/lb *[Section 104]*	Payment rates are specified for 2002/03, 2004/05, 2006 as follows: 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 Other Oilseeds, $0.01, $0.005, $0.0025/lb *[Section 111]*	Payment rates differ slightly from House bill as follows: Wheat, $0.52/bu Corn, $0.28/bu Sorghum, $0.35/bu Barley, $0.24/bu Oats, $0.024/bu Cotton, $0.0667/lb Rice, $2.35/cwt Soybeans, $0.44/bu Other Oilseeds, $0.008/lb *[Section 1103(b)]*
The law does not specify actual payment rates, but states the total funds available each year and the allocation share for each commodity. *[Section 113]*	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. *[Section 943]*	No comparable provision.	Same as Senate. Note: no provision to reduce spending and devote funds elsewhere.
c.) Time of Payment.			
The producer can choose to receive 50% of the payment on Dec. 15 or Jan. 15 and the remainder not later than September 30 of each fiscal year. *[Section 112(d)(1 &*	FY2002 PFC payments under old law are to be discontinued after enactment, and any amount already paid	No explicit reference is made to discontinuing payments under PFC contracts, or to payments already made under old law.	Similar to House bill. *[Section 1107]*

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2)]	is to be deducted from the amount due under this Act. *[Section 108]* Fixed, decoupled payments are to be made not later than September 30 of each fiscal year. *[Section 104(d)]*		
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. *[Section 112(d)(3) as added by PL 105-228, Section 2]*	The producer can choose to receive an advance of 50% of the payment on or after December 1. *[Section 104(d)]*	Same as House bill. *[Section 111 as it amends Section 113(d) of FAIR Act]*	Same as House and Senate bills except the producer can choose to receive any amount up to 50% of the direct payment. *[Section 1103(d)]*
3. Counter-Cyclical Deficiency Payments and Target Prices			
a.) Eligibility.			
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 specified proportion of the a farm's crop base acres.	Restores counter-cyclical target price deficiency payments that ended in 1995. Farms that have signed agreements receive counter-cyclical payments if average market prices are less than target prices. *[Section 101]*	Same as House bill. *[Section 111 as it amends Section 111(a) of the FAIR Act]*	Same as House and Senate bills. *[Section 1104]*
b.) Target Prices and Payment Rates.			
Not applicable.	The payment rate for counter-cyclical payments is	Same as House bill, except that the payment amount for each	Same as House bill. *[Section 1001(10)]*

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	the difference between the "target price" and the "effective price." The effective price is the higher of (1)the national season average price or (2)the loan rate, plus the direct fixed, decoupled payment rate. The payment amount is the payment rate times the payment acres times the payment yield. Payment acres are 85% of base acres.	commodity is 100% of base acres times the payment yield times the payment rate.	
	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 Other Oilseeds, $0.1036/lb *[Section 105]*	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 Other Oilseeds, $0.1049/lb *[Section 171]*	Target prices for 2002-03/2004-07 are specified as follows: Wheat, $3.86/$2.92/bu Corn, $2.60/$2.63/bu Sorghum, $2.54/$2.57/bu Barley, $2.21/$2.24/bu Oats, $1.40/$1.44/bu Upland Cotton, $0.724/$0.724/lb Rice, $10.50/$10.50/cwt Soybeans, $5.80/$5.80/bu Other Oilseeds, $0.098/$0.1010/lb *[Section 1104(c)]*

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4. Marketing Assistance Loans and LDPs			
a.) Eligibility.			
Any wheat, feed grains, upland cotton, and rice produced on PFC farms is 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. *[Section 131]*	Marketing assistance loans and loan deficiency payments (LDPs) are available for agreement crops (grains, upland cotton, oilseeds) on all farms where they are produced, whether or not they have signed agreements). *[Section 121]*	Same as House bill. *[Section 121]*	Similar to House and Senate bills, except the list of loan commodities differs. *[Section 1201]* Loan commodities are defined to include wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, rice, soybeans, other oilseed, wool, mohair, honey, dry peas, lentils, and small chickpeas. *[Section 1001]*
b.) Term of Loans.			
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.*[Section 133]*	Same as old law. *[Section 123]*	Same as old law. *[Section 121]*	Similar to old law, and House and Senate bills, except the term for each commodity is 9 months beginning on the first day of the month after loan is made. *[Section 1203]*
c.) Loan Repayment.			
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	Similar to old law. *[Section 124]*	Similar to old law. *[Section 121]*	Similar to old law, and House and Senate bills. Repayment rules for wool, mohair, honey, dry peas, lentils, and small chickpeas are the same as for grains and oilseeds. *[Section 1204]*

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domestic and international marketing. *[Section 134]* For upland cotton, loans can be repaid at the lesser of the loan rate plus interest, or the prevailing world market price 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. *[Section 134]* 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. *[Section 131]*			
d.) Loan Deficiency Payments (LDPs). 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. *[Section 135]*	Same as old law. *[Section 125]*	Same as old law. *[Section 121]*	Similar to old law, and House and Senate bills. LDPs are available for all loan commodities with the exception of ELS cotton. *[Section 1204]*

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e.) Loan Rates.			
Marketing assistance loans and loan deficiency payments (LDPs) continue at rates in effect in 1995. Authority is provided for USDA to lower the loan rates when stocks accumulate. *[Section 132]*	Marketing assistance loans and loan deficiency payments (LDPs) are available for loan commodities on all farms (not limited to farms with agreements for fixed and counter-cyclical payments) and any quantity produced on the farm. *[Section 121(b)]*	Same as House bill. *[Section 121]*	Same as House and Senate bills. *[Section 1201]*
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: Wheat, $2.58/bu Corn, $1.89/bu Sorghum, $1.69/bu Barley, $1.71/bu Oats, $1.14/bu Cotton, $0.5192/lb Rice, max & min $6.50/cwt Soybeans, max $5.26, min $4.92/bu Minor Oilseeds, max $0.093, min $0.87/lb [*Section132]*	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: 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 *[Section 122]*	Fixed, specific loan rates are as follows: Wheat, $2.9960/bu Corn, $2.0772/bu Sorghum, $2.0772/bu Barley, $1.9973/bu Oats, $1.4980/bu Cotton, $0.5493/lb Rice, $6.4914/cwt Soybeans, $5.1931/bu Minor Oilseeds, $0.0949/lb *[Section 171]*	Fixed, specific loan rates are as follows: Wheat, $2.80/$2.75/bu Corn, $1.98/$1.95/bu Sorghum, $1.98/$1.95/bu Barley, $1.88/$1.85/bu Oats, $1.35/$1.33/bu Cotton, $0.52/$0.52/lb Rice, $6.50/$6.50/cwt Soybeans, $5.00/$5.00/bu Minor Oilseeds, $0.096/$0.93/lb ELS Cotton, $0.7977, $0.7977/lb (ELS Cotton is not eligible for LDPs) Dry Peas, $6.33, $6.22/cwt Lentils, $11.94, $11.72/cwt Small Chickpeas, $7.56, $7.43/cwt. Graded Wool, $1.00/lb Nongraded Wool and Unshorn Pelts, 40¢/lb

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			Mohair, $4.20/lb *[Section 1202]*
(P.L. 106-224, Section 206(a)(2) and (3), made loans and LDPs available on non-PFC farms only for crop year 2000.) Note: Payment limits are covered below in N, 2).	Retroactively, for the 2001 crops, as was the case for 2000, LDPs are available on non-PFC farms that produced contract crops and oilseeds. *[Section 125(f)]*	Same as House bill. *[Section 169]*	Same as House and Senate bills. *[Section 1205(f)(2)]*
B. Wool and Mohair			
1.) Marketing Loans and LDPs.			
No provision (In FAIR Act) Note: 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	Marketing loans and LDPs are available to all producers at the following rates: Graded Wool, $1.00/lb Nongraded Wool, 40¢/lb Mohair, $4.20/lb *[Section 130]*	Similar to House bill, but no support for mohair. Marketing loans and LDPs are available to all producers at: Graded Wool, $1.00/lb Nongraded Wool and Unshorn Pelts, 40¢/lb Mohair, na *[Section 171]* Note: While Section 123 provides no loan for mohair, Section 171 includes a loan for mohair. The reported intent was not to support mohair]	Similar to House bill, except unshorn pelts are eligible for LDPs only. Graded Wool, $1.00/lb Nongraded Wool and Unshorn Pelts, 40¢/lb Mohair, $4.20/lb *[Section 1201, 1202]* Marketing loan gains and LDPs are limited to $75,000 per person per year for wool, and separately $75,000 for mohair. *[Section 1603]*

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mohair at rates determined by USDA.			
C. Honey			
1.) Marketing Assistance Loans and LDPs.			
Honey support is repealed. *[Section 171]* Note: This action followed several years of agriculture appropriations bill language that prevented USDA from carrying out the mandatory honey marketing loan program. Subsequently, 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.	Marketing loans and LDPs at $0.60/lb. The term of a loan is 12 months, beginning the first day of the month after the loan is obtained. *[Section 131]*	Marketing loans and LDPs at $0.60/lb. The term of the loan is 9 months, beginning the first day of the month after the loan is obtained. *[Section 124*]	Same as House bill. *[Section 1201,1202]* The payment limit is $75,000 per person per year. *[Section 1603]*
D. Extra Long Staple (ELS) cotton, Dry Peas, Lentils and Chickpeas			
1.) Marketing Assistance Loans and LDPs.			
ELS cotton is eligible for nonrecourse loans, but not LDPs. [Sections 132 and 134]	Same as old law.	Marketing loans and LDPs are available on all production at the following rates:	Similar to Senate bill, except large chickpeas are not included. [Section 1201-1205]. Loan rates for 2002-03, and 2004-07 are:

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Note: No support is authorized for dry peas, lentils, large chickpeas, small chickpeas.		ELS Cotton, $0.7965 (ELS cotton is not eligible for LDPs) Dry Peas, $6.78/cwt Lentils, $12.79/cwt Large Chickpeas, $17.44/cwt Small Chickpeas, $8.10/cwt The term of each loan is 9 months, beginning the first day of the month after the loan is obtained. *[Section 171]*	ELS Cotton, $0.7977, $0.7977/lb (ELS cotton is not eligible for LDPs) Dry Peas, $6.33, $6.22/cwt Lentils, $11.94, $11.72/cwt Small Chickpeas, $7.56, $7.43/cwt. *[Section 1202]*
E. Grazed Wheat, Barley, Oats, and Triticale			
1.) Payments in Lieu of LDPs. 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.	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. *[Section 126]*	Similar to House bill, but includes grain sorghum along with wheat, barley and oats as eligible crops. *[Section 127]*	Similar to House bill, except grazed triticale also is covered. *[Section 1206]*
F. High Moisture Corn and Sorghum			
1.) Recourse Loans.			

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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. *[Section 137(a)]*	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." *[Section 129(a)]*	Same as House bill. *[Section 121(a)]*	Same as House bill. *[Section 1209(a)]*
G. ELS and Upland 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. *[Section 137(b)]*	Recourse loans are available for all upland and ELS seed cotton, at rates set by the USDA. Farms need not have signed "agreements." *[Section 129(b)]*	No provision is made to support seed cotton.	Same as House bill. *[Section 1209(b)]*
H. 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 old law, no support provision is available 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. *[Section 167]*	Similar to Senate bill, but funding is set at $20 million for the 3 year period. *[Section 1616]*
I. Upland Cotton Competitiveness for Processors and Exporters			

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1.) Marketing Certificates.			
Marketing certificates or cash payments are made to domestic users and exporters of upland cotton whenever the 4-week 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). *[Section 136(a)]*	Some changes from old law. Marketing certificates or cash payments are made to domestic users and exporters of upland cotton whenever the 4-week price of U.S. cotton is too high or not high enough (i.e., when the U.S. price (1) exceeds the world price by 1.25¢/lb, or (2) does not exceed the U.S. cotton loan rate by at least 134%). *[Section 127(a)]*	Same as old law. *[Section 121(b)]*	Same as House bill for upland cotton. Applies through July 31, 2008. *[Section 1207(a)]*
2.) Import Quotas.			
A special import quota is imposed on upland cotton when U.S. prices exceed world prices by 1.25¢ for 10 weeks. *[Section 136(b)]*	A special import quota is imposed on upland cotton when U.S. prices exceed world prices by 1.25¢ *for 4 weeks*. *[Section 127(b)]*	Same as old law. *[Section 121(b)]*	Same as House bill. *[Section 1207(b)]*
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. *[Section 136(c)]*	Same as old law. *[Section 127(b)]*	Same as old law. *[Section 121(b)]*	Same as old law, and House and Senate bills. *[Section 1207(c)]*
J. ELS Cotton Competitiveness for Processors and Exporters			
No provision.	A special competitiveness program is created for ELS cotton with marketing	No provision.	Same as House bill. Applies through July 31, 2008. *[Section 1208]*

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	certificates or cash payments to domestic users and exporters under market conditions like those that apply to upland cotton. *[Section 128]*		
K. Peanuts			
1.) Poundage Quotas and Quota Compensation.			
National poundage quota is set to reflect the projected domestic demand for edible peanuts. 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). *[Section 155]*	Peanut quotas are terminated and quota holders are compensated $1,000/ton (50¢/lb) ($200/ton/year for 5 years). *[Section 170]*	Similar to House bill, but the compensation is $1,100 (55¢/lb) ($220/ton/yr for 5 years). *[Section 152]*	Repeals all quota provisions, and adopts Senate quota compensation level of $1,100 (55¢/lb or $220 /ton/year for 5 years). *[Section 1309]*
2.) Nonrecourse Loans and Marketing Assistance Loans.			
	Nonrecourse loans are replaced by marketing assistance loans. Loans are set at $350/ton (17.5¢/lb) available for all peanuts	Same as House bill except that the marketing assistance loan rate is set at $400/ton (20cents/lb) for all peanut production without distinction for end use. *[Section*	Nonrecourse loans are replaced by marketing assistance loans. Loans are set at $355/ton (17.75¢/lb) available for all peanuts produced without distinction of end use. *[Section 1307b]*

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	produced without distinction of end use. *[Section 167]*	*151, as it establishes section 158D in the FAIR Act.]*	
3.) Fixed Payments, Counter-Cyclical Payments, and Marketing Assistance Loans.			
No provisions for fixed payments or for counter-cyclical payments.	Support for peanuts designed like that for grains, cotton, and oilseeds. Rules 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. *[Sections 162, 165, 166]*	Similar to House bill. *[Section 151 as it establishes Section 158B in the FAIR Act]*	Adopts House peanut program designed like that for grains, cotton, and oilseeds. Rules regarding eligibility, sign-up, conservation and wetlands , base acres, payment yields, etc., are similar to those that apply to grains, cotton, and oilseeds. *[Section 1302]* Adopts unique conference provisions on compliance and planting flexibility. *[Section 1305, 1306]*
	The assignment of each farm's acres and yield to cropland selected by the producer is done on a one-time basis. *[Section 162(b)]*	Same as House bill. *[Section 151 as it establishes Section 158B(b) in the FAIR Act]*	Adopts House provision with revision specifying that assignment must be done by March 31, 2003, among other provisions. *[Section 1302(b)]*
	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. *[Section 163]*	Fixed, decoupled contract payments are the same as House bill. *[Section 151 as it establishes Section 158C in the FAIR Act]*	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. *[Section 1303]*
	Counter-cyclical deficiency	Counter-cyclical deficiency	Counter-cyclical deficiency payments

COMMODITY PROGRAMS PRIOR LAW/POLICY (P.L. 104-127), COVERS 1996-2002	HOUSE BILL (H.R. 2646) COVERS 2002-2011	SENATE AMENDMENT COVERS 2002-2006	NEW LAW (P.L. 107-171), COVERS 2002-2007
	payments against a $480/ton (24¢/lb) target price are made on 85% of each farm's history of peanut production. *[Section 164]*	payments against a $520/ton (26¢/lb) target price are made on 85% of each farm's history of peanut production. *[Section 151 as it establishes Section 158D in the FAIR Act]*	are made when marketing year prices average less than the target price of $495/ton (24.75¢/lb). Payments are made on 85% of each farm's history of peanut production. Partial payments may be made in advance. *[Section 1304]*
	Marketing assistance loans set at $350/ton) (17.5 cents/lb available for all peanut production without distinction of end use. *[Section 167]*	Marketing assistance loan rate set at $400/ton (20 cents/lb) available for all peanut production without distinction of end use. [*Section 151 as it establishes Section 158G in the Fair Act.]*	Similar to House and Senate bills, except the marketing assistance loan rate is set at $355/ton (17.75/lb) available for all peanuts. *[Section 1307(b)]*
4.) Payment Limits.			
No provision for peanuts.	Payments limits for peanuts are separate from other commodities. Fixed, decoupled peanut payments for 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. *[Section 169]*	Payments received for support of peanuts are subject to the same limits as other crops. Peanuts are not treated separately. 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. *[Section 169]*	House provision, amended. Payments limits for peanuts are separate from other commodities but fixed, decoupled peanut payments are subject to a limit of $40,000 per person, per year; counter-cyclical target price deficiency payments are limited to $65,000, and marketing loan benefits are limited to $75,000. *[Section 1603]*
L. Sugar			

COMMODITY PROGRAMS PRIOR LAW/POLICY (P.L. 104-127), COVERS 1996-2002	HOUSE BILL (H.R. 2646) COVERS 2002-2011	SENATE AMENDMENT COVERS 2002-2006	NEW LAW (P.L. 107-171), COVERS 2002-2007
1.) Price Support Loans.			
Raw cane sugar and refined beet sugar are supported with nonrecourse loans at 18¢ and 22.9¢/lb respectively. *[Section 156(a) and (b)]*	Same nonrecourse loan rates as old law, 18¢/lb. raw cane, and 22.9¢/lb. refined beet. *[Section 151(a)]*	Same loan rates as old law. *[Section 141(i)]*	Retains old rates for non-recourse loans -18¢/lb. raw cane, and 22.9¢/lb. refined beet sugar.
The loan rates are to be reduced if negotiated reductions in support are achieved for other sugar countries. *[Section 156(c)]*	In-process sugar is newly eligible for loan at 80% of full loan rates. *[Section 151(e)]*	Same in-process sugar loans as House bill. *[Section 141(e)]*	In-process sugar is newly eligible for loan at 80% of full loan rates.
Note: A recourse 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.	Loan rates may be reduced if competing nations sufficiently reduce support. *[Section 151(c)]*	Same authority to reduce loan rates as House bill. *[Section 141(a)]*	Loan rates may be reduced if competing nations sufficiently reduce support. *[Section 1401(a) restates FAIR Act provisions, and adds new subsection for in-process sugar loans]*
2.) No Net Cost Mandate.			
No provision	Loan program is to be operated at no net cost by avoiding forfeitures. *[Section 151(f)]*	Same no cost policy as House bill. *[Section 141(f)]*	Loan program is to be operated at no net cost by avoiding forfeitures. *[Section 1401(a) adds new subsection to FAIR Act]*
3.) Loan Forfeiture Penalty.			
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. *[Section 156(g)]*	Forfeiture penalty is retained by preserving Section 156(g) of the FAIR Act.	The loan forfeiture penalty is eliminated. *[Section 141(d)]*	Same as Senate bill and takes effect upon enactment. *[Section 1401(a) drops provision from FAIR Act]* Note: Change increases effective support level.
4.) Import Quotas.			

COMMODITY PROGRAMS PRIOR LAW/POLICY (P.L. 104-127), COVERS 1996-2002	HOUSE BILL (H.R. 2646) COVERS 2002-2011	SENATE AMENDMENT COVERS 2002-2006	NEW LAW (P.L. 107-171), COVERS 2002-2007
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]	Same as old law.	Same as House bill, except authorizes USTR in consultation with USDA to reallocate any shortfall of one country's shipments to other quota-holding countries. *[Section 144]*	Reaffirms existing import quota system, and adopts Senate reallocation provision giving any shortfall of one country's shipments to the other quota-holding countries. *[Section 1403]*
5.) Marketing Allotments.			
The authority to impose mandatory marketing allotments on domestic sugar production is suspended. *[Section 171(a)(1)(E)]*	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. *[Section 152]*	Similar to House bill, but provision is made for new cane processor entrants (including mainland states not previously producing cane). *[Section 143]*	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. Adds authority for USDA to assign unused cane and beet sugar allotments first to sales of sugar in CCC inventory and then to imports under certain conditions. Makes allotment authority effective beginning October 1, 2002. *[Section 1403]*
6.) In-Kind Payments.			
No provision.	CCC is authorized to make in-kind commodity payments from stored inventories to processors in exchange for	Same authority to make in-kind payments for reduced production as House bill. *[Section 141(f)]*	Authorizes CCC to make in-kind payments from stored inventories in exchange for reduced production as laid out in House and Senate provisions.

COMMODITY PROGRAMS PRIOR LAW/POLICY (P.L. 104-127), COVERS 1996-2002	HOUSE BILL (H.R. 2646) COVERS 2002-2011	SENATE AMENDMENT COVERS 2002-2006	NEW LAW (P.L. 107-171), COVERS 2002-2007
	reduced sugar production. *[Section 151(j)]*		*[Section 1401(a) adds new subsection to FAIR Act]*
7.) Marketing Assessment.			
Processors must pay an assessment on all marketings of sugar to CCC equal to a specified percentage of the loan rate. *[Section 156(f)]* 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.	The assessment on all sugar marketings is eliminated. *[Section 151(b)]*	Same as House bill. *[Section 141(c)]*	Terminates the sugar marketings assessment retroactive to October 1, 2001. *[Section 1401(b)]*
8.) Interest Rate on Loans.			
The interest rate on loans is 1% above the CCC cost of borrowing money. *[Section 163]*	Interest rate on loans is equal to CCC cost of funds. This is 1% less than the interest rate for other commodities. *[Section 151(h)]*	Same interest rate on loans as House bill. *[Section 141(j)]*	Reduces interest rate on price support loans to sugar processors by 1%, as in House and Senate bills. *[Section 1401(c)]*
9.) Storage Facility Loans.			
No provisions for storage facility loans.	Storage facility construction and improvement loans are to be made available to processors. *[Section 153]*	Same as House bill. *[Section 142]*	Authorizes storage facility loans, as in House and Senate bills. *[Section 1402]*

COMMODITY PROGRAMS PRIOR LAW/POLICY (P.L. 104-127), COVERS 1996-2002	HOUSE BILL (H.R. 2646) COVERS 2002-2011	SENATE AMENDMENT COVERS 2002-2006	NEW LAW (P.L. 107-171), COVERS 2002-2007
M. Dairy			
1. Dairy Price Support Program (DPSP) The 1996 farm bill (P.L. 104-127), as amended, reauthorized the DPSP at the then-current level of support ($9.90 per hundredweight (cwt.) of milk). 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. *[Section 141]* The FY2002 agriculture appropriations act (P.L. 107-76) extended the DPSP through May 31, 2002 *[Section 772(a)*]	Extends the DPSP through December 31, ***2011*** at the current level of support ($9.90 per cwt.). The Secretary would be ***permitted*** to adjust purchase prices of butter and nonfat dry milk twice annually to minimize government expenditures on the program. *[Section 141]*	Extends the DPSP through December 31, ***2006*** at the current level of support ($9.90 per cwt.). The Secretary would be ***required*** to adjust purchase prices of butter and nonfat dry milk twice annually to minimize government expenditures on the program. *[Section 131]*	Extends the DPSP through December 31, ***2007*** at the current level of support ($9.90 per cwt.). The Secretary is ***permitted*** to adjust purchase prices of butter and nonfat dry milk twice annually to minimize government expenditures on the program. *[Section 1501}*
2. The Northeast Dairy Compact and Counter-Cyclical Payments for Dairy Farmers 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	No provisions.	Authorizes 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	Authorizes a new counter-cyclical payment program for dairy farmers through September 30, 2005. Whenever the minimum monthly fluid farm milk price in Boston falls below $16.94 per cwt., all eligible farmers nationwide

COMMODITY PROGRAMS PRIOR LAW/POLICY (P.L. 104-127), COVERS 1996-2002	HOUSE BILL (H.R. 2646) COVERS 2002-2011	SENATE AMENDMENT COVERS 2002-2006	NEW LAW (P.L. 107-171), COVERS 2002-2007
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. 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 *ad-hoc* direct government payments to all dairy farmers in response to volatile farm milk prices.		hundredweight (cwt.) in 12 Northeast states (ME, NH, VT, CT, RI, MA, NY, NJ, PA, MD, DE, WV), farmers in these states would 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 would 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 would receive 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 could be received by a farmer on up to 8 million lbs. of annual milk production. *[Section 132]*	will receive a direct government payment equal to 45% of the difference between $16.94 and the lower Boston price. Payments to individual farmers can be received on up to 2.4 million lbs. of annual production. Retroactive payments will be made for each month back to December 2001. No budget limitations on how much can be spent each year or in total. At the time of enactment, the CBO estimated the total cost of the program at $1.3 billion over the life of the program. *[Section 1502]*
3. Recourse Loan Program P.L. 104-127 permanently authorized a new recourse loan program to help dairy processors balance their inventories, to be	Repeals authority for a recourse loan program. *[Section 142]*	No provision.	No provision.

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implemented once the dairy price support program (DPSP) expires. *[Section 142]* 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. *[Section 772(b)]*	(Subsequent to House passage of H.R. 2646, P.L. 107-76 was enacted which repealed authority for the recourse loan program.		
4. Dairy Export Incentive Program 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. *[Section 153]* Program has been reauthorized periodically in subsequent farm bills. Most recently, the 1996 farm bill (P.L. 104-127) reauthorized the program through 2002. *[Section 148]*	Extends program authority through 2011. *[Section 143(a)]*	Extends program authority through 2006. *[Section 133(a)]*	Extends program authority through 2007. *[Section 1503(a)]*
5. Dairy Indemnity Program 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	Reauthorizes the program through September 30, 2011. *[Section 143(b)*]	Reauthorizes the program through September 30, 2006. *[Section 133(b)]*	Reauthorizes the program through September 30, 2007. *[Section 1503(b)]*

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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. *[Sections 1999A-1999R]* 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. *[Section 146]*	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. *[Section 144]*	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. *[Section 134]*	Same as Senate bill. *[Section 1506]*
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	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	Same as the House bill. *[Section 136]*	Same as the House bill, with some modifications, including a requirement that importers be represented on the Board in the same proportion that imported dairy products comprise the total U.S. dairy market. Also, Secretary

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a mandatory 15-cent per hundredweight assessment on all milk produced and marketed in the contiguous 48 states. Dairy farmers administer the program through the National Dairy Promotion and Research Board.	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. *[Section 146]*		is required to consult with the U.S. Trade Representative to determine whether this provision is compatible with U.S. trade obligations; and dairy products must be promoted without regard to the country of origin of the product. *[Section 1505]*
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.	Amends the 2000 act to include "substantially identical products designated by the Secretary (of Agriculture)" as part of the mandatory reporting system. *[Section 145]*	Effectively similar to the House bill, except that it changes the definition of a covered dairy product to include "substantially identical products designated by the Secretary." *[Section 135]*	Same as Senate bill. *[Section 1504]*
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	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)	Adopts both the House and Senate provisions, thus requiring the Secretary to conduct two dairy studies. Both studies are due within one year of enactment of this bill. *[Section 1508]*

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	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. *[Section 147]*	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. *[Section 137]* [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.]	
N. Tobacco			
1. Flue-cured Tobacco No provisions.	No Provision	Reduces the reserve stock level for flue-cured in the quota determination formula from the greater of 100 million pounds or 10% of the national marketing quota, to the greater of 75,000 pounds or 10%. *[Section 162]*	Similar to Senate, except the reserve stock is 60 million pounds. *[Section 1610]*
2. Flue-cured Farm Reconstitutions No provisions	No Provision	Allows, for the 2002 crop only, for special farm reconstitutions that otherwise would violate the prohibition on flue-cured lease	Same as Senate bill. [Section 1611]

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		and transfer of quota. Requires a study of the prohibition of flue-cured quota lease and transfer. *[Section 163]*	
O. Specialty Crops (See also Miscellaneous section of this report).			
1.) Mandatory CCC Purchases.			
No provisions of P.L. 104-127 specifically authorize or mandate support for specialty crops. Subsequently, emergency *ad hoc* assistance was mandated for specialty crops. P.L. 106-224, Section 203(d), mandated the CCC spend $200 million for purchases of fruits and vegetables with low prices in 1998 and 1999, including apples, black-eyed peas, cherries, citrus, cranberries, onions, melons, peaches, and potatoes. P.L. 106-387, Section 811 and Section 816 mandated respectively $100 million in 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.	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 other unspecified commodities, at $30 million each year. *[Section 166]*	The amount of Section 32 funds that can be carried across fiscal years for use in emergency removals of surplus commodities is increased from $300 million to $500 million. *[Section 1602]* Section 32 purchases of fruits, vegetables, and specialty crops shall amount to not less than $200 million each fiscal year. *[Section 10603]*
P. Payment Limits			
1.) Fixed Payments, and			

COMMODITY PROGRAMS PRIOR LAW/POLICY (P.L. 104-127), COVERS 1996-2002	HOUSE BILL (H.R. 2646) COVERS 2002-2011	SENATE AMENDMENT COVERS 2002-2006	NEW LAW (P.L. 107-171), COVERS 2002-2007
Counter-Cyclical Payments.			
Fixed contract payments are subject to a $40,000 per person, per year limit. *[Section 115]* Note: Matching market loss payments adopted as emergency assistance were not subject to payment limits, with the practical result effectively being the potential doubling of the contract payment limit to $80,000.	Combined fixed, decoupled payments for grains, cotton, and oilseeds are limited to $50,000 per year per person. *[Section 109]* Separately, fixed, decoupled payments for peanuts are limited to $50,000. *[Section 169]* Counter-cyclical payments for grains, cotton, and oilseeds are subject to a $75,000 per person, per year limit. *[Section 109]* Separately, counter-cyclical payments for peanuts are limited to $75,000. *[Section 169]*	Fixed, decoupled commodity payments combined with counter-cyclical target price deficiency payments for grains, cotton, oilseeds and peanuts are subject to a $75,000 per person, per year limit. *[Section 169]*	Fixed, decoupled payments for grains and oilseeds limited to $40,000 per year per person. Counter-cyclical payments limited to $65,000. The same limits separately apply to peanuts. *[Section 1603]*
2.) Marketing Loan Benefits.			
Marketing loan benefits (marketing loan gains and LDPs) for all crops combined are subject to a $75,000 per person, per year limit. *[Section 115]* 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.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	Marketing loan benefits for grains, cotton, and oilseeds combined are subject to a $150,000 per person, per year limit. *[Section 183]* Separately, marketing loan benefits for peanuts are limited to $150,000. [Section 169] Separately, marketing loan benefits for wool and mohair are limited	Marketing loan benefits for all commodities (grains, cotton, oilseeds, dry peas, lentils, chickpeas, wool, honey, and peanuts) combined are subject to $150,000 per individual, per year limit. Included in this limit are marketing loan gains, LDPs, loan forfeiture gains, and commodity certificate gains. *[Section 169]*	Marketing loan benefits for covered crops (grains and oilseeds), lentils, dry peas, and small chickpeas limited to $75,000. Peanuts, wool, mohair, and honey each have separate marketing loan benefit limits of $75,000. *[Section 1603]*

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loans (authorized by P.L. 106-78, sec. 812). Also exempt for limits are gains from the forfeiture of commodities at loan maturity.	to $150,000. *[Section 130(f)]* Separately, marketing loan benefits for honey are limited to $150,000. *[Section 131(f)]*		
3.) Spouse Benefit and 3 Entity Rule.			
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.	Same as old law.	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.) *[Section 169]*	Same as old law and House bill.
4.) Adjusted Gross Income Limit.			
No provision.	Same as old law.	A person with adjusted gross income in excess of $2.5 million is not eligible for payments (unless 75% or more of income is from farming, ranching, or forestry). *[Section 169]*	Same as Senate bill. *[Section 1603]*
5.) Payment Limitation Commission.			
No provision.	No provision.	Creates a 1-year Commission on the Application of Payment Limitations for Agriculture to analyze and make	Same as Senate bill. *[Section 1605]*

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		recommendations on payment limits. *[Sections 181-187]*	
Q. Livestock Assistance			
No provision.	No provision.	Authorizes appropriations up $500 million per year for FY2003-2008 for livestock assistance. *[Section 168]*	Authorizes appropriations of such sums as are necessary for livestock assistance. Prohibits use of CCC funds to make such payments. *[Section 10104]*
R. Farm Income Estimates			
No provision.	No provision.	Requires USDA to make farm income estimates for commercial producers separate from all farms. *[Section 173]*	Same as Senate bill. *[Section 1615]*
S. CCC Commodity Operations			
No provision.	No provision.	CCC is authorized to use private business to carry out commodity purchases and sales. *[Section 174]*	Same as Senate bill. *[Section 1609]*
T. Implementing Regulations			
Regulations to implement Title I shall be issued not later than 90 days after enactment (August 12, 2002). [Section 161(d)]	Regulations to implement Title I shall be issued not later than 90 days after enactment. [Section 181(c)]	No provision.	Same as House bill. [Section 1601(c)] (The 90 periods ends on August 12, 2002).
U. Counter-Cyclical Farm Savings Accounts			

COMMODITY PROGRAMS PRIOR LAW/POLICY (P.L. 104-127), COVERS 1996-2002	HOUSE BILL (H.R. 2646) COVERS 2002-2011	SENATE AMENDMENT COVERS 2002-2006	NEW LAW (P.L. 107-171), COVERS 2002-2007
No provisions in current law.	Same as old law.	Farm counter-cyclical savings accounts are authorized as a pilot program in 3 states. Farms with adjusted gross revenue from 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. *[Section 114]*	Same as old law and House bill.
V. WTO Limits on Allowable Domestic Support			
There is no upper limit in the law for spending on commodity support programs. This is in spite of Uruguay Round Agreement on Agriculture annual limit of $19.1 billion on U.S. domestic trade-distorting subsidies.	If USDA determines that total spending for commodity support will exceed the limits accepted by the United States in the Uruguay Round Agreement on Agriculture, adjustments may be made to reduce spending to the limits but not below the allowable limits. *[Section 181(e)]*	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. *[Section 164]*	Same as House bill, except the USDA is instructed to make adjustments to ensure compliance. *[Section 1601]*

II. CONSERVATION

CONSERVATION PRIOR LAW/POLICY COVERS 1996-2002	HOUSE BILL H.R. 2646 COVERS 2002-2011	SENATE AMENDMENT (S. 1731, AMENDED) COVERS 2002-2006	NEW LAW (P.L.107-171) COVERS 2002-2007
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.	Title II of the Farm Security and Rural Investment Act of 2002.
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). [*Section 1230(a) of the 1985 FSA as amended by Section 331 of the 1996 FAIR*] Good Faith protection provisions added as Section 755 of the FY2001 Agriculture Appropriations. [*Section 1230A of 1985 FSA, as amended by Section 331 of 1996 FAIR]* [**Note**: ECARP is an umbrella under which the CRP,WRP, and EQIP are placed.]	No provisions.	Renames ECARP the Comprehensive Conservation Enhancement Program (CCEP)and places new name throughout Section 1230. [*Section 207(a)*] Amends Section 1230(a) to reflect changed placement of conservation programs in 1985 FSA. [*Section 211(a)*] Repeals Section 1230A. [*Section 207(c)*] [**Note**: Section 1230A is replaced with new good faith provisions, discussed below in H (13) (a).]	Adopts Senate Amendment *[Section 2006]* NOTE: "Good Faith provisions in Commodity Programs title (Administration subtitle) apply to both conservation and commodity programs *[Section 1631]*

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2. Priority Areas. Permits the Section to designate watershed, multistate areas, or areas of special environmental sensitivity for enhanced conservation assistance through the CRP, WRP, and EQIP. [*Section 1230(c) of the 1985 FSA as amended by Section 331 of the 1996 FAIR*]	Repeals section 1230(c). [*Section 201(2)*]	Adds a new subsection giving priority to areas where projects could be completed most rapidly. [*Section 211(b)*]	Adopts the House Provision *[Section 2006(c)]* Note: National Priority area for the CRS are reaffirmed elsewhere in the bill]
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. [*Section1231 (a) of the 1985 FSA as amended by Section322(a)(1) of the 1996 FAIR*]	Reauthorizes CRP through FY2011. *[Section 211(a*)] Adds wildlife resources to the purposes of the program. [*Section 211(b)*]	Reauthorizes CRP through FY2006 [*Section 212(a*)]	Adopts House provision on wildlife resources, with a modification to reauthorize the CRP through FY2007 *[Section 2101(a)]*
2. Eligibility. Makes certain highly erodible land, marginal pastureland, and other cropland eligible. [*Section 1231(b) of the 1985 FSA*]	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. [*Section 212(a)*] Adds a new Section1231(i) that requires balance between soil erosion, water quality, and wildlife habitat when reviewing bids,	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. [*Section 212(b)*]	Adopts Senate amendment with modifications, including that land must have been cropped in 4 of the 6 years before enactment to be eligible, and many new specific details on types of eligible lands, such as allowing producers to enroll entire fields when more than 50% if eligible and the remainder of the field in "infeasible" to farm . *[Section 2101]*

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	with implementing regulations to be issued within 180 days of enactment. [*Section 212(d)*]		
3. Enrollment Ceiling Authorizes enrollment ceiling at 36.4 million acres. [*Section 1231(d) of the 1985 FSA as amended by Section 332(b) of the 1996 FAIR*.]	Raises ceiling to 39.2 million acres. [*Section 212(b)*]	Raises ceiling to 41.1 million acres. [*Section 212(c)*] [**Note**: Section 215(a) water conservation provisions lower the CRP enrollment ceiling to 40.0 million acres; Section 215(b) allows an additional 500,000 acres to be enrolled in the state Conservation Reserve Enhancement Program, bringing total enrollment to 40.5 million acres.]	Adopts House provision *[Section 2101(a)]*
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. [*Section 1231(e)(2) of the 1985 FSA*]	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. [*Section 212(d)*]	Adopts Senate amendment allowing automatic 1-year extension for contracts expiring in 2002 for land planted to hardwood trees. Adopts House provision requiring participants to bid to reenroll land *[Section 2101(a)]*
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." [*Section 1231(f) of the 1985*	Allows land enrolled under this subchapter to be eligible to reenroll in the CRP. [*Section 212(c)*]	Gives priority to areas where designation would lead to the most rapid completion of projects. [*Section 212(b)*]	Retains priority areas language of current law *[section 2101(a)]*

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FSA]			
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. [*A new Section1231(h), enacted in Title XI of the FY2001 Agriculture Appropriations (P.L. 106-387*]	Expands the pilot program to all states and limits enrollment in any state to 150,000 acres. [*Section 215*]	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). [*Section 212(e)*]	Adopts House provision with modifications to: limit total enrollment to 1 million acres and to 100,000 acres in any state. Adopts Senate amendment increasing the maximum size of eligible sites. *[section 2101(a)]*
7. Duties of Owners and Operators. Sets limits on commercial uses of lands in the CRP, but allows the Section to permit harvesting or grazing under very limited circumstances. [*Section 1232(a)(7)*] Sets a goal of planting 1/8 of the land enrolled each year to trees or habitat. [*Section 1232(c)*] Allows alley-cropping. [*Section 1232(d)*] [*Section1232(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*]	Allows certain economic uses of enrolled lands if consistent with soil, water, and 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). [*Section 213*]	Adds a new subsection that allows irrigated land to be enrolled through the buffer initiative or the CREP at the irrigated land rate. [*Section 212(f)*] 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. [*Section 212(g)*] Adds a new subsection that permits wind turbines on CRP land (except	Adopts House provision with modifications such as requiring consideration of the impacts on wildlife when locating wind turbines. *[Section 2101(a)]*

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		land enrolled in the continuous enrollment), with payments reduced based on the diminished value for CRP. [*Section 212(h)*]	
8. Payments. Lays out the terms and conditions for CRP payments. [*Section1234 of the 1985 FSA as amended by Section1434(a) of the 1990 FACTA*) Payments for easements limited to $50,000 per year. [*Section 1239C(f)*]	No provisions.	Adds a new subsection to provide enrollment and cost sharing payments to producers who enroll land in the buffer initiative or through a CREP. [*Section 212(i)*] Exempts payments for land enrolled in the buffer initiative or through a CREP from the payment limit for easements. [*Section 212(j)*]	Generally restates existing law.
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 difficulty meeting compliance requirements. [*Section1243(b) of the 1985 FSA as amended by Section 341 of the 1996 FAIR.*]	Repeals the provision allowing the Secretary to exceed the county enrollment limit if operators are having difficulty meeting compliance requirements. [*Section 244(a)*]	Exempts land enrolled under the continuous signup from county enrollment limit. [*Section 212(k)*]	No provision
10. Funding and Administration. Provides mandatory funding through the CCC. [*Section1241(a) of the 1985 FSA as amended by Section341 of the 1996 FACT*]	Reauthorizes mandatory funding through FY2011. [*Section241*]	Reauthorizes funding from the CCC through FY2006, and includes funding for technical assistance in support this program. [*Section 211(c)*]	Reauthorizes mandatory funding from FY2002 through FY2007, including funding for technical assistance. *[Section 2101(b)]*

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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. [*Section 212(l)*]	Adopts Senate language with modifications that require the study to be submitted in 18 months and to include the economic value of recreation opportunities. *[Section 2101(b)]*
C. Wetlands Reserve Program (WRP)			
1. Enrollment. The 1990 FACTA adds a new Section1237 to the 1985 FSA establishing the WRP and capping enrollment at 975,000 acres. [*Section 1438*] Enrollment allowed through calendar year 2002. [*Section 333(b)(1) of the 1996FAIR*] Enrollment ceiling increased from 975,000 acres to 1,075,000 acres.) *[Section 808 of the FY2001 Agriculture Appropriations (P.L. 106-387)]*	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. [*Section 221(a)*] Authorizes enrollment through FY2011. [*Section 221(c)*}	Authorizes WRP enrollment through calendar year 2006. [*Section 214(c)*] 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. [*Section 214(b)*]	Adopts Senate amendment with modifications raising the enrollment cap to 2.275 million acres and authorizing the program through 2007. *[sections 2201 and 2202]*
2. Enrollment Options. Requires 1/3 enrollment each using permanent easements, 30 year easements, and long-term agreements. [*Section1237(b) of the 1985 FSA as amended by Section333(a) of the 1996 FAIR*]	Deletes the 1/3 requirement, and the distinction between permanent and temporary easements. [*Section 221(b*]	Creates a new Wetland Reserve Enhancement Program that allows agreements with state and local government, and non-governmental organizations to restore wetlands on land in or eligible to be enrolled in the WRP. [*Section 214(d)*]	Modifies law to permit the use of permanent easements, temporary easements, and cost-sharing agreements in any combination based on producer interest. *[Section 2202]*

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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. [*Section 1237A of the 1985 FSA as amended by Section333(d)(1) of the 1996 FAIR*]	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. [*Section 222*]	No provisions.	Deletes subsection 1237A(h) which allows restoration cost-sharing agreements without an easement. [Note: characterized by conference Committee as redundant.]
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. [*Section1237C of the 1985 FSA*]	Deletes subsection (d), which requires the Secretary to give priority to using permanent easements. [*Section 223*]	Amends Section 1237C(a) to provide funds from the CCC for technical assistance in support of the WRP. [*Section 214(a)*] Amends Section1237C(a)(2) to add monitoring and maintenance to the types of technical assistance provided to participants. [*Section 214(e)*]	No provisions. [Note: technical assistance provided for elsewhere — funding subsection, below]
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. [*Section1237E of the 1985 FSA*]	Replaces 1990 acquisition date in Section1237E(a)(2) with provision to make eligible at any time land acquired through foreclosure where the previous owner exercised a right of redemption. [*Section 224*]	No provisions.	Adopts House amendment, with modifications to address changes in ownership resulting from foreclosure. *[Section 2204]*
6. Funding. Funding from the CCC is authorized to implement the WRP. [*Section 1241(a) of the 1985 FSA*]	Reauthorizes mandatory funding through FY2011. [*Section 241*]	Reauthorizes funding from the CCC through FY2006, and includes funding for technical assistance in	Reauthorizes mandatory funding from FY2002 through FY2007, including for technical

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		support of this program. [*Section 211(c)*]	assistance. [Section 2701]
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 Section1240 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)*]	Adopts Senate Amendment with modifications that restate the purpose of EQIP [Section 2301] Deletes definition of "maximum benefit per dollar expended" *[Section 2301]* to conform to provision in section 2301 striking the requirement for maximum benefit per dollar.
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)*]	Adopts Senate definitions of "beginning farmer," "land management practice," "livestock," "structural practice'" and a modified definition of "eligible land."*[Section 2301]*
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	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	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	Adopts Senate provisions modified to: reauthorize EQIP through Fy2007, to provide incentive payments for comprehensive nutrient management plans; to permit contracts as short as 1 year; to prohibit the bidding down prices; and to provide higher cost share

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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*]	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*]	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 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)*]	payments to participating beginning and limited resource farmers. Adopts House provisions eliminating the requirement to maximize the environmental benefits per dollar spend. *[Section 2301]*
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. [*Section1240C of the*	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)*]	Adopts Senate Amendment with modifications giving higher priority to applications that use cost-effective conservation practices and that address national conservation priorities. *[Section 2301]*

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1985 FSA]			
5. Duties of Producers. Lists 5 duties; one is a prohibition against practices that counter the purposes of EQIP. [*Section1240D 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)*]	Adopts the Senate amendment with a modification to delete confined livestock feeding operations listing requirement in the Senate bill *[Section 2301]*
6. Program Plan. Lists the general contents of plans producers are required to submit to the Section to participate. [*Section1240E 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)*]	Adopts Senate amendment with modifications and adds a requirement that all recipients of funds for animal waste manure systems must have comprehensive nutrient management plans. *[Section 2310]*
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 prepare an eligibility assessment. [*Section 1240F of the 1985 FSA*]	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)*]	Adopts Senate amendment *[Section 2301]*
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. [*Section*	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. [*Section 237*]	Limits total payments under all contracts to $30,000 annually. Limits 3 year contracts to $90,000 , $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. [*Section*	Adopts the House provision, modified to limit total EQIP payments to any individual or entity through FY2007 to $450,000 *[Section 2301]*

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1240G of the 1985 FSA]		*213(a)*]	
9. Other Provisions. Lays out temporary transition provisions as EQIP replaces 4 repealed programs. [*Section 1240H of the 1985 FSA*]	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. [*Section 238*]	Replaces current language in Section1240H 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 using EQIP funds. ($10 million in FY2003, $15 million in FY2004, $20 million in FY2005, $25 million in FY2006, and $0 in	Adopts the House amendments with modifications to restate the activities to be funded through the new ground and surface water conservation program and to provide competitive innovation matching grants as described in the Senate bill. Provides $25 million in FY2002, $45 million in FY2003, and $60 million annually thereafter through FY2007 for the water conservation program, with $50 million of the total going to conservation activities in the Klamath Basin. Provides no funding or authorization for the innovative grants *[section 2301]*

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		FY2007) [*Section 213(a)*]	
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. [*Section 1241 of the 1985 FSA as amended by several annual agricultural appropriations laws*]	Authorizes mandatory spending through the CCC through FY2011. [*Section 241*] 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. [*Section 242*] Reauthorizes the livestock provision through FY2011. [*Section 243*]	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. [*Section 241(b)*] Reauthorizes funding from the CCC through FY2006, and includes funding for technical assistance in support of this program. [*Section 211*(c)]	Reauthorizes mandatory funding from the CCC as follows: $400 million in FY2002, $700 million in FY2003, $1 billion in FY2004, $1.2 billion in FY2005 and FY2006, and $1.3 billion on FY2007. Funding for technical assistance is included in the total. 60% of funds are to be provided for practices related to livestock and 40% for practices relates to crops. *[Section 2701]*
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. [*Section387(c) of the 1996 FAIR*]	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. [*Section 252*]	Moves WHIP to Section1240M 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. [*Section 217(g)*]	Adopts House provision with modification to move WHIP to the 1985 FSA, making it subject to compliance, and to require that the Secretary recognize regional issues of concern when distributing funds. *[Section 2502]* Reauthorizes mandatory funding from the CCC: $15 million in FY2002, $30 million in FY2003, $60 million in FY2004, and $85 million annually in FY2005-FY2007. *[Section 2701]*
2. Establishing WHIP	No provisions.	Requires consultation with STCs to	Adopts Senate amendment

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No provisions.		establish WHIP. [*Section 217(b)*]	
3. Cost-sharing Payments. Authorizes cost sharing payments for several approved purposes. [*Section 387(b)*]	No provisions.	Requires the Secretary to use at least 15% of the cost-sharing funds on endangered and threatened species. [*Section 217(c)*]	No provisions
4. Participation Related to Public Lands. No provisions.	No provisions.	Makes individuals and organizations leasing public lands eligible for grants. [*Section 217(e)*] Allows funds to be used on public lands if they will benefit private lands. [*Section 217(f)*]	No provisions
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." [*Section 217*(d)]	Adopts the Senate amendment *[Section 2501]*
F. Farmland Protection Program (FPP)			
1. Funding Level. Provides up to a total of $35 million from the CCC by FY2002. [*Section388(c) of the 1996 FAIR*]	Provides up to $50 million annually through FY2011 from the CCC. [*Section 253(b)*]	Moves the FPP to Section 1238H-J of the 1985 FSA[*Section 218(a)*], and repeals Section 388 of the 1996 FAIR. [*Section 218(c*)] 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%,	Adopts the Senate amendment to mover the FPP to the 1985 FSA. Reauthorizes mandatory funding from the CCC: $50 million in FY2002, $100 million in FY203, $125 million in FY2004 and FY2005, $100 million in FY2006, and $97 million in FY2007. *[Section 2701]*

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		limits the portion of the non federal share provided by the landowner or in inkind goods and services to 25%, and prohibits bidding down. [*Section 218(b)*]	
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. [*Section 388(a) of the 1996 FAIR*]	Deletes the maximum and minimum acreage limits, and makes historic and archaeological sites eligible. [*Section 253(a)*]	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. [*Section 218*]	Adopts the Senate amendment with a clarification that forest land must be an incidental part of an agricultural operation. *[Section 2503]*
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. [*Section388(b) of the 1996 FAIR*]	No provisions.	Identical to current law. [*Section 218*]	Same as current law *[Section 2503]*
4. Eligible Participants. Makes eligible any state or local agency that has made an offer to purchase a conservation easement. [*Section 388(a) of the 1996 FAIR*]	Expands eligibility to also include federally recognized Indian tribes, and non profit organizations that meet specified qualifications. [*Section 253(c)*]	Identical to Section 253(c). [*Section 218(a)*]	Adopts House provision [*Section 2503]*
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. [*Section 218*(a)]	Adopts Senate amendments, modified, calling it a farm viability program and authorizing appropriation of necessary funds for FY2002 through 2007. *[Section 2503]*

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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. [*Title III of the Bankhead-Jones Farm Tenant Act as amended by §1528-1538 of the 1981 AFA*]	Permanently reauthorizes program, and makes numerous other, mostly minor or technical amendments. [*Section 254*] [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. [*Section 216*] [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.]	Adopts the Senate amendment, modifies to prohibit RC&D Councils from using another person or entity to assist in developing or implementing an area plan.[*Section 2504]*
2. Small Watershed Rehabilitation Program. Provides financial and technical assistance to rehabilitate water 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. *[Authorized in Section 313 of the Grain Standards and Warehouse Improvement Act of 2000*]	Authorizes $15 million annually in "FY2002 and each succeeding year" to fund the Small Watershed Rehabilitation Program. [*Section 257*]	No provisions.	Adopts House provision, modified to authorize mandatory funding from the CCC at: $45 million in FY2003, $50 million in FY2004, $55 million in FY2005, $60 million in FY2006, $65 million in FY2007. Additional funding from appropriations also was authorized at $45 million in FY2003, $55 million in FY2004, $65 million in FY2005, $75 million in FY2006 and $85 million in FY2007. *[Section 2505]*
3. Conservation of Private Grazing Lands. Provide coordinated technical, educational, related	Adds encouraging the use of sustainable grazing systems to the list of activities for which assistance can be	Moves the program to a new Section 1240P of the 1985 FSA and, makes numerous other, mostly minor,	Adopts Senate amendment, modified to delete the findings section and reauthorized the

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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. [*Section 386 of the 1996 FAIR*]	provided. [*Section 251*]	changes, and authorizes $60 million annually through FY2006. [*Section 217(a)*] Repeals provisions establishing program in Section 386 of the 1996 FAIR. [*Section 217(b)*]	program through FY2007. [*Section 2502]*
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 [*Section 1243(d) of the 1985 FSA*]	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. [*Section 244(b)*]	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. [*Section 204*]	Adopts the House amendment, modified to: require that funding for technical assistance for each program under the Comprehensive Conservation Enhancement Program come from CCC funds; implement a program for certifying and paying third party technical assistance providers within 180 days of enactment; and specify eligible expertise, sources of assistance in the interim, and permits assistance by non-federal entities. [*Section 2701]*
5. State Technical Committees (STC) Creates STCs , lists the composition, outlines responsibilities to include providing "information, analysis, and recommendations" on implementing conservation provisions (including several specified topics) to the state	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 business exempt from FACA. [*Section 221*]	No provision

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conservationist, and exempts the STC from FACA meeting requirements. [*Section 1261 of the 1985 FSA*]			
6. Conservation Compliance. Prohibits most federal farm program benefits for producers who cultivate highly erodible lands without an approved and implemented conservation plan or who alter wetlands to produce crops. *[Section 1243(d) of the 1985 FSA]*	No provisions	No provisions	Makes technical changes and prohibits the Secretary from delegating authority to make highly erodible land and wetland determinations to a private person or entity. *[Section 2002]*
7. Agricultural Management Assistance. Provides cost-sharing assistance to producers to apply conservation in 15 specified states where Federal Crop Insurance Program participation has been historically low. *[Section 524 of the Agricultural Risk Protection Act of 2000]*	No provisions	No Provisions	Lists permitted types of conservation practices; retains the $50,000 annual payment limit, and permanently appropriates mandatory funding from the CCC, with $20 million annually in FY2003 through FY2007 and $10 million annually thereafter. *[Section 2501]*
8. 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	Repeals numerous conservation programs in current law and reauthorizes them in other sections of farm law, as noted in the entries above.	Adopts Senate provisions.

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	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 [Section1239 of the 1985 FSA], the Conservation Farm Option [Section 1240M of the 1985 FSA], and the Tree Planting Initiative [Section1256 of the 1985 FSA] [*Section 261*] Repeals the National Natural Resources Conservation Foundation [Section 351-360 of the 1996 FAIR] [*Section 262*]		
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 90th meridian and 100 contiguous acres west of the 90th meridian. [*Section 255(a)*]	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 98th meridian and 100 contiguous acres west of the 98th meridian [*Section 219(a)*]	Adopts House provision modified to enroll of up to 2 million acres in tracts of 40 acres or more, and permits the Secretary to waive the minimum acre per site limit. *[Section 2401]*
b. Eligible Lands. No provisions.	b. Defines eligible land to include natural grass and shrub land that has a potential to serve as important plant or	b. Same definition of eligible land as in H.R. 2646, except that it also enrolls incidental additional land that	b. Adopts Senate provision modified to include restored, improved, or natural grassland,

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	animal habitat, or has been historically dominated by natural grass or shrubland. [*Section 255(a)*]	is necessary for the administrative efficiency of an easement.[*Section 219(a)*]	rangeland, or pasture land, including prairie. *[Section 2401]*
c. Enrollment Options. No provisions.	c. Spends at least 2/3 of funds on contracts of 10 to 20 years, and the remainder on 30 year or permanent easements. [*Section 255(a)*]	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. [Section 219(a)]	c. Adopts Senate provision, modified to enroll 40% of acreage in 10, 15 or 20 tear rental agreements, and 60% in 30 year rental agreements, or 30 year permanent easements. *[Section 2401]*
d. Permitted and Prohibited Uses of Enrolled Lands. No provisions.	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). [*Section 255(a)*]	d. Similar to H.R. 2646 for permitted and prohibited uses of enrolled lands. [*Section 219(a)*]	d. Adopts House provision modified to also permit fire rehabilitation and construction of fire breaks and fences. *[Section 2401]*
e. Ranking Criteria for Bids. No provisions.	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. [*Section 255(a)*]	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. [Section 219(a)]	e. Adopts House provision modified to also emphasize land under the greatest threat of conversion. *[Section 2401*]
	f. Describes how payment levels are to	f. Describes how payment levels are	

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f. Payment Levels. No provisions.	be set for each form of participation, sets cost sharing payments for restoration at 90% for virgin grasslands and 75% for restored grasslands, and provides technical assistance. [*Section 255(a)*]	to be set for each form of participation, provides that rental agreements be reviewed and adjusted at least once every 5 years, limits cost-sharing payments to 75% for restoration, and provides technical assistance. [*Section 219(a)*]	f. Adopts House provision modified to use State formula for 30 year agreements and all easements, and moves support for technical assistance to the funding subsection of the conservation title *[Section 2401]*
g. Penalties for Violation. No provisions.	g. No provisions.	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)*]	g. Provides that agreements remain in force but that owner may be required to refund payments, with interests. *[Section 2401]*
h. Funding. No provisions.	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)*]	h. Amends Section 1241 of the 1985 FSA to provide such CCC sums as necessary to implement this program. [*Section 219(b)]*	h. Adopts House provision, modified to provide up to $254 million in mandatory funding from the CCC for FY2003-2007, and provide technical assistance. *[Section 2701]*
2. Farmland Stewardship Program. No provisions.	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	No provisions.	No provision

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	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]		
3. Conservation Security Program (CSP). No provisions.	No provisions.	**Conservation Security Program (CSP).** Authorizes a CSP in Section 1238 — 1238B of the 1985 FSA. It defines 22 terms and 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	Adopt Senate amendment modified to: authorize the programs through FY2007, decrease the maximum tier II payment to $45,000, make participants subject to compliance, and delete the state pilot program provisions. *[Section 2001]*

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		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. [*Section 201*] 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. [*Section 202*] Allows implementation to start on the date of enactment. [*Section 206*]	
4. Partnerships and Cooperation. No provisions.	No provisions.	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 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*]	Adopts Senate amendment modified to provide funds to address natural resource problems related to agricultural production, delete identification of specified federal laws, and provide funding by using up to 5% of all mandatory conservation program funding. *[Section 2002]*
5. Watershed Risk Reduction Program. No provisions.	No provisions.	Authorizes $15 million annually through FY2006 to implement a new program to purchase floodplain	No provision

CONSERVATION PRIOR LAW/POLICY COVERS 1996-2002	HOUSE BILL H.R. 2646 COVERS 2002-2011	SENATE AMENDMENT (S. 1731, AMENDED) COVERS 2002-2006	NEW LAW (P.L.107-171) COVERS 2002-2007
		easements at Section1240N 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)]	Adopts Senate provisions modified, and authorizes appropriations of $5 million annually from FY2002-2007. *[Section 2502]* Note: Conference Committee report states that funding is to be provided through FY2006.]
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 Maine; others can apply to participate. *[Section 215(b)*] Authorizes a new Water Conservation Program in Section	No provisions.

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		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)*]	
8. Grassroots Source Water Protection Program. No provisions.	No provisions.	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)*]	Adopts Senate provision, modified to authorize appropriations of $5 million annually from FY2002-2007. [*Section 2502]* Note: Conference Committee report says funding is provided through FY2006]
9. Organic Agriculture Research Trust Fund. No provisions.	No provisions.	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*]	No provision

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10. National Organic Research Endowment Institute. No provisions.	No provisions.	Establishes a National Organic Research Endowment Institute to develop and implement a plan for research on organic products using the trust fund (established in Section 231). [*Section 232*]	No provision
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. [*Section 261*]	Adopts Senate provision but moves to Miscellaneous Provision section of bill *[Section 10608]*
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. [*Section 262(a) and (b)*] 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. [*Section 262(c)*] Consultation with specified non-	No separate provision, but provides $50 million to assist producers in this basin as soon as possible under the new Ground and Surface Water Conservation program under EQIP placed in Section 2301.

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		federal entities is required. [*Section 262(d)*] 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. [*Section 262(e)*]	
13. Desert Terminal Lakes No provision	No provision	No provision	Adds new provision providing $200 million in mandatory funding from the CCC to the Bureau of Reclamation ro provide water to at-risk natural desert terminal lakes; specified that no funds can be used to purchase or lease water rights. [*Section 2507]*
14. Conservation Corridor Demonstration Program. No provision	No provision	No provision	Adds new provision establishing a program on the Delmarva Peninsula to demonstrate local conservation and economic cooperation using existing USDA programs, based on a plan developed by 1 or more of the eligible states or local governments. Criteria and time limits for USDA review of proposals are specified. Programs are 3-5 years long and

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			a progress report is required after 3 years. Authorizes appropriations as necessary annually from FY2002-2007 with the federal portion to pay for up to half of the total cost *[Section 2601]*
15. 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*]	a. Good faith provisions in the Administration subtitle of the Commodity programs title apply to both conservation and commodity programs. *[Section 1613]*
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-	Adopts Senate provisions, modified to provide this assistance to foster new farming opportunities and to enhance environmental stewardship [Section 2004(a)]

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		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*]	c. No provision
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 204*] [**Note**: Section 1244(f), on technical assistance, is discussed above in G4.]	d. No provisions
e. Privacy of Personal Information. No provisions.	No provisions.	e. Adds a new Section 1244(g) to protect the privacy of personal information about individuals related to conservation programs (not including public information on payments, etc). [*Section 204*]	Adopts Senate provisions, modified to protect information at natural resource inventory collection data points. *[Section 2004(a)]*
f. Tribal Lands. No provisions.	No provisions.	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. [*Section 204*]	No provision, but law includes a section in the Miscellaneous title that requires the Secretary to review the operation of programs including conservation programs available to producers on tribal and trust lands. *[Section 10910]*

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g. Regional Equity of Conservation Spending. No provisions.	No provisions.	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 1of the fiscal year to be reobligated to other specified programs. [*Section 241*]	g. Adopts Senate provision, modifies to give priority to providing funds, excluding CPR, WRP, and CSP) in states that have not received $12 million by April 1 of each year. *[Section 2701]*
16. Implementation. No provision relevant to new provisions	No provisions	No Provisions	Requires all implementing regulations for conservation, unless otherwise specified, to be issued within 90 days of enactment. *[Section 2702]*
17. Assessment of Conservation Programs. No provisions.	No Provisions.	**Assessment of Conservation Programs.** Requires the Secretary to develop a plan to better coordinate and consolidate the implementation of conservation programs. [*Section 205(a)*] Requires the Secretary to provide the plan (and recommendations) to both agriculture committees within 180 days of enactment. [*Section 205(b)*] Requires the Secretary to provide a plan (with a cost estimate) for	Adopts Senate provision, modified to require that the report, with implementing proposals be submitted to the Committees by December 32,2005. Provisions related to the implementation of the Soil and Water Conservation Act and updating technical standards are deleted. *[Section 2005]*

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		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. [*Section 205(c)]* Requires the Secretary to revise conservation technical standards within 180 days of enactment , and to update them at least once every 5 years. [*Section 205(d)*]	

III. AGRICULTURAL TRADE AND AID

AGRICULTURAL TRADE OLD LAW/POLICY COVERS 1996-2002	HOUSE BILL H.R. 2646 COVERS 2002-2011	SENATE AMENDMENT S. 1731, amended COVERS 2002-2006	NEW LAW P.L.107-171 COVERS 2002-2006
A. Agricultural Export Assistance Programs			
1. Market Access Program (MAP) 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 (mandatory) funding of not more than $90 million yearly in CCC funds through FY2002. *[Agricultural Trade Act of 1978 as amended by Section 244 of Federal Agriculture Improvement and Reform (FAIR) Act of 1996*]	a. Extends current law, except it increases mandatory funding to not more than $200 million yearly in CCC funds through FY2011. *[Section 301*]	a. Extends current law, except that in addition to any funds specifically appropriated for the program, mandatory 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). *[Section 322]*	a. Extends current law through FY2007 at the following mandatory funding levels: $100 million for FY2002; $110 for FY2003; $125 million for FY2004; $140 million for FY2005; $200 million for FY2006; $200 million for FY2007. *[Section 3103]*
b. No provision.	b. No provision.	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. *[Section 322]*	b. In providing funds in excess of FY2001 levels (i.e., $90 million) Secretary shall, for proposals from new program participants and for emerging markets, give consideration equal to that given to current participants. *[Section 3103]*
c. No provision.	c. No provision.	c. New U.S. Quality Export Initiative (using appropriated MAP, FMDP funds), to promote U.S. products with a new "U.S.	c. No provision.

AGRICULTURAL TRADE OLD LAW/POLICY COVERS 1996-2002	HOUSE BILL H.R. 2646 COVERS 2002-2011	SENATE AMENDMENT S. 1731, amended COVERS 2002-2006	NEW LAW P.L.107-171 COVERS 2002-2006
		Quality" seal overseas. *[Section 322]*	
2. Foreign Market Development Cooperator Program (FMDP) 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. *[Agricultural Trade Act of 1978 as amended by Section 252 of FAIR Act of 1996]*	a. Extends current law, except sets mandatory funding at $37 million in CCC funds yearly through FY2011. *[Section 305]*	a. Extends current law, except sets mandatory 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). *[Section 324]*	a. Extends current law, excepts sets mandatory funding at $34.5 million annually from FY2002 to FY2007. *[Section 3105]*
b. FMDP has focused on promoting mainly bulk and partially processed commodities, targeted to foreign importers/processors — although about a third of program promotes value-added products.	b. New emphasis on exporting value-added products to emerging markets. Requires annual report to Congress on program. *[Section 305]*	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. *[Section 324]*	b. In providing funds in excess of FY2001 levels (i.e., $28 million) Secretary shall, for proposals from new program participants and for emerging markets, give consideration equal to that given to current participants. Calls for "a continued significant emphasis" on value-added products to emerging markets. Requires annual report to Congress. *[Section 3105]*
3. Export Enhancement Program (EEP) a. EEP authorizes cash payments or CCC commodities as bonus subsidies to help	a. Current law extended through FY2011, at current level of up to	a. Current law extended through FY2006 at current level of up to	a. Current law extended through FY2007, at current level of up

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exporters sell agricultural products (although not statutorily prescriptive, mainly wheat and other grains have used EEP) at more competitive prices in targeted foreign markets. Authority through FY2002, with CCC funding at up to $478 million per year. *[Agricultural Trade Act of 1978 as amended by Section 245 of FAIR Act of 1996]*	$478 million per year. *[Section 304]*	$478 million per year. *[Section 323]*	to $478 million per year. *[Section 3104]*
b. EEP may be used to help mitigate or offset the effects of unfair trade practices, now defined as any foreign 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." *[Agricultural Trade Act of 1978, Section 102]*	b. No expanded definition.	b. Expands the definition of unfair trade practices to include: (1) pricing practices by an exporting state trading enterprise (STE) 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." *[Section 323]*	b. Expands definition of unfair trade practices to include: (1) an exporting STE that prices its commodities inconsistently vs. sound commercial practice; (2) provision of subsidies that decrease U.S. export market opportunities or unfairly distort market opportunities to the detriment of U.S. exporters; (3) unfair technical barriers to trade including commercial requirements adversely affecting new technology like biotechnology and unjustified sanitary or phytosanitary restrictions; (4) unfair implementation of tariff rate quota rules; (5) failure to meet trade agreement obligations with the United States. *[Section 3104]*

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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. *[Food Security Act of 1985 as amended by Section 148 of the FAIR Act of 1996]*	Extends current law through 2011. *[Title I-C, Section 143]*	Extends current law through FY2006. *[Title I-C, Section 133]*	Extends current law through 2007. *[Title I- E, Section 1503]*
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 (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.) *[Agricultural Trade Act of 1978 as*	a. Extends current law through FY2011. *[Section 306]*	a. Extends current law through FY2006. Requires a report to Congress within 1 year on the status of multilateral negotiations regarding agricultural export credit programs. *[Section 321]*	a. Extends current law through FY2007. Instead of report, requires regular consultations with Congress on the status of multilateral negotiations regarding agricultural export credit programs. *[Section 3102]*

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amended by the Section 243 of the FAIR Act of 1996] 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. *[Agricultural Trade Act of 1978 as amended by Section 243 of the FAIR Act]*	b. No change in supplier credit term.	b. Permits guarantees of supplier credits for up to 12 months. *[Section 321]*	b. Permits supplier credit guarantees for up to 360 days, subject to appropriations for any loan terms longer than the current 180 days. *[Section 3102]*
6. Emerging Markets Program 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). *[Food, Agriculture, Conservation and Trade Act of 1990 as amended by Section 277 of the FAIR Act of 1996]*	a. Extends current law through FY2011. *[Section 308]*	a. Extends current law through FY2006. *[Section 332]*	a. Extends current law through FY2007. *[Section* 3203]
b. Requires CCC to provide $10 million annually through FY2002 to send U.S. advisors to emerging markets. *Food, Agriculture, Conservation and Trade Act of 1990 as amended by Section 277 of FAIR Act of 1996]*	b. Increases this funding to $13 million annually. *[Section 308]*	b. No increase.	b. No increase.
B. Food Aid Programs			
1. P.L. 480 (Food for Peace) General a. Seeks to combat hunger and encourage development overseas. Title I makes export credit available on concessional	a. Extends P.L. 480 (i.e., authority to enter into new agreements) through FY2011. *[Section 307]*	a. Extends P.L. 480 through FY2006. *[Section 311]*	a. Extends P.L. 480 authority through FY2007. *[Section 3012]*

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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. *[Section 408 of P.L. 480 (Agricultural Trade Development and Assistance Act of 1954) as amended by Section 217 of the FAIR Act of 1996]*			
b. Congress has stated five specific purposes of P.L. 480 (e.g. combat hunger, expand international trade, etc.). *[Section 2 of P.L. 480]*	b. Adds "conflict prevention" as a new purpose. *[Section 307]*	b. Same as House bill *[Section 301]*	b. Adds "prevent conflicts" as a new purpose. *[Section 3001]*
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. *[Section 205 of P.L. 480]*	c. Extends Food Aid Consultative Group through FY2006; clarifies what the group is to review to include policies and guidelines. *[Section 307]*	c. Extends Food Aid Consultative Group through FY2006. *[Section 305]*	c. Extends Food Aid Consultative Group through FY2007. *[Section 3005]*
2. P.L.480 Assistance Levels and Funding 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	a. Increases the minimum level of commodities to 2.25MMT per year through FY2011. *[Section 307]*	a. Increases the minimum level of commodities 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. *[Section 304]*	a. Increases the minimum level of commodities to 2.5MMT annually beginning in FY2002. Changes the sub-minimum requirement for non-emergency programs to 1.875 MMT

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waive minimum. Subminimum requirement for non-emergency programs is 1.55MMT. *[Section 204 of P.L. 480]*			annually. *[Section 3004]*
b. Limits CCC Title II costs to $1 billion yearly; some Presidential waiver authority. *[Section 206 of P.L. 480]*	b. Removes limit on CCC Title II costs. *[Section 307]*	b. Doubles limit on CCC Title II costs to $2 billion per year. *[Section 306]*	b. Removes limit on CCC Title II costs. *[Section 3006]*
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. *[Section 202 of P.L. 480]*	c. Replaces dollar designations by setting support for eligible organizations at not less than 5% and not more then 10% of Title II funding. *[Section 307]*	c. Replaces dollar designations by setting support for eligible organizations at not less than 5% and not more than 10% of Title II funding. *[Section 302]*	c. Replaces dollar designations by setting support for eligible organizations at not less than 5% and not more than 10% of Title II funding. *[Section 3002]*
3. P.L. 480 Operation & Administration a. Permits PVOs to sell Title II commodities in the recipient country (or a nearby country) to finance commodity transportation, storage, etc., and local development projects ("monetization"). *[Section 203 of P.L. 480]*	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 submit multi-country proposals; and permits food aid monetization in more than one country in the region. *[Sections 302; 303; 307]*	a. Similar to House *[Sections 303, 310, & 325]*. Also, a food aid commodity sale is to be "at a reasonable market price in the economy" where the commodity is to be sold. *[Section 310]*	a. Monetization language similar to House and Senate. Adopts Senate's "reasonable market price" language. Contains language encouraging multi-country proposals, from all eligible organizations, not just PVOs. *[Sections 3003; 3009; 3106]*
b. The AID Administrator has 45 days to decide on Title II proposals submitted by eligible organizations or U.S. field missions. *[Section 207 of P.L. 480]*	b. Increases the time for decisions from 45 to 120 days. *[Section 307]*	b. Increases, to 120 days, time the Administrator has to decide on Title II proposals. Contains other timelines for finalizing	b. Increases, to 120 days, time the Administrator has to decide on Title II proposals; clarifies that the period begins after

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		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. *[Section 307]*	submission of the proposal to AID Administrator, who is encouraged to make decisions on proposals within that period. Deletes Senate provision on direct delivery of commodities. *[Section 3007]*
c. Authorizes $2 million in each of FY2001 and FY2002 to "preposition" food aid commodities in the U.S. and foreign countries. *[Section 407 of P.L. 480]*	c. Extends authorization through FY2011. *[Section 307]*	c. Extends authorization through FY2006. *[Section 311]*	c. Extends authorization through FY2007. *[Section 3010]*
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. *[Section 208 of P.L. 480]*	d. Extends authorization through FY2011. *[Section 307]*	d. Extends authorization through FY2006. *[Section 308*]	d. Extends authorization through FY2007. *[Section 3008]*
e. Requires USDA (if feasible) to establish a "micronutrient fortification" pilot program; authority expires in FY2002. *[Section 415 of P.L. 480]*	e. No provision.	e. Extends the authorization as an ongoing program through FY2006. *[Section 313]*	e. Adopts the Senate provision through FY2007 with technical corrections, and includes language aimed at improving and insuring quality of fortified food aid commodities. *[Section 3013]*

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f. Lamb to Afghanistan . No provision.	f. No provision.	f. Permits President to establish, under Title II, a "pilot emergency relief program to provide live lamb to Afghanistan." *[Section 309.]*	f. As part of required report to Congress within 120 days on use of perishable commodities, Secretary of Agriculture must report on feasibility of transporting lambs and other live animals in food aid programs. *[Section 3207]*
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. *[Sections 302; 325; 334]*	For Title II Food for Peace, AID Administrator must establish, within 1 year, streamlined guidelines and application procedures and, by FY2004, incorporate, to the maximum extent practicable, the changes. Requires consultation with stakeholders and Congress, and a report to Congress within 270 days on improvements. *[Section 3002]*. For Food for Progress and Section 416, requires, respectively, the President and Secretary of Agriculture, within 270 days, to review and make any needed changes in rules and procedures aimed at streamlining application procedures, including consideration of pre-screening

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			organizations and proposals; requires consultations with Congress. *[Section 3106; Section 3201]*.
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. *[Title V of P.L. 480 as amended by Sections 224 and 277 of the FAIR Act of 1996]*	Extends funding authority at current 0.4% through FY2011. *[Section 307]*	Extends funding authority through FY2006, and increases minimum funding to 0.5% of P.L. 480 funds. *[Section 314]*	Extends funding authority through FY2007, and increases minimum funding to 0.5% of P.L. 480 funds. Farmers for Africa and Caribbean Basin Program is incorporated into this title (see No. 10, below, for details). *[Section 3014]* [Note: renames program "John Ogonowski Farmer-to-Farmer Program."]
6. CCC (Section 416) Surplus Donations Permanent law authorizes the use of CCC-owned surplus commodities for overseas donations. *[Section 416(b) of the Agricultural Act of 1949 as amended]*	Maintains current law, and requires USDA to publish in the Federal Register, by each October 31, an estimate of Section 416 commodities to be made available for the fiscal year. Also encourages Section 416 program agreements to be finalized by December 31. *[Section 303]*	Maintains current law, and 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. *[Section 334]*	Adopts House language regarding October 31 and December 31 deadlines. Omits Senate provision on direct delivery of commodities. *[Section 3201]*
7. Bill Emerson Humanitarian Trust Authorizes, through FY2002, a trust	Extends the Trust through FY2011.	Extends the Trust through	Extends the Trust through

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totaling not more than 4MMT of wheat, rice, corn, sorghum, or any combination as a reserve solely to meet emergency humanitarian food needs. *[Bill Emerson Humanitarian Trust Act of 1998, which replaced Title III of the Agricultural Act of 1980 as amended (Food Security Commodity Reserve)]*	*[Section 309]*	FY2006. *[Section 331]*	FY2007. *[Section 3202]*
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, or using CCC funds. Authority expires December 31, 2002. *[Section 1110 of the Food Security Act of 1985 as amended by the FAIR Act of 1996]*	a. Reauthorizes FFP through FY2011. *[Section 302]*	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. *[Section 325]*	a. Reauthorizes FFP through FY2007 under existing law (i.e., not a new Title VII). Encourages President to finalize agreements before beginning of relevant fiscal year. Requires him to submit to Congress by each December 1 a list of programs, countries, eligible commodities, and transportation and administrative costs for the year. Defines eligible commodities. Incorporates a definition section into the statute; establishes program purposes and quality assurance requirements; and requires President to ensure that eligible organizations are optimizing use of donated commodities. *[Section 3106]*

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b. Annual limits on CCC funds for administrative costs and for commodity transportation costs are $10 million and $30 million, respectively.	b. Increases annual limits on administrative costs to $15 million, and on transportation costs to $40 million. [Section 302]	b. Permits up to $55 million per year to be used for transportation, administrative, processing, and related costs. *[Section 325]*	b. Increases annual limits on administrative costs to $15 million, and on transportation costs to $40 million. *[Section 3106]*
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. *[Section 302]*	c. Sets an annual minimum tonnage requirement for FFP of 400,000MT through FY2006, using the CCC. In addition, 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. *[Section 325]*	c. Annual minimum tonnage requirement: "not less than 400,00MT may be provided" through CCC. Excludes, from the current annual tonnage limits, those commodities furnished on a grant basis or on credit terms under P.L. 480 Title I. *[Section 3106]*
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.	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	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	Permits President to establish the McGovern-Dole International Food for Education and Child Nutrition Program, with mandatory funding from CCC of $100 million in FY2003 to continue existing pilot projects; and subject to appropriations in FY2004-2007. Eligible costs include commodity acquisition, processing, transportation,

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Approved projects conducted through the WFP, PVOs, and eligible foreign governments using USDA discretionary authorities. *[General authority under Section 416]*	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, *intergovernmental* organizations, governments and their agencies, and other organizations. *[Section 312]*	than $150 million shall be used in each of FY2002-2005. Eligible organizations include PVOs, cooperatives, *nongovernmenta*l organizations, and foreign countries, which are subject to a "graduation requirement" to provide for continuation of program after end of funding. *[Section 325]*	handling (including specified in-country costs if President makes certain determinations). Eligible organizations: cooperatives, PVO's, intergovernmental organizations, governments of developing countries and their agencies, and other organizations. Includes Senate graduation requirement; program funding priorities and application guidelines; assurances that recipient country production and marketing are not disrupted. *[Section 3107]*
10. Farmers for Africa & Caribbean Basin No provision in current law.	Creates 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. *[Section 311*]	No provision.	House provision is incorporated into the John Ogonowski Farmer-to-Farmer Program, with authorization for appropriations of up to $10 million annually through FY2007. Up to 5% of appropriation can be used for administrative expenses. *[Section 3014]*

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11. Terrorism and Foreign Assistance No provision.	No provision.	Sense of Senate that U.S. foreign aid should play increased role in addressing conditions breeding global terrorism. *[Section 338]*	Sense of Congress that U.S. foreign aid should play increased role in addressing conditions breeding global terrorism. *[Section 3209]*
C. Other Trade Provisions			
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. *[Section 181]*	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. *[Section 164]*	If Secretary determines that expenditures will exceed URAA allowable levels for any applicable reporting period, Secretary shall, to the maximum extent practicable, make adjustments in such expenditures to ensure that they do not exceed allowable levels. Prior to doing so, Congress must be notified of the adjustment types and levels. *[Title I, Section 1601]*
2. Technical Assistance for Barriers to Trade Various trade agreements discipline countries' use of sanitary and phytosanitary (SPS) and other technical barriers to trade, used by countries to protect their consumers, agricultural and natural resources. USDA agencies, the U.S. Trade Representative, and other	Requires USDA to establish a "Technical Assistance for Speciality Crops" program, providing direct assistance through public and private projects and technical assistance, to help overcome the "unique barriers" — such as SPS and related barriers	A section within the Biotechnology and Agricultural Trade Program (see below) directs USDA to assist U.S. exporters harmed by "unwarranted and arbitrary" barriers to trade due to marketing	Requires USDA to establish, outside of the Biotechnology and Agricultural Trade Program (see below), a "Technical Assistance for Specialty Crops" program providing direct assistance through public and

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federal agencies have established mechanisms for identifying such barriers and attempting to resolve disputes over them. *[various laws*]	— inhibiting exports of U.S. specialty crops (e.g., fruits, vegetables). Requires use of $3 million annually in CCC funds through FY2011. *[Section 310]*	of biotechnology products, food safety, disease, or other SPS concerns; authorizes appropriations of $1 million annually through FY2006. *[Section 333]*	private projects and technical assistance to remove, resolve, or mitigate SPS and related barriers to exports of U.S. specialty crops. Requires use of $2 million annually in CCC resources through FY2007. *[Section 3205]*
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. *[Section 333]*	Establishes a Biotechnology and Agricultural Trade Program, using technical assistance and public and private sector project grants, to remove, resolve, or mitigate significant regulatory nontariff barriers to U.S. exports involving: agricultural commodities produced through biotechnology; food safety; disease; or other SPS concerns. Authorizes appropriations of $6 million annually through FY2007. *[Section 3204]*
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.	No provision.	Sense of Congress provision also contains an explicit description of agricultural trade negotiating objectives. *[Section 336]*	Senate provision, changed to be a Sense of Senate rather than Sense of Congress. *[Section 3210]*

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Present trade law contains a list of explicit U.S. objectives and consultation requirements for agriculture that U.S. negotiators are supposed to follow. *[Trade and Development Act of 2000]*			
5. Exporter Assistance Initiative Various federal agencies routinely 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 .*[various laws*]	No provision.	Authorizes appropriations ($1 million 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. *[Section 326*]	Requires Secretary to maintain a website with information to assist U.S. agricultural exporters. No appropriations authorized. *[Section 3101]* [Note: extensive conference report language directs Secretary to improve FAS web-based information.]
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. *[Section 908 of Agriculture, Rural Development, Food and Drug Administration and Related Agencies Act, 2001*]	No provision.	Lifts restrictions on private financing of agricultural sales to Cuba *[Section 335]*	No provision.

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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. *[Section 313]*	a. No provision.	a. Requires study in House bill, but only of fees for services beyond those already provided by FAS as part of an overall market development strategy for a particular country or region. *[Section 3208]*
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. *[Agricultural Trade Act of 1978; Food, Agriculture, Conservation, and Trade Act of 1990; FAIR Act of 1996.]*	b. Requires USDA to report to Congress within 1 year on national export strategy. *[Section 314]*	b. No provision.	b. Requires USDA to consult with relevant congressional committees on Global Market Strategy within 180 days of enactment and every 2 years after that. *[Section 3206]*
c. No provision.	c. Requires USDA annual report to Congress on U.S. beef and pork imports each calendar year. *[Section 946]*	c. No provision.	c. No provision.
d. No provision.	d. No provision.	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. *[Section 337]*	d. Requires USDA to report to Congress within 120 days on implications of storage and transportation capacity and funding for use of perishable and semiperishable commodities in food aid programs. *[Section 3207]*

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8. Country of Origin Labeling; Grading 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. *[Section 304 of the Tariff Act of 1930 as amended; Federal Meat Inspection Act and Poultry Products Inspection Act as amended]*	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. *[Title IX, Section 944]*	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 system; authorizes but does not specify fines for violations. *[Title X, Section 1001]*	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 farm-raised and wild 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 category (e.g., meats must be from animals born, raised and slaughtered in the United States); includes language on implementation and enforcement. Program is voluntary beginning September 30, 2002, and mandatory beginning September 30, 2004. *[Title X, Section 10816]*
b. USDA provides fee-based service to the industry to grade both domestic and imported meat and products based on their quality, and affixes grades to the products *[Agricultural Marketing Act of 1946 as amended]*	b. No provision.	b. Prohibits imported carcasses, meats, or meat food products from bearing a USDA quality grade label. *[Title X, Section 1002]*	b. No provision.

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	Title IV of the Farm Security and Rural Investment Act of 2002
1. Child Support Child support payments are *deducted* from the paying household's income in determining its benefits and eligibility — *after* all income has been counted. The Secretary may prescribe the methods to be used to determine the amount of the deduction. *[Section 5(e)(4) of the FSA)]*	No provisions.	Allows states to *exclude* child support payments from income (*before* calculating any deductions) or continue to *deduct* them. Lifts some administrative and reporting requirements on program operators and recipients by (1) requiring the Secretary to establish simplified procedures for determining the amount of child support payments that allow states to use information from state child support enforcement agencies and (2) permitting states to freeze the amount of any child support exclusion/deduction until a household's eligibility is redetermined. *[Section 411]*	Adopts Senate provision allowing states to exclude or deduct child support payments. Adopts Senate provision requiring the Secretary to establish simplified procedures that allow states to use information from state child support enforcement agencies. No provision as to freezing the amount of any child support exclusion/ deduction. *[Section 4101]*
2. Definition of Income For determining eligibility and benefits, household income excludes: noncash income, most education	Allows states to conform food stamp income exclusions with those of other major assistance programs and	Same as the House bill, with minor and technical differences. *[Section 412]*	Adopts Senate provision adding new income exclusions. *[Section 4102]*

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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. *[Section 5(d) of the FSA]*	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 (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]*		
3. Standard Deductions 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]* [Note: Standard (and other) deductions increase benefits by reducing the amount of income counted when calculating them. They also may affect eligibility because "net"	Establishes *fixed* 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]* [Note: Poverty guideline amounts vary by household size and are	Establishes multiple standard deductions equal to an *increasing* 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)]* [Note: The House bill would initially	Establishes multiple standard deductions equal to 8.31% of the inflation-indexed poverty guideline amounts. Requires that the new standard deductions not be less than the current amount for each jurisdiction or greater than 8.31% of the poverty amount for 6-person households. *[Section 4103]* [Note: The conference agreement effectively takes the House proposal for a fixed percentage of the poverty amounts and the Senate proposal to allow for

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household income (after deductions) is a factor in some income eligibility decisions.]	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.]	provide higher deduction levels. But the Senate measure would, over time, result in somewhat higher deductions because it is keyed to each year's inflation-indexed poverty guideline amount (not fixed at the FY2002 level).]	inflation indexing.]
4. Shelter Costs 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. 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. *[Section 5(e)(7) of the FSA]*	a. No provision.	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. *[Section 169(c)]*	a. No provision affecting the cap on excess shelter expense deductions.

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b. By regulation, only payments directly related to shelter may be counted when calculating the excess shelter expense deduction.	b. No provision.	b. Mandates that any required payment to a landlord be treated as a shelter cost — without regard to the specific charge it covers. *[Section 414]*	b. No provision as to payments to landlords.
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. *[Section 5(e)(5) of the FSA]*	c. No provision.	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." *[Section 414]*	c. Adopts Senate provision as to homeless households. *[Section 4105]*
d. "Standard utility allowances" (SUAs) are used to figure shelter costs for the excess shelter expense deduction. States may make their use mandatory for all households. SUAs may not be used for households that (1) live in certain centrally metered public housing or (2) share expenses with others (unless expenses are pro-rated). [Section 5(e)(7) of the FSA]	d. No provision.	d. Allows states choosing to make SUAs mandatory to do so for *all* households incurring heating or cooling expenses — without regard to the current metered public housing and expense pro-rating rules. *[Section 415]*	d. Adopts Senate provision as to SUAs. *[Section 4104]*
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	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	No provision.

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public assistance conversion standard.		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 many changes in household circumstances/expenses that affect the amount of deductions they may claim — until the household's next eligibility redetermination. *[Section 417]*	Adopts Senate provision allowing states to disregard many changes in household circumstances/expenses. *[Section 4106]*
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 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. *[Section 5(g) of the FSA]*	No provision.	Adds households with disabled members to those covered by the $3,000 asset limit. *[Section 171(c)]* 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. *[Section 418]*	Adopts Senate provision as to households with disabled members. *[Section 4107]* Adopts Senate provision permitting states to exclude resources they do not consider under their TANF or Medicaid programs. *[Section 4107]*

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9. Issuance Systems in Disasters. Emergency food stamp benefits are required in the case of disasters. Benefits can be issued through coupon allotments or electronic benefit transfer (EBT) systems.*[Section 5(h) of the FSA]*	No provision.	Allows the Secretary to issue disaster assistance in the form of cash when other issuance systems are impracticable. *[Section 419]*	Adopts Senate provision as to disaster assistance. *[Section 4108]*
10. Reporting Requirements for Households. 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. *[Regulations & Waivers under Section 5(c) of the FSA]*	No provision.	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. *[Section. 420]*	Adopts Senate provision allowing states to require reporting as infrequently as every 6 months. *[Section 4109]*
11. Able-Bodied Adults Without Dependents (ABAWDs) ABAWDs are ineligible if, during the preceding 36 months, they received benefits for 3 months without (1) working 20+ hours a week, (2) participating in a work program 20+ hours a week, or (3) participating in a workfare program. ABAWDs denied eligibility under this "3-months-out-of-36-months" rule can	No provision.	Eases work requirements for ABAWDs by: changing the "3-months-out-of-36-months" rule to make ABAWDs ineligible if, during the preceding *24 months* they received benefits for *6 months* while not meeting 1 of the 3 work-related requirements, and by changing the rule for regaining eligibility to provide	No provision.

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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. *[Section. 6(o) of the FSA]*		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. *[Section. 421]*	
12. Access through Electronic Benefit Transfer (EBT) Systems By regulation, states may take benefits provided through EBT systems "off-line" after 3 months of inactivity in the recipient's EBT account.	No provision.	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. *[Section 422]*	No provision.
13. Cost of EBT Systems The cost of EBT systems must not exceed those of the prior issuance system. *[Section 7(i)(2)(A) of the FSA]*	No provision.	Deletes the current EBT "cost-neutrality" requirement. *[Section 423]*	Adopts Senate provision deleting cost-neutrality requirement. *[Section 4110]*
14. Group Living Facilities 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. *[Section 8(e) of the FSA]*	a. No provision.	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 new methods of calculating and issuing standardized benefits. *[Section 424]*	a. Allows the Secretary to authorize nationwide implementation of new methods of calculating and issuing standardized benefits for recipients in substance abuse centers, group homes for the disabled, or shelters — at the conclusion of *pilot projects* to test the feasibility of these new methods. *[Section 4112]*

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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. *[Sec. 10 of the FSA]*	b. No provision.	b. Allows the Secretary to authorize group living facilities to redeem food stamp benefits through direct use of EBT cards. *[Sec. 425]*	b. Adopts Senate provision allowing group living facilities to redeem benefits through direct use of EBT cards. *[Sec. 4113]*
15. Food Stamp Applications States have responsibility for developing food stamp applications.*[Section 11(e)(2)(B) of the FSA]*	No provision.	Requires that states make food stamp applications available on their Internet websites. *[Section 426]*	Adopts Senate provision for applications on Internet websites, effective 18 months after enactment. *[Section 4114]*
16. Continuing Eligibility 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.*[Sections 3(c) & 11(e) of the FSA]*	No provision.	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. *[Section 427]* [Note: These provisions 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.]	No provision.

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17. Transitional Food Stamp Benefits 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.	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 *6 months* at the level the household was receiving immediately prior to leaving TANF. *[Section 403]*	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. *[Section 429]*	Permits states to provide transitional food stamp benefits to households leaving TANF for up to *5 months.* The transitional benefit amount is the amount received prior to leaving TANF, adjusted for loss of TANF income and (at state option) for information received from another program in which the household participates. *[Section 4115]*
18. Notices to Retailers "Adverse action" notices must be delivered to retailers by certified mail or personal service. *[Section 14(a)(2) of the FSA]*	No provision.	Permits notices to be delivered to retailers by any form of delivery that provides evidence of delivery. *[Section 430]*	Adopts Senate provision as to notices to retailers. *[Section 4117]*
19. Quality Control (QC) System & Bonus Payments 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	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 error rate, plus 1 percentage point. Requires a statistical adjustment to individual state error	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	a. Ends added federal funding for states with error rates below 6%. Raises the threshold above which states are held liable to 105% of the national average. Requires a statistical adjustment to individual state error rates that

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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.	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. Sanctions states based on how far they are above a 10% error rate in the 3rd year. *[Section 404]*	they are found to be seriously negligent in their administration of the Food Stamp program. *[Section 431]*	effectively lowers all state error rates. Effectively penalizes only states with persistent (over 3 years) high error rates. Makes states liable for amounts equal to 10% of the value of erroneous benefits above 6% , calculated for the 2nd consecutive year in which a state exceeds the threshold. Authorizes the Secretary to resolve states' liability amounts by (1) requiring them to invest up to 50% of the amount in administrative improvements, (2) placing up to 50% of the amount "at risk" for collection in the next year, or (3) waiving any amount. If a state fails to reduce its error rate for a 3rd consecutive year, the "at-risk" amount is collected. *[Section 4118]*
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).	b. No provision	b. Establishes in law a requirement to adjust all states' error rates to account for high proportions of error-prone households. *[Section 431]*	b. No provision.
c. Federal reviews of QC error-rate	c. No provision.	c. Changes current-law deadlines to	c. Adopts Senate provision

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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. *[Section 16(c)(8) of the FSA]*		May 31st and June 30th. *[Section 432]*	changing deadlines. *[Section 4119]*
d. QC provisions provide additional federal funding ("enhanced administrative cost-sharing") for states with error rates below 6%.	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%. *[Section 404]*	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 *each* of the 5 measures noted above. Reduces, then ends funding for states with error rates below 6%. *[Section 433]*	d. Requires the Secretary to measure states' performance with respect to (1) actions taken to correct errors, reduce rates of error, and improve eligibility determinations and (2) other indicators of effective administration determined by the Secretary. Requires the Secretary to make performance bonus payments totaling $48 million a year to states that meet the Secretary's standards for high or most improved performance. Ends added federal funding for states with error rates below 6%. *[Section 4120]*
20. Grants for Simple Application and Eligibility Systems and Improved Access to Benefits No provision.	Requires the Secretary to spend up to $9.5 million a year to pay states the	Authorizes grants to states and other entities to pay the federal share (75%)	Requires the Secretary to spend up to $5 million a year to make

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	full cost of developing and implementing simple application and eligibility determination systems. *[Section 405]*	of the cost of projects to improve access to food stamp benefits or outreach to eligible individuals. Authorizes appropriations totaling $3 million. *[Section 438]*	grants to states and other entities covering the full cost of projects to (1) improve program access for eligible households or (2) develop and implement simple food stamp application and eligibility determination systems. *[Section 4116]*
21. Employment and Training (E&T) Programs 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).	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). *[Section 406(a)]*	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.	a. Extends the requirement for unmatched federal E&T funding at $90 million a year *through FY2007*. Rescinds the unspent carryover balance. *[Section 4121]*
b. States must use at least 80% of their total allocation of unmatched federal funds for services to ABAWDs.	b. No provision.	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.	b. Adopts Senate provisions (1) for funding of ABAWD services (but limits it to *$20 million* a year) and (2) eliminating the "80%" requirement. *[Section 4121]*
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.	c. No provision.	c. Eliminates the current-law "maintenance of effort" requirement.	c. Adopts Senate provision eliminating the "maintenance of effort" requirement. *[Section 4121]*

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d. The Secretary may set specific dollar amounts that the federal government will pay for each E&T program placement.	d. No provision.	d. Ends the Secretary's authority to set per-placement funding amounts.	d. Adopts Senate provision ending authority to set per-placement funding amounts. *[Section 4121]*
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. *[Section 6(d) & 16(h) of the FSA]*	e. No provision. *[Section 406(a)]*	e. Eliminates current-law limits on federal funding for participant support costs. *[Sections 169(c) & 434]*	e. Adopts Senate provision eliminating limits on funding for participant support costs. *[Section 4121]* *[Section 4121]*
22. Food Stamp Informational Activities States may be barred from using TANF funds to conduct food stamp informational ("outreach") activities. *[Section 16(k) of the FSA]*	No provision.	Makes explicit states' ability to use TANF funds for food stamp informational ("outreach") activities. *[Section 436]*	No provision. [Note: A federal guidance is to be issued to notify states of their ability to use TANF funds for food stamp informational activities.]
23. Pilot Project Waivers 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. *[Section 17 of the FSA]*	No provision.	Makes clear that the Secretary may grant waivers from federal food stamp rules in all pilot projects, regardless of the entity that implements them. *[Section 437]*	Adopts Senate provision on granting of waivers. *[Section 4123]*

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24. Reauthorization Expiring at the end of FY2002 are: — 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. *[Section 18(a), 16(k), 17(b), & 17(i) of the FSA]*	Extends expiring authorities through FY2011. *[Section 406]*	Extends expiring authorities through FY2006. *[Section 435]*	Extends expiring authorities through FY2007 — except for the authority for outreach pilot projects (see Item #20 above for similar authority). *[Section 4122]*
25. Puerto Rico and American Samoa 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. *[Section 19 of FSA]*	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. *[Section 406(f)]*	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. *[Section 439]*	a. Consolidates nutrition assistance grant funding for Puerto Rico and American Samoa. Mandates the consolidated grant through FY2007. The base consolidated grant is $1.401 billion (FY2003). It is then adjusted for food-price inflation beginning with FY2004. Puerto Rico's annual share is 99.6%. Permits Puerto Rico to use of to $6 million of its

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			FY2002 grant (in either FY2002 or FY2003) for costs of upgrading electronic systems. Allows Puerto Rico to carry over up to 2% of any year's grant to the following year. *[Section 4124]*
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. *[Section 24 of the FSA]*	b. Extends American Samoa's grant through FY2011. Increases it to $5.75 million for FY2002 and $5.8 million for later years. *[Section 406(g) & (j)]*	b. American Samoa's share is .4% of each year's new consolidated grant. Its current grant is repealed. *[Section 439]*	b. American Samoa's share is .4% of each year's new consolidated grant; may carry over up to 2% of any year's grant to the next year. Its current grant is repealed. *[Section 4124]*
26. Vitamin and Mineral Supplements Food stamp benefits can be used only to purchase food items (or, in some cases, prepared meals). *[Section 3(g) of the FSA]*	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. *[Section 445]*	No provision.
27. Noncitizens a. *Children* — 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.	a. No provision.	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	a. Adopts Senate provisions as to legal permanent residents under age 18 — effective October 1, 2003. *[Section 4401(b)]*

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		stamp eligibility. *[Section 452(a)]*	
b. *Work history requirement* — Legal permanent residents with a substantial work history (defined as 40 quarters, or 10 years) are eligible for food stamps.	b. No provision.	b. Reduces the work history requirement to 16 quarters (4 years). *[Section 452(b)]*	b. No provision.
c. *Humanitarian cases* — 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.	c. No provision.	c. Removes the 7-year limit on eligibility for humanitarian cases. *[Section 452(c)]*	c. No provision. [Note: The new 5-year residence rule described below has the effect of removing the 7-year limit.]
d. *Disability benefit recipients* — 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.	d. No Provision	d. Makes eligible disabled legal permanent residents receiving federal disability benefits — without regard to their date of entry. *[Section 452(d)]*	d. Adopts Senate provision as to disabled legal permanent residents receiving federal disability benefits — effective October 1, 2002. *[Section 4401(a)]*
e. No provision. *[Section 402(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996]*	e. No provision.	e. Makes eligible individuals who have continuously resided in the U.S. legally for a period of 5 years (e.g., as legal permanent residents, refugees/asylees, but not as temporary residents). This new 5-year residence	e. Makes eligible individuals who have resided in the U.S. legally for a period of 5 years (e.g., as legal permanent residents, refugees/asylees, but not as temporary residents) —

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		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. *[Section 170(b) & (c)]* [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.]	effective April 1, 2003. *[Section 4401(c)]*
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 of the Farm Security Act of 2001.	Title IV of the Agriculture, Conservation and Rural Enhancement Act of 2001.	Title IV of the Farm Security and Rural Investment Act of 2002.
1. The Emergency Food Assistance Program (TEFAP) a. *Commodity Purchases* - 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. *[Section 27 of the FSA]*	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. *[Section 406(i) & (j)]*	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. *[Section 441]* [Note: Section 166 of the Senate	a. Extends the purchase requirement through FY2007 and raises the amount to $140 million a year beginning in FY2002. *[Section 4126]* [Note: The $40 million in

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		amendment requires the Secretary to buy not less than $40 million a year in additional commodities for TEFAP each year through FY2006.]	additional commodities in Section 166 of the Senate amendment is not included in the conference agreement.]
b. *Administrative/distribution costs*- $50 million a year is authorized through FY2002 for the costs of administering the program and distributing commodities. *[Section 204(a) of the Emergency Food Assistance Act]*	b. In addition to $10 million set-aside noted above, extends through FY2011, the $50 million authorization for administrative and distribution costs. *[Section 443]*	b. Same as the House bill, except the authorization is extended through 2006. *[Section 451(d)]*	b. Extends the authorization for administrative and distribution costs through FY2007 and raises the authorized amount to $60 million a year. *[Section 4204]*
2. Commodity Supplemental Food Program (CSFP) and commodity authorities. *a. Expirations*. 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. *[Sections 4 & 5 of the Agriculture and Consumer Protection Act of 1973; Section 1114(a)(2) of the Agriculture and Food Act of 1981]*	a. Extends expiring CSFP and commodity authorities/requirements through FY2011. *[Sections 441 & 442]*	a. Extends expiring CSFP and commodity authorities/requirements through FY2006. *[Section 451]*	a. Extends expiring CSFP and commodity authorities/ requirements through FY2007. Also requires the Secretary to provide funds to permit Montana and Vermont to continue to participate in the CSFP at their originally assigned (FY2000) caseload levels through the FY2002 "caseload cycle." *[Sections 4201 & 4203]*
b. *CSFP Administrative Costs:* The	b. No provision	b. Replaces the current limit on	b. Replaces the current limit on

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Secretary is required to pay the CSFP administrative costs of state/local agencies — but may not use more than 20% of the CSFP appropriations. *[Section 5 of the Agriculture and Consumer Protection Act of 1973]*		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 beginning in FY2003. *[Section 451]*	administrative payments with a requirement for "grants per caseload slot." Requires the Secretary to provide each state a grant per assigned caseload slot — set at the FY2001 actual amount, indexed for FY2003 and following years. *[Section 4201(b)]*
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. *[Section 442]*	Adopts Senate provision, with technical changes. *[Section 4201(b)(3) & (d)]*
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	Adopts Senate provision on use of commodities. *[Section 4202]*

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		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 obligations (including quantities otherwise reserved for specific purposes). *[Section 457]*	
C. Child Nutrition Programs			
Richard B. Russell National School Lunch Act and Child Nutrition Act of 1966	Title IV of the Farm Security Act of 2001	Title IV of the Agriculture, Conservation, and Rural Enhancement Act of 2001	Title IV of the Farm Security and Rural Investment Act of 2002
1. Commodities for the School Lunch Program Beginning with FY2002, *any* 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	No provision.	Delays until FY2004, the date by which *bonus* 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. *[Section 453]*	Adopts Senate provision. *[Section 4301]*

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provided at the Secretary's discretion from stocks acquired to support the agricultural economy. *[Section 6(e)(1) of the Richard B. Russell National School Lunch Act]*		[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 schools and institutions participating in child nutrition programs.]	[Note: Section 10603 of the conference agreement provides for at least $50 million a year in fresh fruit and vegetable purchases (through the DoD) for schools and institutions in child nutrition programs.]
2. Eligibility for Free and Reduced-Price School Meals and WIC Benefits: Military Housing a. *School meals — 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. *[Regulations under Section 9 of the Richard B. Russell National School Lunch Act]*	a. No Provision [Note: H.R. 3216 — passed by the House on December 11, 2001 — contains the provision included in the Senate amendment.]	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. *[Section 454]*	a. Adopts Senate provision as to school meal eligibility and military personnel in "privatized" housing. *[Section 4302]*

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b. *The WIC program* — 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." *[Section 17(d)(2)(B) of the Child Nutrition Act]*	b. No provision.	b. Adds an option for states to exclude any housing allowance provided to military personnel living in *on-base* "privatized" housing. *[Section 455]*	b. Adopts Senate provision as to WIC eligibility and military personnel in "privatized" housing. *[Section 4306]*
3. Funding for the WIC Farmers' Market Nutrition Program No comparable provision. [Note: Budget documents indicate that $11 million will be made available for the WIC Farmers' Market Nutrition program in FY2002. For FY2003, no money was 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. *[Section 460]*	Adopts Senate provision for the WIC Farmers' Market Nutrition program. *[Section 4307]*
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. *[Section 428]*	No provision. [Note: In March 2002, the Department established a website that features a clearinghouse for nutrition education initiatives.]
2. Community Food Projects Through FY2002, the Secretary is	Extends authority for community	Extends authority for community food	Extends authority for community

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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. *[Section 25 of the FSA]*	food project grants through FY2011. Increases the amount reserved to $7.5 million a year. *[Section 406(h) & (j)]*	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%. Modifies the list of projects that must be given preference for grants. *[Section 440]*	food project grants through FY2007. Increases the amount reserved to $5 million a year. Modifies the list of goals that projects are designed to achieve and the list of projects that must be given preference for grants. Requires that the Secretary contract with (or make a grant to) a non-governmental organization to coordinate with federal agencies, states and political subdivisions, and non-governmental organizations to gather information (and make recommendations) about innovative programs for addressing "common community problems" — including loss of farms, rural poverty, welfare dependency, hunger, the need for job training, and individuals' and communities' need for self-sufficiency. Reserves $200,000 a year (from the $5 million a year total provided for community food projects) for this initiative. *[Section 4125]*
3. Innovative Programs Addressing Common Community Problems No provision.	No provision.	Requires the Secretary to contract with	Adopts provisions comparable to

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		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. *[Section 443]*	Senate provisions in *Section 4125* (see Community Food Projects, Item #2 above).
4. 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, efforts to address difficulties). *[Section 444]*	Adopts Senate provisions for a report on EBT systems and revises and expands the elements to be included in the report. *[Section 4111]*
5. 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, and Forestry — that analyzes conversion of the WIC program from	No provision.

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		a *discretionary* program into an *individual entitlement* program. *[Section 456]*	
6. Purchases of Locally Produced Foods No provision.	No provision.	Requires Secretary to encourage the purchase of locally produced foods in school meal programs and authorizes appropriations for start-up grants ($400,000 a year) to defray costs incurred in carrying out this policy. *[Section 458]*	Adopts Senate provisions as to the purchase of locally produced foods. *[Section 4303]* In addition, adopts an amendment to the Richard B. Russell National School Lunch Act that requires — to the maximum extent practicable — school food authorities to purchase commodities or food products that are produced in Puerto Rico in sufficient quantities to meet their meal program needs. *[Section 4304]*
7. Seniors Farmers' Market Nutrition Program Using funding available under Commodity Credit Corporation authorities, a Seniors Farmers' Market Nutrition program was instituted by the Secretary in January 2001. Initial	For FYs 2002-2011, authorizes a Seniors Farmers' Market Nutrition program and requires the Secretary to support it with $15 million a year from Commodity Credit Corporation	For FYs 2002-2006, requires the Secretary to carry out and expand a Seniors Farmers' Market Nutrition program. Provides mandatory funding of $15 million a year. Authorizes the	Adopts the House provision as to the Seniors Farmers' Market Nutrition program, but (1) reduces the FY2002 amount to $5 million and (2) authorizes the

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funding was set at $15 million. Under the FY2002 Agriculture Department appropriations law, $10 million is provided as a direct appropriation for a Seniors Farmers' Market Nutrition program. This amount may be supplemented with support from the 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.]	Secretary to issue regulations to carry out the program. *[Section 459]*	program through FY2007. *[Section 4402]*
8. 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. Provides $200,000 for the pilot. *[Section 461]*	Adopts Senate provision with technical changes; increases funding to $6 million. *[Section 4305]*
9. Congressional Hunger Fellows Program 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).	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	Same as the House bill, with minor and technical differences. *[Section 462]*	Adopts the House provision, with minor and technical revisions. *[Section 4404]*

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	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. *[Section 461]*		
10. Nutrition Information and Awareness Pilot Program. No provision.	No provision.	Authorizes a 15-state 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. *[Section 463]*	Adopts Senate provision, with revisions reducing the number of states in which the pilot will operate to 5 and lowering the appropriations authorization to $10 million a year. *[Section 4403]*
E. Effective Dates and Cost Estimates			
Effective Dates	Generally effective October 1, 2002. *[Section 462]*	Generally effective September 1, 2002 — except that states may choose not to implement provisions until October 1, 2002. *[Section 464]*	Adopts House provision. *[Section 4405]*
Cost Estimates	***10-year CBO estimates (April 2001 "baseline")*** *Title IV:* $3.65 billion (budget	***10-year CBO estimates (April 2001 "baseline")*** *Title IV:* $8.31 billion (budget	***10-year CBO estimates (April 2001 "baseline")*** *Title IV:* $6.40 billion (budget

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	authority); $3.64 billion (outlays). *Food stamp program:* $3.18 billion (budget authority); $3.17 billion (outlays). *Commodity assistance programs (TEFAP):* $400 million (budget authority); $398 million (outlays). *Child nutrition programs:* No provisions. *Special projects (community food projects, senior farmers' markets):* $223 million (budget authority); $215 million (outlays). [Note: $150 million of these amounts is attributable to senior farmers' market provisions in Title IX.]	authority); $8.89 billion (outlays). *Food stamp program:* $8.01 billion (budget authority); $8.59 billion (outlays). *Commodity assistance programs (TEFAP):* $300 million (budget authority); $298 million (outlays). [Note: $200 million of these amounts is attributable to TEFAP commodity purchases called for under Title I.] *Child nutrition programs (commodity purchases & WIC farmers' markets):* $115 million (budget authority/outlays). [Note: This amount does not include special DoD fruit & vegetable purchases provided for in Title I ($50+ million a year).] *Special projects (community food projects, senior farmers' markets, fruit & vegetable pilots):* $85 million (budget authority); $90 million (outlays).	authority); $6.97 (outlays). *Food stamp program:* $5.72 billion (budget authority); $6.29 billion (outlays). *Commodity assistance programs (TEFAP & CSFP):* $401 million (budget authority/outlays). *Child nutrition programs (commodity purchases & WIC farmers' markets):* $115 million (budget authority/ outlays). [Note: This amount does not include special DoD fruit & vegetable purchases provided for in Title I ($50+ million a year).] *Special projects (community food projects, senior farmers' markets, fruit & vegetable pilots):* $168 million (budget authority/outlays).
	6-year CBO estimates (April 2001 "baseline") *Title IV:* $1.94 billion (budget authority; $1.92 billion (outlays). *Food stamp program:* $1.65 billion (budget authority/outlays). *Commodity assistance programs (TEFAP):* $240 million (budget	***6-year CBO estimates (April 2001 "baseline")*** *Title IV:* $3.11 billion (budget authority); $3.63 billion (outlays). *Food stamp program:* $2.85 billion (budget authority); $3.37 billion (outlays). *Commodity assistance programs*	***6-year CBO estimates (April 2001 "baseline"):*** *Title IV:* $2.66 billion (budget authority); $3.17 billion (outlays). *Food stamp program:* $2.19 billion (budget authority); $2.71 billion (outlays).

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	authority); $238 million (outlays). *Child nutrition programs:* No provisions. *Special projects (community food projects, senior farmers' markets):* $118 million (budget authority); $110 million (outlays). [Note: $75 million of these amounts is attributable senior farmers' market provisions in Title IX).	*(TEFAP):* $260 million (budget authority); $258 million (outlays). [Note: $200 million of these amounts is to TEFAP commodity purchases under Title I.] *Child nutrition programs (commodity purchases, WIC farmers' markets):* $115 million (budget authority/outlays). *Special projects (community food projects, senior farmers' markets, fruit & vegetable pilots):* $85 million (budget authority); $90 million (outlays).	*Commodity assistance programs (TEFAP & CSFP):* $241 million (budget authority/outlays). *Child nutrition programs (commodity purchases, WIC farmers' markets):* $115 million (budget authority/outlays). *Special projects (community food projects, senior farmers' markets, fruit & vegetable pilots):* $107 million (budget authority); $103 million (outlays).
			10-year CBO estimates (March 2002 "baseline") *Title IV:* $6.63 billion (budget authority); $7.02 billion (outlays). *Food stamp program:* $5.94 billion (budget authority); $6.34 billion (outlays). *Commodity assistance programs (TEFAP & CSFP):* $401 million (budget authority/ outlays). *Child nutrition programs (commodity purchases, WIC farmers' markets):* $115 million (budget authority/ outlays). *Special projects (community*

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			food projects, senior farmers' markets, fruit and vegetable pilots): $168 million (budget authority/outlays).
			6-year CBO estimates (March 2002 "baseline") *Title IV:* $2.79 billion (budget authority); $3.18 billion (outlays). *Food stamp program:* $2.33 billion (budget authority); $2.72 billion (outlays). *Commodity assistance programs (TEFAP & CSFP):* $241 million (budget authority/ outlays). *Child nutrition programs (commodity purchases, WIC farmers' markets):* $115 million (budget authority/outlays). *Special projects (community food projects, senior farmers' markets, fruit & vegetable pilots):* $108 million (budget authority); $103 million (outlays).

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	Title V, Farm Security and Rural Investment Act of 2002.
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. *[Section 303(a)(1)]*	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. *[Section. 502]*	a. Senate provision with an amendment allowing refinance for all farmers or ranchers, not just beginning farmers or ranchers. [*Section 5002*]
b. Purposes for which USDA may make and guarantee loans. *[Section 310B(a)]*	b. Allows USDA to make or guarantee loans for value-added or processing projects. *[Section 523]*	No provision.	b. 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. *[Section. 302(b)(1)]*	No provision.	a. Expands eligibility to persons who have "participated in the business operations of" a farm. *[Section 501]*	a. Senate provision *[Section 5001]*
b. USDA cannot make a down payment loan if a farmer receives other	b. No provision	b. Changes time limit to 20 years [*Section 507(2)]*	b. Senate provision amended to make time limit 15 years.

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financing requiring a balloon payment within 10 years (*Section 310E(c)(3)(B)]*			*[Section 5005(2)]*
3. Beginning Farmers a. Sets $200,000 limit on amount USDA may lend and $700,000 limit on the amount USDA may guarantee to a borrower *[Section 305(a)]*	No provision.	a. Sets $250,000 limitation on farm ownership loan by USDA for a beginning farmer. *[Section 503]*	a. No provision
b. Sets Interest rate terms on real estate loans. *[Sec 307(a)]*	No provision.	b. Sets interest rates for beginning farmers 50 basis points below other borrowers. *[Section 504]*	b. No provision
c. Permits but does not require USDA to guarantee up to 95% of a down payment loan for a beginning farmer. *[Section 309(h)(6)]*	No provision.	c. Requires USDA to guarantee 95%. *[Section 505]*	c. No provision
d. State loans guarantee. No Provision	No provision.	d. Adds Section 309(j) to the Con Act to allow USDA to guarantee loans made under a State beginning farmer program. *[Section 506]*	d. Senate provision *[Section 5004]*
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	Raises loan period to up to 15 years. *[Section 515]*	e. Raises percentage to up to 40% and time up to 20 years. *[Section 507]*	e. Adopts Senate percentage (40%) and House loan period (15 years). [*Section 5005(1)]*

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up to 10 years. *[Section 310E(b)]* f. Guarantee owner-financed loans. No provision	No provision.	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 to a beginning farmer. *[Section 508]*	f. Senate provision amended to require a pilot program in at least 5 states if the Secretary determines risk of guarantees is similar to risk in commercial lenders' guarantees. Authorizes program for FY2003-2007.*[Section 5006*]
B. Operating Loans			
1. General Provisions a. Allows USDA to make direct operating loans to farmers for up to seven years. *[Section 311(c)]*	No provision.	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. *[Section 512]*	a. Senate provision *[Section 5101(2)]*
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. *[Section 319(b)]*	b. Suspends 15-year limit during calendar years 2002-2006. *[Section 502]*	No provision.	b. House Provision *[Section 5102]*
2. Beginning Farmers Allows USDA to make direct operating loans to beginning farmers	No provision.	Removes five year limit. *[Section 511]*	Senate Provision *[Section 5101(1)]*

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who have operated a farm for up to five years. *[Section 311(c)(1)(A)]*			
3. Indian Farmers			
a. Guarantees on loans are set at 90%, with exceptions for refinanced loans and beginning farmer loans, which are guaranteed at 95%. *[Section 309(h)]*	No provision.	a. 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. *[Section 512]*	a. Senate provision, revised to specify that the operating loan guarantee be for operations subject to the jurisdiction of an Indian tribe.*[Section 5101(2)]*
b. Allows USDA to make direct operating loans to farmers for up to seven years. *[Section 311(c)]*	No provision	b. Waives the seven-year limit for Indian farmers on reservations if USDA determines commercial credit is not generally available. [Section 512(b)]	b. Senate provision amended to waive 7-year limit for operations subject to jurisdiction of an Indian tribe. *[Section 5101(2)]*
C. Emergency Loans			
Emergency loan procedures. *[Section 321, 323, 324, 329]*	Expands eligibility for emergency loans to include plant or animal quarantines, and sharply increasing energy costs. — 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.	House provision amended to provide new authority for emergency loans only for plant or animal quarantines. *[Section 5201]*

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	[Section 510]		
D. Administrative Provisions			
1. Eligibility			
a. Sets forth persons and entities eligible for loans and guarantees from USDA. *[Secs. 302(a), 311(a), and 321(a)]*	a. Extends USDA loan eligibility to limited liability companies engaged in farming and controlled by farmers *[Section 501]*	a. Same as House Bill. *[Section 521]*	a. House provision amended to also include trusts as eligible entities. *[Section 5302]*
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. *[Section 333]*	b. Removes requirement. *[Section 505]*	b. Removes requirement that reviews be certified in writing. *[Section 525]*	b. Senate provision *[Section 5306]*
c. Requires a borrower to complete educational training unless the county committee determines the borrower has adequate knowledge, in order to be eligible for a direct loan from USDA. *[Section 359(f)]*	No provision.	c. Removes the requirement of the committee's determination before USDA may grant a waiver, and requires USDA to set up criteria for granting a waiver. *[Section 532]*	c. Senate provision *[Section 5316]*
d. Requires Secretary to evaluate the farming plan of each applicant after the county committee has determined the applicant is eligible for a loan. *[Section 360(a)]* [Note: The Department of Agriculture	d. Technical amendment removing language requiring county committee to determine loan eligibility. *[Section 507]*	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. *[Section 552(d)]*	d. House provision *[Section 5317]*

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Reorganization Act of 1994 (P.L. 103-354) repealed Section 332 of the Con Act, which established county committees.]			
e. Prohibits USDA from making a direct loan to a borrower who has received debt forgiveness. *[Section 373(b)(1)]*	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. *[Section 519]*	No provision.	e. Replaces House provision with provision allowing operating loans to a borrower who has received debt forgiveness not more than once due to a natural disaster designated by the President *[Section 5319]*
f. Eligibility for USDA employees and employees of State, county and area committees. No provision	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. *[Section 509]*	No provision.	f. House provision with an amendment that county or area committee employees apply to the State level and State employees apply to the Federal level. *[Section 5321]*
2. General Provisions a. Sets forth various loan administration procedures. *[Section 331(b)]*	a. Allows USDA to administer the certified and preferred lender guaranteed loan programs through central offices in states or multi-state areas. *[Section 503]*	a. No provision	a. House provision amended to make authority discretionary. [*Section 5309]*
b. Debt Settlement. Sets forth procedures for the Secretary to use in settling debts *[Section 331(b)(4)]*	No provision	b. Deletes the provision that the Secretary may not release a borrower from a debt obligation on more favorable terms than recommended by the county committee under	b. Senate provision with an amendment changing the role of local or area FSA committees to one of consultation only regarding potential debt

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		Section 332. *[Section 522*] NOTE: More or less technical since Section 332 was repealed by the 1994 USDA Reorganization Act.	settlement agreements. *[Section 5303]*
c. Allows USDA to contract with private lenders to service loans through the end of FY2002. *[Section 331(d)]*	c. Extends authority through FY2011. *[Section 511]*	c. Removes Section 331(d).*[Section 523]*	c. Senate provision *[Section 5304]*
d. Allows USDA to use a private collection agency to collect loan obligations. *[Section 331(e)]*	No provision.	d. Removes this authority for contracts entered into after enactment of the new farm bill. *[Section 523]*	d. Senate Provision *[Section 5304]*
e. Requires USDA to provide a short, simplified application for guarantees of loans up to $50,000. *[Section 333A(g)(1)]*	e. Raises amount to $150,000. *[Section 504]*	e. Sets the amount at $100,000. *[Section 526]*	e. Sets amount at $125,000 *[Section 5307]*
f. Allows USDA to guarantee 80% of a loan made to a qualified borrower. *[Section 339]*	f. Allows USDA to guarantee less than 80%, if a borrower's income is below expenditures. *[Section 506]*	No provision.	f. No provision
g. Describes the term "debt forgiveness." *[Section 343(a)(12)]*	g. Excludes from the definition any write-down provided as part of a resolution of a discrimination complaint against USDA. *[Section 518]*	g. Similar to House bill. *[Section 528]*	g. House provision *[Section 5310]*
h. Definitions. *[Section 343]*	h. Includes "horses" under the term "livestock." *[Section 521]*	h. No provision.	h. No Provision

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i. Sets loan authorization levels and program administration. *[Section 346]*	i. Removes limitation on total loan amounts USDA may make or guarantee. *[Section 512]*	i. 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. *[Section 169]*	i. Senate provision amended to authorize for FY2002-2007. [*Section 5311]*
j. Shared appreciation arrangements (SAA). *[Section 353(e)]*	j. Prohibits USDA from foreclosing or collecting payments on SAAs until after December 31, 2002. *[Section 522]*	j. 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. *[Section 531]* NOTE: CBO estimates one-year FY2002 cost of $66 million for this provision	j. New provision permits Secretary to modify a recapture loan on which a payment has become delinquent; reamortized loans are not to exceed 25 years and the outstanding principal or unpaid interest may not be reduced. *[Section 5314*]
k. Reserves funding for socially disadvantaged farmers. *[Section 355(c)(2)]*	k. Allows remaining, unused funds to be reallocated to other states. *[Section 520]*	No provision.	k. House Provision *[Section 5315]*
l. Requires loan assessments to be conducted biannually to assess the progress of a borrower in meeting the goals for the farm operation. *[Section 360(d)(1)]*	l. No provision.	l. Changes to annual assessments. *[Section 533]*	l. Senate provision *[Section 5318]*
m. Making and servicing loans. No provision	m. Adds a new section (Section 376) to Subtitle D of the Con Act to require USDA to use Farm Service Agency (FSA) county office	m. No provision.	m. House Provision *[Section 5320]*

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	employees to make and service loans if personnel are trained to do so. *[Section 508]*		
n. Studies of USDA loans. No provision	n. 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. *[Section 517]*	No provision.	n. House Provision *[Section 5301]*
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. *[Section 331B]*	No provision.	a. Provides a third option of the rate in effect on the date the borrower applies for servicing. *[Section 524]*	a. Senate provision *[Section 5305]*
b. Authorizes USDA to administer an interest rate reduction program for guaranteed loans, through FY2002. *[Section 351]*	b. Reauthorizes program through FY2011. *[Section 514]*	b. Permanent reauthorization. *[Section 530]*	b. Senate provision *[Section 5313]*
c. Allows USDA to make payments to a lender to reduce a borrower's interest up to 4%; sets spending limit at $490 million. *[Section 351]*	No provision.	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 to be reserved for beginning farmers until April 1 of each FY. *[Section 530]*	c. Authorizes spending up to $750 million per fiscal year, retains current law on interest rate, and reserves at least 15% of the funds for beginning farmers until March 1 of each fiscal year. *[Section 5313(2)]*

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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. *[Section 335(c)]*	No provision.	a. Changes time period to 135 days, and allows USDA to combine/divide acquired properties in order to maximize opportunity for beginning 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. *[Section 527]*	a. Senate provision with amendment removing language regarding easements. [Section 5308]
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. *[Section 343(a)(11)]*	No provision.	b. Increases acreage amount to 30%. *[Section 528]*	b. Senate Provision *[Section 5310(a)]*
c. Loans reserved for beginning farmers and ranchers. *[Section 346(b)(2)(A)(ii)]*	c. Reserves 35% of loan amounts for beginning farmers and ranchers during FY2002-2011. *[Section 513]*	c. Reserves 35% for FY2002-2006. *[Section 529]* Requires $5 million of CCC funds be used for direct farm ownership loans. *[Section 169]*	c. House provision revised for reauthorization to FY2003-2007. *[Section 5312]*
E. Department of Agriculture Reorganization Act of 1994			
Provides that decisions by FSA county committees become final within 90 days after the date a person applies for benefits. *[Section 281(a)]*	Excludes credit decisions from the 90-day finality rule . *[Section 508(b)5]*	Similar to House bill *[Section 551*]	House provision *[Section 1613(i)(2)(B)]*
F. Farm Credit System (Farm Credit Act of 1971)			
a. Requires prior approval by the FCS	No provision.	a. Removes the requirement that	a. Senate Provision *[Section*

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bank before a bank for cooperatives can purchase a loan originated by a commercial bank to an entity that can be financed by another Farm Credit System (**FCS**) bank. *[Section 3.1(11)(B)]*		prior approval must be given by the FCS bank. *[Section 541]*	*5401]*
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. *[Section 3.7]*	No provision	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. *[Section 542]*	b. Senate Provision *[Section 5402]*
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. *[Section 5.55]*	No provision	c. Allows the FCS Insurance Corporation to adjust premiums charged according to FCS' government sponsored enterprise (**GSE**) status. *[Section 543]*	c. Senate Provision made applicable beginning in calendar year 2002. [*Section 5403]*
d. Establishes a 15-member Board of Directors for Farmer Mac, a secondary market agricultural lender. *[Section 8.2]*	No provision.	d. Increases Board to 17 members, and makes other changes to the Board's structure. *[Section 544]*	No Provision
G. Miscellaneous Credit and Finance Provisions			
1. Horse Breeder Loans [Note: language was included in the	New provision authorizing loans to	No provision.	No provision

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FY2002 Agricultural Appropriations law (P.L.107-76; Section 759(c)), providing for loans with loan terms up to 20 years.]	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; — loan amount up to $500,000, with term up to 15 years; — loan authority expires end of FY2003. *[Section 516]*. Note: House bill also proposed to include horses within the meaning of livestock under the ConAct. This also was dropped by Conferees.		
2. Emergency Loans for Seed Producers Producers of the 1999 crop of seed who did not receive payments from AgriBiotech as a result of bankruptcy proceedings, were eligible for no-interest loans from USDA with repayment due within 18 months. *[Section 253* of the *Agricultural Risk Protection Act of 2000*, PL 106-224]	No provision.	Amends repayment period to 54 months. *[Section 1064]*	Senate provision amended to extend repayment period to 36 months. *[Section 10103]*
3. Family Farmer Bankruptcy Provisions Chapter 12 of Title 11 USC, sets forth	No provision.	Reenacts Chapter 12, effective to October 1, 2001. *[Section 1071]*	Extends chapter 12 provisions through December 31, 2002

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bankruptcy provisions for family farmers.			*[Section 10814]*

VI. RURAL DEVELOPMENT

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A. Rural Community Advancement Program			
Rural Community Advancement Program (RCAP). Subtitle E, 7 U.S.C. (2009 *et seq.*). 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. [*FAIR Act, Section 761]* [**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. *RCAP is not scored by CBO under the farm bill*, 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.]			
B. Fund for Rural America			
Fund for Rural America, 7 U.S.C. 2004(f). Three program accounts: rural development, competitive research grants, and a Secretary's discretionary fund. *[FAIR Act, Section 793]* [**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 prohibited expenditures to carry out Fund programs in 2002 as they did in FY1999.]	Not Extended	Not Extended	Repeals **Fund for Rural America**. *[Section 6403]*

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C. Telecommunications			
1.Authorizes grants to **broadcast systems**. [*FAIR, Section759B*] Consolidated Farm and Rural Development Act of 1972, U.S.C. 1932(f), [*Section 310B(f)*]	No Provision	**Grants to Broadcasting Systems.** Authorizes $5 million each year, FY2002-2006. *[Section 632]*	Senate Provision *[Section 6016]*
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. *[Section 601*]	No Provision	Provides $80 million FY2002-2006. [*Section*]
3. Consolidated Farm and Rural Development Act ,7 U.S.C. 1981 *et seq*.	No Provision	Establishes **Rural Teleworks Program** and authorizes funding of $150 million. *[Section 641]*	Provides $30 million each fiscal year, FY2002-2007. [*Section 6022]*
4. Telemedicine and Distance Learning Grants authorized through 2002. Statutory authority provided by the Rural Electrification Act of 1936, 7 U.S.C. 901 *et seq*. 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** . *[Section 652]*	Senate Provision. *[Section 6203]*
5.The Rural Electrification Act of 1936 (7 U.S.C. 901 *et seq.*)	No Provision	**Enhanced Access to Broadband Services**. Provides $100 million per year, FY2002-2006 for grants	Provides $20 million in each of FY2002-2005 and $10 million for each of FY2006 and 2007.

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		and loans. *[Section 605]* [**Note:** Limited to communities of less than 20,000 population; standards to be reconsidered every 3 years.]	[*Section 6103*]
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]*	House Provision [**Note:** Provides $40 million in grants each year, FY2002-2007 to independent producers and producer-owned enterprises]. [*Section 6401*]
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]*	No Provision
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	Provides not less than $3 million for FY2002 and not less than $6 million for FY2003 and 2004. *[Section 6402]*

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4. Consolidated Farm and Rural Development Act of 1972, 7 U.S.C. 1981 *et seq.*	No Provision	**Delta Region Agricultural Economic Development**. Provides $7 million each fiscal year 2002-2006 for animal nutrition technology development and value-added manufacturing. *[Section 647, Section 379f]*	Senate Provision *[Section 6027]*
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. *[Section 617]*	No Provision	House Provision *[Section 6025]*
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. *[Section 614]*	No Provision	Provides $10 million each year FY2002-2007. *[Section 6012]*
2. Consolidated Farm and Rural Development Act of 1972, 7 U.S.C. 1921 *et seq.*	No Provision	**SEARCH Grants for Small Communities** Provides $51 million to communities under 3,000 in population. [*Section 646*] [**Note**: SEARCH grants assist very small communities in meeting various environmental regulations associated with water and waste disposal. Program would create a	Senate Provision [**Note:** Eligible rural communities are those under 2,500 population. *[Section 6301, Subtitle D]*

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		new Subtitle J to the Consolidated Farm and Rural Development Act of 1972.]	
3. Amends *Section 306(a*) of the Consolidated Farm and Rural 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 *et seq*.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 *et seq*.) [*FAIR, Section 741]* [**Note**: The FAIR amendment redefines "small communities" and "smallest community" as those under 10,000 and 3,000 population, respectively.]	Removes the specification of $590 million in authorized funds, effectively providing for no cap on the amount of funding authorized for water and wastewater treatment. *[Section 621]*	Raises funding authorization for water and waste water programs from $590 to $1.5 billion and authorized $30 million each years through FY2006 to capitalized revolving loan funds.*[Section 621]*	Maintains current law $590 million authorization ceiling, but included language allowing additional spending of such sums as may be necessary. Also provides $30 million each year through 2006 to capitalize revolving loan funds *[Section 6002]*.
4. Amends *Section 306* of the Consolidated Farm and Rural Development Act of 1972 to authorize the Emergency Conservation Water Assistance Program.	Reauthorizes program and deletes "Emergency" from the title. Provides $75 million annually in mandatory funding for each of FY2002-2011. *[Sections 604 and 943]*	Reauthorizes Community Water Assistance Program through FY2006 with no changes. *[Section 629]*. **Note:** Also fully funds the existing backlog of applications for rural development loans and grant programs Increases authorization for **Water and Waste Treatment**	Authorizes the a "emergency and Imminent Community Water Assistance Grant Program. Sets aside not less than 3% or more than 5% of appropriated water and waste water funds (above) for communities facing drinking water shortages, and authorizes $35 million each year in additional funding for the

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		grants from $590 million to $1.5 billion, FY2002-2006. [*Section 621]*	program for FY203-2007. [*Section 6009]* **Note:** The CBO has scored this as a discretionary spending program. Although conference report language suggests the adoption of the House provision, the legislative language is quite different from the House bill.
F. Rural Entrepreneur and Business Investment Programs			
1. Consolidated Farm and Rural Development Act of 1972, 7 U.S.C. 1891 *et seq.*	No Provision	**Rural Entrepreneurs and Microenterprise Assistance Program**. Authorizes $50 million each year, FY2002-2006. *[Section 638]* [**Note**: Program creates a new Subtitle D to the Consolidated Farm and Rural Development Act of 1972.] **S.Amdt. 2615** makes budget authorization for *[Section 638*] discretionary.	No Provision
2. Consolidated Farm and Rural Development Act of 1972 7 U.S.C. 1921 *et seq.*	No Provision	**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 with a maximum total of $300 million. Administered by the Small Business Administration.	No Provision [**Note**: Conferees created a new **Rural Strategic Investment Program** *[Section 6030, Subtitle I]* and provides $100 million in grants.

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		[Section 601] [**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 *et seq*	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. *[Section 602]* **S.Amdt. 2853** permits up to 10% of the funds to be invested in rural areas with a city of up to100,000 population. [**Note**: Program would create a new Subtitle H to the Consolidated Farm and Rural Development Act of 1972.]	Provides $100 million in grants and loan subsidies and $280 million in loan guarantees FY2002-2007. *[Section 6029, Subtitle H]* [**Note:** Permits up to 10% of investments to be made in areas containing a city of over 150,000 population]
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 *et seq.*); (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	**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. *[Section 613]*No Provision	No Provision .	Conferees created a new **Rural Strategic Investment Program** *[Section 6030, Subtitle I]* that provides $100 million in planning grants

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Act of 1971 (7 U.S.C. 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*]	Senate Provision *[Section 6006]*
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]	No Provision
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(0) of the 1972	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	Provides $360 million FY2002-2007. *[Section 6031]* [**Note**: Restricts program to backlogged applications for water and waste water projects]

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Act.		Development Account." This provision authorizes a one-time removal of the backlog of 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). *[Section 306(a)*]	No Provision	**Rural Firefighters and Emergency Medical Personnel Training Program**. Authorizes $10 million in first year and $30 million annually, FY2003-2006. *[Section 627]*	Provides $10 million each fiscal year 2003-2007. *[Section 6405]*
2. Consolidated Farm and Rural Development Act of 1972, 7 U.S.C. 1891 *et seq.*	No Provision	**Rural Seniors**. Provides $125 million in grants for programs targeting rural seniors. *[Section 639]*	No Provision
3. Consolidated Farm and Rural Development Act ,7 U.S.C. 1981 *et seq.*	No Provision	**Historic Barn Preservation Program.** Authorizes $25 million in each year, FY2002-2006. *[Section 642]*	Authorizes such sums as are necessary. *[Section 6023]*
4. Consolidated Farm and Rural Development Act of 1972, 7 U.S.C. 1921 *et seq.*	No Provision	**Northern Great Plains Regional Authority**. Creates the Authority and provides $30 million in each year, FY2002-2006. *[Section 647]* [**Note**: Program would create a new Subtitle K to the Consolidated Farm	Senate Provision [*Section 6028]*

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		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).	Authorizes loans and loan guarantees for **Renewable Energy Systems** *[Sections 605 and Section 606]*	No Provision	House Provision *[Section 6013]*
6. Changes legal status of the **Alternative Agricultural Research and Commercialization Center by** converting it to a wholly-owned government corporation within USDA. *[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)]*	No Provision	Repeals corporate authorization and transfers assets to an account to support "critical emerging issues" in future food production, environmental management, and farm income. *[Section 651]* [**Note**: Repeals Subtitle G of Title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901 *et seq.*)	Senate Provision. [*Section 6201]*
7. **National Rural Development Partnership**. Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 *et seq*).	Authorizes the National Rural Development Partnership. *Section 615*	Authorizes the National Rural Development Partnership. *Section 612*	House and Senate Provisions. Provides $10 million for each fiscal year 2002-2007. *[Section 6021]*
8. **Rural Business and Cooperative Service**: Miscellaneous loans and grants: (1) Establishes Business Opportunity	Authorizes **Rural Business Opportunity Grants** *[Section 607]*, **Rural Cooperative Development Grants** *[Section*	Amends *Section 306(a)(11)(D)* of the Consolidated Farm and Rural Development Act, 7 U.S.C.1926(a)(11)(D)) to	Reauthorizes **Rural Cooperative Development Grants** *[Section 6015]*, **Rural Business Enterprise Grants**

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Grants. *[FAIR Act Section741(a)(10)*]; (2) Establishes Business Enterprise Grants under the Consolidated Farm and Rural Development Act of 1972, *[Section 310B(c)]*; (3) Authorizes Rural Economic Development Loans under the Rural Electrification Act of 1936 *[Section 313]*; (4) Authorizes Rural Cooperative Development grants under the Consolidated Farm and Rural Development Act of 1972 7 U.S.C. 1932, *[Section 310(B)(e)*]; (5) Title VIII of the Omnibus Budget Reconciliation Act of 1993 (P.L.103-66) and the Taxpayer Relief Act of 1997 (P.L.105-277) establishes Rural Empowerment Zones and Rural Enterprise Communities (EZ/ECs) . [**Note:** The 1996 FAIR Act incorporates EZ/ECs. The Agriculture Reorganization Act of 1994 (P.L.103-354) reorganizes USDA Rural Development into the RUS, RBS, and RHS(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 (310)a))1) of the Consolidated Farm and Rural Development Act of 1972.]	*609*], **Rural Venture Capital Demonstration Program** *[Section 611]*, at same funding level through 2011. Makes **Rural Empowerment Zones and Rural Enterprise Communities** eligible for direct and guaranteed loans for essential community facilities. *[Section 616]*	reauthorize **Business Opportunity Grants** through FY 2006. *[Section 622]* Amends *Section 310B(e)(9*) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(9) to reauthorize **Rural Cooperative Development Grants** through FY2006. *[Section 631*]	*[Section 6014]* and **Rural Business Opportunity Grants** *[Section 6003]*. Repeals the **Rural Venture Capital Demonstration Program** *[Section 6026]*
Cost of Rural Development Title	CBO Estimate: $1.5 billion in direct	CBO Estimate: $1.711 billion in	CBO Estimate: $870 million in

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	authorization. Total direct and discretionary authorization FY2002-2011, $3.6 billion.	direct authorization for rural development programs. Total direct and discretionary authorization FY2002-2006, $3.4 billion. [**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.]	mandatory spending FY2002-2007. [**Note:** This figure excludes energy related program spending. It also reflects recision of $160 million in previous authorization for the **Fund for Rural America** which was repealed. *[Section 6043]*. CBO has not estimated discretionary spending]

VII. RESEARCH

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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	Title VII, Research and Related Matters
A. Funding Authority: University Research and Cooperative Extension			
1. Authorizes $850 m. annually for research at land grant colleges of agriculture (excluding competitive grants and Hatch Act of 1887 formula funds) *[Section 1463 of NARETPA]*	Extends authority through FY2011 with no changes. *[Section 708]*	Increases funding authority to $1.5 billion annually through FY2006. *[Section 716]*	Authorizes the appropriation of such funds as may be necessary through FY2007. *[Section 7113]*
2. Authorizes $420 m. for cooperative extension programs through FY2002. *[Section 1464 of NARETPA]*	Extends authority through FY2011 with no changes. *[Section 714]*	Increases funding authority to $500 million annually through FY2006. *[Section 717]*	Authorizes the appropriation of such funds as may be necessary through FY2007. *[Section 7114]*
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. *[Section 401 of 1998 Act]*	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. *[Section 750]*	Authorizes the transfer of $130 million annually through October 1, 2002, and of $225 million annually through 2006 from the Commodity Credit Corporation *[per Section 1099B]* for the Initiative *[Section 169]*, and recommends that the Secretary	Authorizes the transfer from the Commodity Credit Corporation of $120 million in FY2003, $140 million in FY2004, $160 million in FY2005, and $200 million annually in FY2006-07 for the Initiative, and gives priority for grants to small, mid-sized, and

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		reserve 10% of Initiative funds for grants to minority-serving institutions. *[Section 741]*	minority-serving institutions that have not been successful in winning grants under other programs. *[Section 7205]*
	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. *[Section 763]*	Contains a comparable provision, with funding authorized under Title IV of the 1998 Act. *[Section 750]*	Authorizes such sums as necessary through FY2007 for an FAS-administered competitive grant program for research on biotechnology to benefit developing countries. All institutions with an agricultural or bioscience curriculum would be eligible. *[Section 7505]*
2. Defines priority mission areas for the Initiative. *[Section 401 of the 1998 Act]*	Adds alternative fuels, precision agriculture, crop diversification, and small livestock farm improvement to the list of areas to be addressed by the Initiative. *[Section 743]*	Makes no change to existing law.	Adds rural economic, business and community development policy to the list of priority research areas. *[Section 7205]*
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. *[Section 1404 of NARETPA]*	Creates a new grant program to strengthen the food and agriculture curriculum at land grant institutions in the U.S. territories. *[Section 761]*	Redefines U.S. territories as "insular areas" rather than as states. Retains "state" definition for the District of Columbia. The change does not affect the eligibility of land grant institutions in these areas for formula funds under the Hatch Act of 1887 and the Smith-Lever Act of 1914. *[Section 701]*	Authorizes such sums as are necessary through FY2007 for a new grant program to strengthen resident instruction at insular area land grant schools and distance learning programs using advanced technologies. *[Section 7503]* Included in Section 7503.

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		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. *[Section 775]*	
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. *[Section 3(d) of the Hatch Act of 1887, as amended]*	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. *[Section 749A]*	Sets a 50% matching fund requirement through FY2006 for land grant institutions in insular areas, and grants the Secretary authority to waive the requirement. *[Section 776]*	Establishes the matching fund requirement using the Senate bill language. *[Section 7213]*
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. *[Section 1444 of NARETPA]*	Contains no provision addressing funding authority for 1890 land grant colleges.	Raises the minimum amount that can be appropriated for extension programs from 6% to 15% of extension formula funds appropriated for the 1862 schools. *[Section 757]* Establishes a minimum amount to be appropriated for research programs at 25% of the amount appropriated for the 1862 schools. *[Section 757]*	Adopts the Senate provisions regarding minimum appropriations for formula funds to support both research and extension at the 1890 schools, with language stating that increased appropriations for formula-funded programs, not redistribution of current levels, are the intent. *[Section 7203]*

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2. Authorizes $15 m. annually through FY2002 for grants to upgrade facilities. *[Section 1447(b) of NARETPA]*	Extends authority through FY2011 with no changes. *[Section 709]*	Increases authorization to $25 million annually through FY2006. *[Section 760]*	Authorizes such sums as necessary through FY2007. *[Section 7109]*
3. Requires 50% in state funds to match federal formula funds for research and extension. *[Section 1449 of NARETPA]*	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. *[Section 749]*	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. *[Section 762]*	Requires an annual 10% increase in state matching funds beginning in FY2003, to reach 100% in FY2007. The Secretary may waive the requirement above 50% if a state cannot meet the obligation. *[Section 7212]*
E. 1994 Institutions (Tribally Controlled Land Grant Institutions)			
1. Authorizes annual appropriation of $4.6 m. in FY1996-2002 for an endowment fund. *[Section 533 of Equity in Educational Land Grant Status Act of 1994]*	Removes authority for appropriations to an endowment fund and authorizes appropriations of such sums as are necessary in FY1996*(sic)*-2011. *[Section 729]*	Authorizes the appropriation of such sums as necessary through FY2006 for the endowment fund. *[Section 755(c)]*	Adopts the Senate provision and extends endowment fund through FY2007. *[Section 7128]*
2. Authorizes $50,000 annual payments to each institution. *[Section 534 of 1994 Act]*	Increases payment authority to $100,000 annually. *[Section 741(a)]*	Provision identical to House. *[Section 755(e)]*	Increases payment authority to $100,000 annually. *[Section 7201(a)]*
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. *[Section*	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. *[Section 741(b)]*	Provision identical to House (slightly different language). *[Section 755(d)]*	Adopts the Senate language that changes the authority under which 1994 Institutions make withdrawals and expenditures from the endowment fund. *[Section 7201(b)]*

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533(c)(4)(A) of 1994 Act]	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.		
4. Authorizes $5 m. annual appropriations for extension programs and contains formula for distribution of funds. *[Section 3(b) of Smith-Lever Act of 1914]*	Authorizes such sums as are necessary through FY2011. *[Section 753]*	Authorizes such sums as are necessary and directs the Secretary to develop a new distribution formula. *[Section 754]*	Authorizes such sums as necessary through FY2007 and allows funding to carry over till expended. *[Section 7215]*
5. Excludes 1994 Institutions from eligibility for formula funds under the Hatch Act of 1887 and the Smith-Lever Act of 1814. *[Section 533(a)(2) of 1994 Act]*	Adds the 1994 Institutions to the definition of colleges and universities eligible to receive Hatch and Smith-Lever Act funds for research and extension programs. *[Section 742]*	No comparable provision to House, but makes the 1994 Institutions eligible to compete for grants for integrated research and extension projects under Section 406 (b) of the 1998 research reform act. *[Section 756]*	Adopts the Senate provision and authorizes it through FY2007. *[Section 7209]*
F. Priority Research Areas			
1. Authorizes a competitive grants program to support research and extension programs on 24 specified topics. *[Section 1672 of the Food, Agriculture, Conservation, and Trade*	Adds wind erosion, crop loss, land use management, water and air quality, revenue insurance, agrotourism, fruit and vegetable harvesting, nitrogen fixation,	Adds animal infectious diseases, childhood obesity, integrated pest management, beef cattle genetics, and development of publicly held plant and animal varieties to the	Combines priority areas from House and Senate bills; adds sugarcane genetics as a priority area, and amends the AgrAbility program to encourage the

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Act of 1990]	marketing, private lands research, livestock disease threats, and plant gene expression to the list of priority research areas. *[Section 744(b)]*	list of priority research areas. Authorizes $100,000 annually for high priority research on reducing hazards from dairy pipeline cleaners. *[Section 734]*	awarding of grants to applicant institutions that have not received them previously. *[Section 7208]*
2. Authorizes agricultural genome research. *[Section 1671(b) of the 1990 Act]*	Adds plant pathogens to research subjects under the Agricultural Genome Initiative. *[Section 744]*	Makes no change to existing law.	Adopts House language as part of the above provision on priority research areas. *[Section 7208]*
3. Authorizes competitive grants for research and extension programs on organic agriculture. *[Section 1672B of the 1990 Act]*	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. *[Section 736]*	Authorizes through FY2007 the annual transfer to USDA of $3 million in mandatory funds (above whatever funds may be appropriated) for research on organic agriculture, including genetic, on-farm, and social science research. *[Section 7218]*
4. Authorizes research and extension programs on precision agriculture. *[Section 403 of the 1998 Act]*	Extends authority through FY2011. *[Section 730]*	Extends authority through FY2006 and adds emphasis on horticulture, mechanization, robotics, and energy use efficiency. *[Section 743]*	Combines the House and Senate provisions and extends authority through FY2007. *[Sections 7129 and 7207]*
5. Authorizes selected high-priority research areas. *[Title IV of the 1998 Act]*	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. *[Sections 748 and 749]*	Establishes a research program on bovine Johne's disease *[Section 7207]*; and authorizes a one-time transfer of $8 million in CCC mandatory funds in FY2002, and appropriation of such sums as necessary in

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			FY2003-07, for grants to Girl Scout, Boy Scout, 4-H, and FFA organizations to expand programs in rural areas and small towns. *[Section 7412]*
G. International Research			
1. Authorizes cooperative international research, extension, and teaching programs. *[Section 1458 of NARETPA]*	Authorizes placement of agriculture students at U.S. colleges and universities at USDA Foreign Agricultural Service field offices overseas. *[Section 745(c)]*	Contains no provision addressing existing authority.	Adopts the House provision. *[Section 7209]*
H. Biotechnology			
1. Authorizes USDA to withhold 1% of biotechnology research funding to support risk assessment research on bioengineered organisms. *[Section 1668 of 1990 Act]*	Increases withholding to 3% and adds authority to study the environmental effects of biotechnology and develop a long-term policy for introduction. *[Section 747]*	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. *[Section 732]*	Increases withholding to 2% and adds genetically modified organisms and international partnerships on bio-safety as priority topics for risk assessment research. *[Section 7210]*
I. Research Facilities			
1. Provides general authority for federal funds to construct or modernize research facilities at colleges and universities. *[Research Facilities Act of 1963]*	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	Makes no change to existing law.

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		modernization of research facilities. Preference would be given to proposals offering matching funds. *[Section 704]*	
2. Protecting agriculture facilities. *[No existing authority]*	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 victims of such attacks. *[Section 790]*	Contains a similar provision, with stronger penalties and greater emphasis on bioterrorism. *[Section 1058]*	No provision in this law, but a language similar to the House provision is contained in the conference report (H.Rept. 107-481) on H.R. 3448, the Bioterrorism Preparedness Act of 2001.
3. Competitive grants for purchasing lab equipment. *[No existing authority]*	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. *[Section 715]*	Adopts the Senate provision and authorizes the appropriation of such sums as necessary through FY2007. *[Section 7402]*
J. Competitive Research Grants Administration			
1. Reimbursement for indirect costs associated with competitive grants is limited to 19% of the total grant. *[Section 1462 of NARETPA]*	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. *[Section 714]*	Adopts the Senate provision with an amendment to exempt grants awarded competitively under the Small Business Innovation Research program. *[Section 7222]*

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2. Competitive grants are disbursed in the year in which the funds are appropriated. *[Section 1467 of NARETPA]*	Makes no change to existing law.	Makes funds appropriated for competitive grants available for obligation over a 2-year period. *[Section 718]*	Adopts the Senate provision. *[Section 7217]*
3. Joint requests for proposals. *[No existing authority]*	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. *[Section 719]*	Provides authority for USDA to issue joint requests for proposals with other federal agencies and to establish joint peer review panels, but not to transfer funds between federal agencies or to negotiate indirect cost recovery rates for grants awarded. *[Section 7403]*
K. Biosecurity			
1. Agriculture Infrastructure Security. *[No existing authority]*	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 crops, livestock, and food. Establishes an advisory board on the use of the fund. *[Section 723, Chapter 1]*	Authorizes the appropriation of such sums as necessary for a competitive grants program to construct and upgrade the security of facilities conducting counterterrorism research at public colleges and universities. *[Section 7221]*
2. Biosecurity Planning and Response. *[General authority exists for high priority research and extension initiatives under Section 1672(e) of the 1990 Act]*	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. *[Section 744]*	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	Authorizes the appropriation of such sums as necessary for research and extension activities to improve bioterrorism prevention, preparedness, and response. *[Section 7221]*

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		funding for USDA agencies with biosecurity responsibilities should be increased as necessary. *[Section 723, Chapter 2]*	
L. Research related to Rural and Beginning Farmers			
1. Risk management education. *[Section 524(a)(3) of the Federal Crop Insurance Act]*	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. *[Section 785]*	No provision.
2. Research on rural issues. *[Section 1417 of NARETPA]*	No comparable provision.	Adds an emphasis on rural economic, community, and business research to existing rural research authority. *[Section 703]*	No provision.
3. Technology transfer for rural development. *[No existing authority]*	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. *[Section 795]*	No provision; conference report language states that the Managers expect RBCS to promote technology transfer to rural businesses in cooperation with ARS, the Forest Service, and other USDA agencies.
4. Rural electronic commerce development program. *[No existing authority]*	No comparable provision.	Authorizes $60 million annually in FY2002-06 for an extension program to help small businesses in rural areas adopt electronic commerce business practices and technologies. *[Section 733]*	Adopts the Senate provision (FY2003-07). *[Section 6202]*

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5. Beginning farmer and rancher education. *[No existing authority]*	No comparable provision.	Creates a competitive grant program to help local and regional education, training, outreach, and technical assistance organizations assist beginning farmers and ranchers. Authorizes $15 m. annually through FY2006 to be transferred from the U.S. Treasury to support the program. *[Section 796]*	Adopts the Senate provision and authorizes $15 million annually through FY2007 in mandatory money (but subject to appropriation). *[Section 7405]*
6. Rural research fund. *[No existing authority]*	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. *[Section 798]*	No provision.
7. Alternative Agriculture Research and Commercialization Revolving Fund. *[Section 1664(g)(1) of 1990 Act]*	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 (AARCC) and transfer its funds to USDA to be used for research on future food production, environmental protection, and farm income. *[Section 651]*	Repeals the authority for AARCC; any remaining funds are to cover the cost of closing the program and then revert to the U.S. Treasury. *[Section 6201]*

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M. Miscellaneous Research Provisions			
1. National Agricultural Research, Extension, Education, and Economic Advisory Board. *[Section 1408 of NARETPA]*	Adds to the advisory board one member from a non-land grant institution, and requires the Board to consult with the House and Senate Agriculture and Appropriations Committees. *[Section 745]*	Extends authority for advisory board with no changes.	Adopts the House provision. *[Section 7209]*
2. ARS review. *[First authorized in 1998 Act]*	No comparable provision.	Reauthorizes an outside review of the purpose, efficiency, and effectiveness of ARS research. *[Section 794]* NOTE: S.Rept. 107-117 indicates that the earlier review was not carried out according to the intent of the original language.	Adopts the Senate provision and adds authority for a task force to study and report to Congress whether the structure of federal agricultural research should be modeled after the National Institutes of Health and the National Science Foundation. *[Section 7404]*
2. Senior Scientific Research Service. *[No existing authority]*	No comparable provision.	Establishes a 100-member Senior Scientific Research Service comprised of highly qualified scientists. Minimum GS-15 salary. *[Section 750B]*	Adopts Senate provision. *[Section 7219]*
3. Regulatory and inspection research. *[No specific authority exists for this type of research, but such work currently is conducted under general authority found in NARETPA]*	No comparable provision.	Authorizes the Secretary to conduct urgent applied research to support the regulatory programs of AMS, APHIS, FSIS, and FGIS. *[Section 792]*	No provision.

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4. Repeal of certain activities and authorities.			
[Sections 615(b) and (c) of the 1998 Act]	Food safety research national conference and report. *[Section 771]*	No comparable provision.	Adopts House provision. *[Section 7301]*
[Section 617 of the 1998 Act]	Reimbursement of expenses under the Sheep Promotion, Research, and Information Act of 1994. *[Section 772]*	No comparable provision.	Adopts the House provision. *[Section 7302]*
[Section 1634 of the 1990 Act]	National Genetic Resources Program. *[Section 773]*	Extends program through FY2006. *[Section 731]*	Adopts Senate provision through FY2007. *[Section 7118]*
[Sections 1639 and 1640 of the 1990 Act]	National Advisory Board on Agricultural Weather. *[Section 774]*	No comparable provision.	Adopts the House provision. *[Section 7304]*
[Section 1420 of the 1985 Act]	Agricultural information exchange with Ireland. *[Section 775]*	No comparable provision.	Adopts the House provision. *[Section 7305]*
[Section 1437 of the 1985 Act]	Pesticide resistance study. *[Section 776]*	No comparable provision.	Adopts House provision. *[Section 7306]*
[Section 1438 of the 1985 Act]	Expansion of education study. *[Section 777]*	No comparable provision.	Adopts House provision. *[Section 7307]*
[Sections 1412 and 1413(c) of NARETPA]	Support for advisory board. *[Section 778]*	No comparable provision.	No provision.
[Research Facilities Act of 1963]	Task force on 10-year strategic plan for agricultural research facilities. *[Section 779]*	No comparable provision.	Adopts the House provision. *[Section 7308]*

VIII. FORESTRY

FORESTRY OLD LAW/POLICY COVERS 1996-2002	HOUSE BILL H.R. 2646 COVERS 2002-2011	SENATE BILL S. 1731, amended COVERS 2002-2006	NEW LAW (P.L. 107-171) COVERS 2002-2007
Primarily, provisions of the Cooperative Forestry Assistance Act of 1978 (CFAA), P.L. 95-313	**Title VIII - Forestry Initiatives**	**Title VIII - Forestry**	**Title VIII - Forestry**
A. Forest Landowner Assistance			
1. Forestry Incentives Program (FIP) provides cost-sharing for tree planting and other forest improvement practices. *[Section 4, CFAA]*	1. Repeals FIP. *[Section 801]* NOTE:FIP expires at the end of FY2002. The repeal in the House bill is not needed to effectively end the program.	1. Reauthorizes FIP through 2006. [*Section 804]*	1. House Provision. *[Section 8001]*
2. Stewardship Incentives Program (SIP) provides cost-sharing for a wide variety of forestry practices. *[Section 6, CFAA]*	2. Repeals SIP. *[Section 801]*	2. No provision. NOTE: SIP is permanently authorized, and requires no reauthorization	2. House Provision *[Section 8001]*
3. No provision.	3. Establishes new Forest Land Enhancement Program (FLEP) to *supplant* FIP and SIP, with cost-sharing for the same practices (and more) and $20 million annually in mandatory spending. *[Section 802]* NOTE: The House bill replaces former programs with this new program	3. Establishes new Sustainable Forest Management Program to *supplement* FIP and SIP, with cost-sharing for additional practices and $48 million annually in mandatory spending. *(Section 806)* NOTE: The Senate Bill adds to existing programs.	Generally follows House provision establishing new Forest Land enhancement Program to supplant FIP and SIP, with cost-sharing for the same practices (and More) and $100 million in mandatory spending through FY2007. *[Section 8002]*
4. No provision.	4. No provision.	4. Establishes new Sustainable Forestry Cooperative Program to	4. No provision

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		assist landowners in creating cooperatives for sustainable forest management. *(Section 805)*	
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. *(Section 813)*	No provision
C. Watershed Forestry			
1. (Many existing forestry assistance programs include activities to protect watersheds, but none focuses on watershed protection.)	1. No provision.	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. *(Section 812)*	1. No provision
2. No provision	2. No provision.	2. Creates new Chesapeake Bay Watershed Forestry Program to use forest management to improve wildlife habitat, water quality, watershed planning, *et al.*, with up to 75% cost-share grants; authorized at $3 million for FY2002	2. No provision

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		and $3.5 million for FY2003-FY2006. *(Section 810)*	
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 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.)	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 private lands *(Section 804)* 2. No provision. 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. *(Section 921, in Title IX)*	1. Similar to H.R. 2646. *(Section 811)* 2. Authorizes creation of 2 forest fire research centers. *(Section 808)* 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. *(Section 809)*	1. Generally follows House provision, creating new Enhanced Community Fire Protection program, authorized at $35 million annually; appears to allow federal activity on private lands *[Section 8003]* 2. No provision 3. No provision (both provisions dropped in conference)

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	4. No provision.	4. Requires independent investigation of firefighter fatalities by USDA Inspector General. *(Section 820)*	4. No provision.
E. Forest Health Protection			
(NOTE: Existing forest health protection program authorizes insect and disease survey and control on federal lands and with consent, cooperation, and participation, on other lands. This is permanently authorized in Section 8 of CFAA, and is unchanged in the House and Senate bills.)	1. No provision.	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. *(Section 819)*	1. No provision
	2. No provision.	2. Authorizes new program of Adaptive Ecosystem Restoration of Arizona and New Mexico Forests and 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. *(Section 821)*	2. No provision
F. Forestry Research			
Forestry research at land grant universities is authorized under the McIntire-Stennis Act of 1962 (P.L. 87-	Reaffirms the importance of forestry research under McIntire-Stennis. *(Section 807)*	Identical to House version. (*Section 802)*	House bill *[Section 8201]*

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788). (NOTE: Forest Service research is authorized under the Forest and Rangeland Renewable Resources Research Act of 1978, P.L. 95-307.)	Note: Incorrectly cites the public law number as P.L.87-88.		
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. *(Section 803)*	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. *(Section 803)*	Generally follows House bill, reauthorizing RREA, doubling authorized funding to $30 million annually, and establishing a new Sustainable Forestry Outreach Initiative. *[Section 8101]*
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). 2. The Forest Service Office of International Forestry expires at end of FY2002 under Section 2405(d) of the 1990 Farm Bill.	1. Effectively reauthorizes the International Forestry " through 2011. *(Section 805)* 2. No provision	1. No provision. 2. Reauthorizes "Office of International Forestry" through 2006. *(Section 801)*	1. No provision 2. Generally follows Senate bill, reauthorizing the Office of International Forestry through FY2007. *[Section 8102]*
I. Tribal Forestry			
1. No provision.	1. No provision.	1. Establishes Office of Tribal Relations to improve communication between tribal governments and USDA and Forest Service. *(Section 817)*	1. No Provision

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2. No provision.	2. No provision.	2. Establishes program for Assistance to Tribal Governments, to provide technical, financial, educational, and related forestry assistance; authorized funding "as needed." *(Section 818)*	2. No Provision
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.e.*, authorizes goods-for-services contracts, where the Forest Service can use timber to pay for fuel treatment services). *(Section 806)*	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.*[Section 815]*	No provision (both bills provisions dropped)

IX. MISCELLANEOUS PROVISIONS

MISCELLANEOUS OLD LAW/POLICY COVERS 1996-2002	HOUSE BILL H.R. 2646 COVERS 2002-2011	SENATE BILL S. 1731, amended COVERS 2002-2006	NEW LAW P.L. 107-171 COVERS 2002-2007
A. Federal Crop Insurance			
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. *[Section 508(e)]* 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 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%	No provision.	Makes permanent the temporary prohibition on continuous coverage in current law. *[Section 1012]* Note: CBO scored an average annual savings of approximately $320 million beginning in FY2006.	Adopts Senate provision *[Section 10002]*

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level of coverage, from dropping back to 64% coverage just to receive the higher subsidy level.			
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. *[Section 508(m)(3)]*	No provision.	Requires USDA to implement the review findings by the 2003 insurance year. *[Section 1013]*	Extends Senate requirement for implementation of review findings by 2004 insurance year and allows certain warehouse operators to make adjustments for quality for the purposes of quality loss adjustment. *[Section 10003]*
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 *[Sect. 1211]*, or a converted wetland *[Sect. 1221*]	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. *[Section 1014]*	No provision
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. *[Section 508(a)(2)]* The FY2002 agriculture appropriations act (P.L. 107-76) allows sweet potatoes to receive indemnity payments after harvest for FY2002 only. *[Section 760]*	Permanently includes sweet potatoes as a crop that would be eligible for indemnity payments after harvest. *[Section 928]*	Identical to the House provision. *[Section 1011]*	Adopts House and Senate provision *[Section 10001]*
Specialty Crop Insurance Initiative	No provision.	Increases funding for research and	Adopts Senate provision (with

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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 years is provided *[Section 522(b)]*. 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. *[Section 524]*		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 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. Also requires USDA to complete a report by September 30, 2002 focusing on progress made by USDA in the research development of new risk management programs for specialty crop growers, small and moderate-sized farms, and underserved areas. *[Section 169]*	amendments) requiring that USDA complete a report on specialty crop insurance and complete the study within 180 days. Deletes Senate provisions that increased funding for specialty crop initiatives, and adds sense of Congress language requiring the USDA to address the needs of producers through expansion of the federal crop insurance pilot programs, including revenue insurance for Georgia pecans and coverage for continuous crops of Kansas wheat. *[Section 10005]*
Restriction of Crop Insurance	No provision.	Prohibits the subsidization of any	No provision

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Payments to Previously Cropped Land No restriction in current law		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. *[Section 194(c)]*	
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. *[Section 523]* USDA currently implements an Adjusted Gross Revenue (AGR) pilot program which allows a farmer to insure a percentage of historical revenue for all crops grown on the farm rather than insuring each crop separately.	No provision.	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 significant quantity of specialty crops. *[Section 1079D]*	Adopts Senate provision with an amendment that expands the pilot program for the 2003 crop year to include at least 8 counties in California and at least 8 counties in Pennsylvania. Also requires the USDA to work with the respective state Departments of Agriculture of Pennsylvania and California to determine which counties are to be included. *[Section 10004]*
Study on Producer Indemnification for Government-Caused Disasters The Federal Crop Insurance Act limits covered perils under the crop insurance	No provision.	Requires the Secretary of Agriculture to conduct a study of the feasability of expanding crop insurance and the noninsured assistance program to	Adopts Senate provision with an amendment to clarify that the study must focus on disaster conditions caused by Federal

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program to drought, flood, or other natural disaster (as determined by the Secretary). *[Section 508(a)(1)]*		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. *[Section 1085]*	agency action restricting access to irrigation water, including any lack of access to an adequate supply of water caused by the failure of the Secretary of Interior to fulfill a contract in accordance with the Central Valley Project Improvement Act. *[section 10108]*
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. *[Section 524(a)(3)]*	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. *[Section 785]*	No Provision
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 federal crop insurance	Specifically includes sea grass and sea oats as an eligible crop under the noninsured assistance program. *[Section 929]*	No provision.	Adopts the House Provision *[Section 10101*]

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coverage, and certain specific crops. *[Section 196(a)(2)]*			
C. Emergency Crop Disaster and Income Loss Assistance			
a. Crop Disaster Payments. Various emergency supplemental acts in recent years have provided *ad hoc* 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. *[Section 815]*	No provision.	a. Authorizes the Secretary of Agriculture to use $1.8 billion in Commodity Credit Corporation (CCC) funds for 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. *[Section 191]* Transfers $50 million from the U.S. Treasury to USDA to pay salaries and expenses of administering emergency crop and livestock programs. *[Section 195]* 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. *[Section 197]*	No Provision

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D. Market Loss Assistance			
a. Extension of Deadlines for Market Loss Assistance Payments Various emergency supplemental funding laws enacted since 1998 have provided direct payments to growers of specific commodities to compensate them for low market prices. Most recently P.L.107-25 provided $5.5 billion in market loss assistance with a payment deadlines of September 30, 2001]	No Provision	a. Allows USDA to make payments to persons eligible to receive assistance under P.L. 107-25 who did not receive payments or assistance prior to October 1, 2001, Specifies that the amount of payment or assistance cannot exceed that which the person would have been eligible to receive under the law. *[Section 175]*	a. Adopts Senate provision and extends similar privileges to eligible producers under all previous market loss assistance programs who did not receive payment by the respective deadline date. *[Section 1617]*
b. Apple and Onion Income Loss Assistance FY2002 agriculture appropriations (P.L.107-76) made $75 million available exclusively to apple producers for their loss of markets for their 2000 crop.	No Provision	b. Provides $100 million in CCC funds to make payments to apple producers for the loss of markets curing the 2000 crop year. *[Section 193]*	b. Provides $94 million to apple growers for 2000 crop year losses [Section 10105} Also provides $10 million as a grant to the state of New York to be used to support current onion producers in Orange county, New York who suffered losses to onion crops during one or more of the 1996-2000 years. *[Section 10106]*
E. Livestock Assistance			
1. Emergency Livestock Assistance a. Various emergency supplemental acts in recent years have authorized *ad hoc* assistance for livestock farmers when on-farm feed or forage is damaged or	a. Permanently authorizes livestock assistance, subject to annual appropriations, and at discretion of the Secretary of Agriculture. Such	a. Requires the Secretary of Agriculture to implement a program to provide feed assistance to livestock producers affected by disasters,	a. Adopts House Provision *[Section 10104]*

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destroyed by a natural disaster (Livestock Assistance Program) or to replenish herds when a natural disaster causes widespread livestock mortality (Livestock Indemnity Program).	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]*	subject to annual appropriations. For FY2003 through FY2008, $500 million is authorized to be appropriated. *[Section 168]*	
b. 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]*	b. No provision.	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]*	b. No provision
2. Lambs for Afghanistan	No provision.	Authorizes a pilot emergency relief program to provide live lamb to Afghanistan and requires USDA to	Amends Senate provision to require a feasibility report by the USDA on U.S. food aid

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		submit a report by January 1, 2004. *[Section 309]*	programs. *[Section 3207* (Trade title)]
F. Migrant and Seasonal Farmworker Assistance			
The 1990 farm bill (P.L. 101-624) gave permanent authority to the Secretary of Agriculture to disburse up to $20 million in 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. *[Section 2281]* Note: To date, one appropriation has been made to the program, in an emergency supplemental act in FY1999 (P.L. 106-31).	No provision.	Increases the authority for appropriations to $40 million for FY2002 through FY2006. No authority for appropriations beyond FY2006. *[Section 1061]*	Eliminates the current law $20 million authorization limitation, effectively authorizing such a sums as are necessary, subject to appropriations. *[Section 10102*]
G. Tree Assistance and Caneberries			
1. Tree Assistance Program: a. Implemented on an *ad hoc* 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).	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.	a. Same as House bill, except that it contains an authorization for appropriations for fiscal years 2002-2006. *[Title X, Subtitle D, Section 1062]*	a. Adopts House provision with amendment that person may not receive payments on more than 500 acres and adds "lightning" to the definition of natural disaster. *[Section 10205]*

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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]	*[Title IX, Subtitle A, Sections 901-902, 904]* 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. *[Title IX, Subtitle A, Section 903(a)]*	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. *[Title X, Subtitle D, Section 1062]*	b. House provision with amendment setting payments limit of $75,000 *[Section 10204]*
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.	Senate Provision *[Subtitle G, Section 10601]*
H. Energy			
Miscellaneous laws and regulations (see below)	Various titles	Title IX - Energy, and other sections	Title IX, Energy and other sections

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1. Commodity Credit Corporation (CCC) Bioenergy Program			
Under the Bioenergy Program, CCC may grant payments to ethanol and bioproducers who expand their production capacity. Payments intended to help cover the purchase cost of the additional commodities necessary for that expansion. 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]* Note: This program was scheduled to expire at the end of 2002.	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]*	Program is extended and expanded. Mandatory spending of up to $150 million is provided annually for FY2003-2006. CBO estimates $204 million total will be authorized between FY2002 and FY2003. *[Section 9010]*
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 *[Section 3832(a)(7)(A)]*	Amends the Act to allow the use of CRP land for wind energy generation and biomass harvesting for energy production (with reduced payments). *[Section 213]*	Amends the act to allow the use of CRP land for wind energy generation (with reduced payments). *[Section 212(h)]*	Similar to House Provision *[Section 2101]*

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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. *[Section 329]*	Amends the Act to allow loans in response to economic emergencies, which are defined to include sharply increasing energy costs. *[Section 501]*	No provision.	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.*[P.L. 95-313]*	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.*[Section 921]*	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.*[Section 809]*	No Provision
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. *[P.L. 87-128]*	General sections amend various laws (see below)	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 efficiency, and carbon sequestration. *[Section 902]*	Adds new sections (see below)

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6. Clean Energy - Chapter 1: Biobased Product Development			
a. No provision for biobased products under CFRDA.	1. No provision	a. Requires the Secretary of Agriculture 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. [Section 388B]	Similar to Senate provision but products are not required to be environmentally preferable,. Mandatory spending of $1 million is provided for each of fiscal years 2002-2007. *[Section 9002]*
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. *[Section 725]*	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. *[Section 388C]* Also, Section 379 of the Act is amended to give priority to bioenergy and biochemical projects for grants.*[Section 644]*	Similar to Senate provision, but no mandatory spending is authorized *[Section 9003]*

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c. No provision for Biodiesel fuel under CFRDA.	c. No provision.	c. Establishes a new program to provide grants to nonprofit organizations that educate fleet operators and the public about the benefits of biodiesel. For FY2002 through FY2006, $5 million annually is authorized to remain available until expended. *[Section 388D]*	Similar to Senate provision, but only $1 million in annual mandatory spending is provided for fiscal years 2003-2007.*[Section 6013]*
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. *[Section 30]*	a. Amends Section 30 of the Act to allow loans and loan guarantees for renewable energy systems. No new budget authority is granted. *[Section 606]*	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. *[Section 388E]*	Similar to House provision. No new budget authority granted. *[Section 6013]*
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	Similar to Senate provision, except that no mandatory spending authorized. *[Section 9005]*

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		remain available until expended. *[Section 388F]*	
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 through FY2006, mandatory spending is increased by $33 million per year, to remain available until expended. *[Section 388G]*	Similar to Senate except that energy efficiency improvements also are eligible, and the Secretary of Agriculture is given authority to define a "small business" and $23 million in mandatory spending is provided annually for fiscal years 2003-2007. *[Section 9006]*
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. *[Section 388H]*	d. Requires the Departments of Agriculture and Energy to cooperate on research into farm and rural applications of hydrogen fuel and fuel cell technologies. No new budget authority or funding is provided for this. *[Section 9007]*
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.	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.	e. No Provision

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	[Section 942]	*[Section 388I]*	
8. Clean Energy - Chapter 3: Carbon Sequestration Research, Development and Demonstration Program			
a. No provision for carbon sequestration research under CFRDA. Note: Other USDA programs including its general research authority provide for some similar research.	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). *[Section 751]*	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 added state forestry agencies to the list of eligible entities. *[Section 388J]*	a. Similar to House provision except authorization is through 2007. No new mandatory funding is provided. *[Section 9009]*
b. Carbon Sequestration Projects. No provision.	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. *[Section 388K]*	b. No provision

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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. *[P.L. 106-244, Title III]*	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. *[Section 746]*	Amends the Act to provide for additional 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.*[Section 903]* (Note: Congress provided $15 million for this initiative in FY2002. Total funding would remain at $15 million per year, but would be mandatory.)	Similar to Senate version except authority is through FY2007 and mandatory funding is set at $5 million for FY2002 and $14 million annually thereafter through FY2007. Additional $49 million annually in discretionary funding is also authorized for FY2002-2007. *[Section 9008]*
10. Renewable Energy Projects			
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. *[7 U.S.C. 901 et. seq.]*	Amends the Act to allow loan guarantees for the purchase of renewable energy systems by farmers, ranchers and rural small businesses. *[Section 605]*	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. *[Section 904]*	No provision

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11. Carbon Sequestration Demonstration Program			
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.L. 105-185]*	No provision.	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.*[Section 905]*	No provision
12. Mandatory Spending Increases for Energy Provisions			
Not relevant.	None.	$110 million/year; $550 million total (CBO estimate)	$405 million total for FY2002-2007 (CBO estimate)
I. Anti-trust and Competition			
1. Competition Task Force and GIPSA Resources. **a. Interagency Task Force on Agricultural Competition.** 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. *[*Section 937]	No provision (NOTE: An earlier version of the Senate farm bill (S. 1628) contained a Competition title that was struck during committee markup.)	a. No Provision

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b. GIPSA Staffing. No provision	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. *[Section 938]*	b. No provision	b. No Provision
2. Meat Packer Concentration **a.** *Section 202 of the Packers and Stockyards Act of 1921]* No provision	a. No provision	a. Prohibits packers from owning, feeding, or controlling livestock (to the extent that the producer no longer is "materially participating in the production of livestock) for more than 14 days prior to slaughter. Exempts cooperatives or entities owned by a cooperatives and small (less than 2% of livestock slaughtered) producer packers owned by producers from this prohibition. Requires packers who own, feed or control livestock on the date of enactment to be in compliance within 18 months for hog packers and 180 days for all other livestock (e.g., cattle, sheep horses, mules and goats) intended for slaughter. *[Section 1043]* Note: adopted during Senate floor debate.	a. No Provision
b. GIPSA and Livestock Production Contract *(Sections 202,203, 204, 205 of Packers and Stockyards Act of 1921)*	No Provision	b. Extends GIPSA authority to include livestock production contracts. *[Section 1044]*	b. Senate provisions amended to include only swine production contracts. [*Section 10502]*

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- currently GIPSA protects broiler farmers growing under contract and livestock producers selling directly to packers; no authority over livestock producers growing under contract.			
c. Arbitration Clauses.(*Packers and Stockyards Act of 1921)* No provision	No provision	c. 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. *[Section 1046]* (Note: Offered as a floor amendment by Senators Feingold, Grassley, and Harkin and adopted)	c. No Provision
d. Confidentiality Clauses *(Packers and Stockyards Act of 1921*) No provision	No Provision	d. Amends PSA to add new section 417 that allows contract producers to discuss contracts with advisors and enforcement agencies even if the contract contains a confidentiality agreement. *[Section 1044]*	d. Senate provision amended to apply provision to contracts entered into, amended, renewed, or extended after enactment of this Act. *[Section 10503]*
ANIMAL WELFARE (Subtitle D)			
J. Animal Transport, Inspection and Health			
1. Definitions under the Animal Health Protection Act Current animal health-related statutes define 'animal', 'interstate', Secretary, and 'United States' [Animal Health	No Provisions	Adds new definitions for: animal, article, disease, enter, export, facility, import, Indian Tribe, interstate	Senate Provisions [*Section 10403]*

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Protection Act (21 USC§134)].		commerce, livestock, means of conveyance, move, pest, and State. *[Sec. 1023]*. [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. *[Section 1060]*	Senate provision amended to include honeybees. *[Section 10501]*
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	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	a. Senate provisions *[Section 10404]*

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134a.).		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 *[Section 1024*]. [Note: Similar authorities are found 7USC §7714 for Plant Protection Authorities.]	
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.)	b. No provisions.	b. Gives Secretary new authority to recover costs from owners for failures to comply and to regulate exportation. Consolidates and keeps current authorities. *[Section 1025]*.	b. Senate Provisions *[Section 10405]*
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)	c. No Provisions.	c. Consolidates current authorities. *[Section 1026]*.	c. Senate Provisions *[Section 10406]*
d. Animal Enterprise Terrorism No provision	d. No provision	d. 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	d. No provision

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		animal enterprise, or to intentionally damage or cause loss of property used by an animal enterprise. Establishes penalties for such violations. *[Section 1058]*	
4. Seizure, Quarantine, and Disposal. 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)].	No Provisions.	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 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. *[Section 1027*].	a. Senate Proposal *[Section 10407]*
b. No provisions.	b. No Provisions.	b. Makes final compensation payment not subject to judicial review *(Section 1027).* [Note: similar language is found in 7USC§7715 for Plant Protection Authorities.]	b. Senate provisions *[Section 10407(d)(2)(C)]*
c. Inspection, Seizures, and Warrants. Authorizes the Secretary to inspect,	No provisions.	c. Gives new authorities to the Secretary to stop and inspect, on probable cause, persons or means of	c. Senate Provisions *[Section 10408]*

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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.		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. *[Section 1028]*. (Note: Similar authorities are found in 7USC§7731 for Plant Protection.)	
d. Detection, Control, and Eradication of Diseases and Pests. No similar authorities	d. No Provisions.	d. 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 animals), including animals at a slaughterhouse, stockyards, or any other point of concentration. The measure also authorizes the payment of claims arising from the destruction of animals, articles or means of conveyance. *[Section 1029]*.	d. Senate Provisions *[Section 10409]*

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5. Veterinary Accreditation Program. No similar authorities exist. Current veterinary accreditation program is voluntary.	No Provisions.	Authorizes the Secretary to establish a veterinary accreditation program, which would include the establishment of standards of conduct for veterinary practitioners. *[Section 1030]*.	Senate Provision *[Section 10410]*
6. Cooperation. (a) Several sections of Title 21 give the Secretary broad authorities to cooperate with other agencies, States, foreign governments, and organizations to carry out provisions related to animal health statutes, provided that the cooperating entity is authorized. (See 21USC§114, 114b, 114d-1, and 7USC§429).	No Provisions.	a. Keeps and consolidates present authorities.*[Section 1031]*	Senate Provision *[Section 10411]*
(b) Current law authorizes USDA to produce and sell sterile screwworms to foreign countries or international organizations, with the proceeds going into the U.S. Treasury, and credited to the appropriation from which the operating expenses of the facility producing the screwworms had been paid. (21USC§114d).	b. No Provision	b. Retains the screwworms program as currently authorized, except that its proceeds are to be deposited directly to the account from which the operating expenses have been paid and not to the program's yearly appropriation. *[Section 1031]*.	b. Senate Provision *[Section 10411(c).*]
7. Consultations with Heads of Federal Agencies. No similar authorities exist related to	No Provisions.	Directs the Secretary to consult with the heads of a Federal agencies with respect to any activity that is under	Senate Provisions *[Section 104119(d)]*

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animal health laws.		their jurisdiction. The new provision also appoints USDA as lead agency with respect issues related to pests and diseases of livestock. *[Section 1031]*.	
8. Reimbursable Agreements. 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).	No Provisions.	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 *[Section1032]*.	Senate Provisions *[Section 10412]*
9. Administration and Claims. No similar authorities exist related to animal health laws.	No provisions.	Adds new authorities for the Secretary to acquire and maintain real or personal property, employ a person, and 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. *[Section 1033]*	Senate Provisions *[Section 10413]*

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10. Penalties. 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).	No Provisions.	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 *[Section 1034]*. (Note: Identical authorities are found in 7USC§7734 for Plant Protection Authorities.)	Senate Provisions *[Section 10414]*
11. Regulations and Orders. 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).	No Provisions.	Consolidates the Secretary's broad authority to promulgate regulations, and issue orders, as necessary to carry out animal health statutes. *[Section 1036]*.	Senate provisions. *Section 10416]*

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K. Plant Protection			
New Penalties for Violations of the Plant Protection Act	No Provisions.	Amends §424 of the Plant Protection Act (7USC§7734): (1) by replacing criminal penalties provisions with a new subsection 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. *[Section 1068]*.	*Senate provision [Section 10810]*
L. 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. *[Section 1059]*.	House provision with extension of authority through FY2007. *[Section 10505*]
M. Preclearance Quarantine Inspections for Hawaii			
No Provisions	No Provisions	Orders the Secretary to conduct preclearance inspections for	Senate Provision with $3 million of FY2003 appropriations

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		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). *[Section 1063]*.	*[Section 10811*]
N. Non-Ambulatory Farm Animals			
No similar provision for unlawful practices (Packers and Stockyards Act (PSA) of 1921)	Adds a new section to Title III of PSA that introduces new definitions, unlawful practices, and exceptions, as follows: '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," "Non-ambulatory Livestock" means any livestock that is unable to stand and walk unassisted. 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	Same as House *[Section 1045]*.	Dropped House and Senate provisions instead adopting a requirement that the Secretary investigate and issue a report to Congress on practices involving non-ambulatory livestock, and authorizing the issuance of regulations based on the findings of the report, if the Secretary determines this is necessary. [*Section 10815]*

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	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].		
O. Animal Welfare Act (nonfarm animals)			
1. Care and Treatment standards for dogs. No provisions	No Provisions	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 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. *[Section 1049]*.	No Provision
2. Birds, Rats, and Mice 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-	No Provisions.	a. Excepts 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	a. Senate Provisions *[Section 10304]*

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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).		provision codifies current regulations, which specifically exclude birds, rats and mice for research use from protection under this Act (see 9CFR§1.1). *[Section 1051]*.	
b. Report	No provisions.	b. 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. *[Section 1083]*.	b. Senate Provisions *[section 10304]*

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3. **Animal Fighting Ventures and Cockfighting** Imposes fines of not more than $5,000 or imprisonment for not more than 1 year, or both, for each violation *(Section 26 (e) of the Animal Welfare Act, as amended by Section 17 of the Animal Welfare Amendments Act of 1976*) Defines 'Interstate or Foreign Commence' 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. *(Section 26(g)(2)*)	Amends Section 26(e) of AWA by increasing fines to not more that $15,000 and imprisonment to no more than 2 years, or both, for each violation. *[Section 940(a)(1)]*. Adds phrase "or from any State into a foreign country" to the statute's 'interstate or foreign commerce' definition. *[Section 940(a)(2)]*.	Same as House *[Section1052]*.	House version with "special rule" for states where fighting is legal. *[Section 10302*
4. Interstate Movement of Animals for Animal Fighting: 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) Not withstanding the provisions of subsection (a), (b), or (c) of this section, the activities prohibited by such subsection shall be unlawful with	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	Same as House *[Section 1053]*.	House provision *[Section 10301]*

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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)).	commerce for any purpose, so long as the purpose does not include participation of the animal in an animal fighting venture." *[Section 941(a)]*.		
5. Humane Methods for Animal Slaughter Humane Methods Slaughter Act of 1958.	Free standing provision expresses sense of Congress that USDA should fully enforce the Humane Methods Slaughter Act of 1958 (7USC§§1901 et seq.) *[Section 939]*.	Similar to House bill, except that also calls for resuming the tracking and reporting of Act violations to Congress. *[Section 1067]*.	Adopts both House and Senate provisions. *[Section 10305]*
P. Genetically Engineered Products			
Report on Genetically Engineered Food (GEF) and Genetically Engineered Pest Protected Plants	Authorizes $0.5 million for a National Academy of Sciences report on GEF regulations, safety and monitoring. *[Section 933]*.	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. *[Section 1083]*	Sense of the Congress that the Secretary review National Research Council recommendations and submit a report on this to the Congress. *[Section 7410]*
Public Education of GEF	Authorizes a USDA program to educate the public about GEF. *[Section 935]*.	No provision	No provision.

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Q. Pesticides and School Pesticide Management Plans			
1. Fee collection *[Section 4, Federal Insecticide, Fungicide, and Rodenticide Act, FIFRA*]**2. Small Business Eligibility for reduced fees.** Permits lower maintenance fees for businesses with 150 or fewer employees. *[Section 4, FIFRA)]*	No provision	Amends FIFRA to reauthorize fee collection (to support reregistration 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. Expands the number of businesses eligible for reduced fees from those with 150 or fewer employees to those with 500 or fewer employees. *[Section 1041]*	No provision.
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	No Provision

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		required to develop plans and submit them to the Administrator for approval. Local education agencies would be required to implement their state plan within one year of receiving it. *[Section 1042]*	
R. Socially Disadvantaged Farmers and Ranchers (See also Title V, Farm Credit)			
1. Compilation of program participation data No provision *in current law* *[Section 2507 of the Food, Agriculture, Conservation and Trade Act of 1990]*	No Provision	Amends Section 2507 of the FACT Act to require the Secretary to compute annually for each county and state. the participation rate of socially disadvantaged farmers and ranchers as a percentage of total USDA program participants. *[Section 1057]*	Senate provision with amendments. *[Section 10708]*
2. Elections for country areas or local committees. No provision in current law *[Section 8 (b)(5) of the Soil Conservation and Domestic Allotment Act]*	No provision	Adds requirements for the composition of county, area or local committees that will make them fairly representative. Requires the Secretary to establish procedures for nominations and elections committees and to solicit and accept nominations from organizations representing interests of socially disadvantaged farmers. Requires public notice and observation of opening and counting of ballots by any person, and filing of an election report on the outcome of the election with the Secretary and the	Senate provisions, with amendments to require the Secretary to report participation rates of socially-disadvantaged farmers and ranchers by race, ethnicity, and gender and in those instances when socially-disadvantaged farmers or ranchers are not adequately represented on a local or area committee, permits the Secretary to appoint one additional voting member to the committee. *[Section 10708]*

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3. Definition of Socially disadvantaged group. For the purpose of Outreach and assistance, 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.*[Section 2501(e) of the FACT Act of 1990]*. Note: *Section 355(e)* of the Consolidated Farm and Rural Development Act of 1999 adds "gender" to the definition of a socially disadvantaged group for the purposes of loan eligibility.	No Provision	State office of the Farm Service agency within 20 days of an election, and a national report no later than 90 days after the first election after enactment. Sets the term of office for membership on a county, local or area committee at not more than 3 years. Requires the Secretary to publish in the Federal register proposed uniform guidelines to ensure fair representation of socially disadvantaged for conducting elections if necessary after analyzing the data contained in the election report. *[Section 1057]* Amends 1990 FACT Act to add "gender" to the definition of a socially disadvantaged group eligible for outreach and assistance. *[Section 1057]*	Senate Provision [*Section 10708]*

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S. Geographically Disadvantaged Farmers and Ranchers			
No Provision	No Provision	Establishes a new 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. *[Section 1079B]*	Drops Senate provisions creating and funding a new program. Maintains Senate provision defining geographically disadvantaged farmers and ranchers. Adds a provision requiring the Secretary of Agriculture to submit a report to the House and Senate Agriculture Committees not later than one year after enactment that describes: barriers to efficient and competitive transportation of inputs and products by geographically disadvantaged farmers and ranchers; and ways of encouraging and assisting such farmers and ranchers in owning and operating farms and ranches and participating in the full range. of USDA programs. [*Section 10906]*
T. Assistant Secretary of Agriculture for Civil Rights [Section 218 of the Department of Agriculture Reorganization Act of	No Provision	Amends Section 218 to require the Secretary of Agriculture to establish the position of Assistant Secretary of Agriculture for Civil rights to be appointed by the President by and	Senate provisions amended to endure that this new Secretary is under the authority of the Secretary of Agriculture *[Section 10704]*

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1994] No provision		with the advice and consent of the Senate, with listed duties and responsibilities [*Section 1056]*	
U. Farm Marketing Programs			
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 laws enacted by the Congress to aid the distribution of agricultural products through research , market aids and services and regulatory activities.*[Title II Agricultural Marketing Act of 1946.]*	1. No provision	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. *[Section 1050]*	Deletes new program authorization, funding and priorities; instead requires the Secretary to work with states to develop programs to train managers of farmers markets, develop opportunities for information sharing, and establish a program to train cooperative extension services employees in the development of direct marketing techniques. *[Section 10605(b)*]
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) *[The Farmer-to-Consumer Direct Marketing Act of 1976]*	No provision.	Among other things, authorizes $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	Authorizes such funds as are necessary, subject to appropriations, for the creation of a new Farmers Market Promotion Program. Maintains Senate provisions regarding eligible entities, but gives the Secretary the authority to set

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		eligible for such funds, and the criteria and guidelines for grant submission, evaluation and funding. *[Section 1050]*	criteria and guidelines instead of setting these in the aw. *[Section 10605(a)]*
V.Organic Certification 1. Cost-Share Program - No Provision	No Provision	Directs the Secretary to use $3.5 million of CCC funds for each of fiscal years 2002-2004 and $3 million for FY2005 to establish a national organic certification cost-share program to assist producers and handlers of agricultural products in obtaining certification under the National Organic Production Program. Sets maximum federal share at 75%, and maximum individual payment to a producer or handler at $500. *[Section 1065]*	Adopts Senate provision, revised to require the Secretary to use $5 million of CCC funds, beginning in FY2002, to establish a national organic certification cost-share program. *[Section 10606]*
2. Exemptions from assessments for organic farmers. No Provision	No Provision	No Provision	Exempts from assessments under a commodity promotion law a person that produces and markets 100% organic products and requires Secretary to promulgate relevant regulations within 1 year of enactment [*Section 10607*]
W. Food Safety Commission No Provision	No Provision	Establishes a Food Safety Commission composed of 15	Adopts Senate provision with revisions to, among other things,

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		members from consumer groups, food processors, producers and retailers; public health professionals; food inspectors and regulators, academics and other interested individuals. Requires the Commission to make specific recommendations that build on the recommendations of the NAS report on ensuring safe food, that provide a basis for legislative language to improve the food safety system, public health and harmonize the food safety system. *[Section 1066]*	provide for Presidential appointment of membership, change eligibility standards for appointees, and describe how each of the Commission's recommendations would improve food safety *[Section 10807]*.
X. Miscellaneous Studies, Reports and Task Forces			
1. Requires Studies and/or Reports - Salmon, Genetically modified plants, U. of Arkansas Litter Bank, Pesticide sales and use, Producer Indemnification, Rats, mice and birds - No Provisions	No Provisions	Requires the Secretary to issue a report or study on: Pouched and canned salmon; genetically modified pest protected plants; the feasibility of producer indemnification from government caused disasters; creation of Litter bank by the University of Arkansas; the sale and use of pesticides for agricultural uses; rats, mice and birds. Of these only the study of GM pest-protected plants authorizes funding — $10 million for FY2002 and such sums as are necessary thereafter. *[Sections 1081, 0183, 1084, 1085, 1086 and 1087].]*	Requires reports or studies on specialty crop purchases *[section 10901]*; the effect on producers of updated yield bases [*section 10903]*; the effect of farm program payments [*section 10904]*; Chiloquin Dam fish passage feasibility [*section 10905]*; geographically disadvantaged farmers and ranchers [*section 10906]*; agricultural research and technology [*section 10907*]; the sale and use of pesticides for agricultural purposes *[section*

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			10909]; review of the operation of agricultural and natural resource programs on tribal trust land [*section 10910]*
2. Master Settlement Agreement	No provision	Requires the Comptroller General to submit annually to the Congress, beginning December 31, 2002, a report describing all programs and activities carried out by states using funds receive und the master Settlement Agreement of 1997. *[Section 1082]*	Senate provision *[section 10908*]
3. Task Force on National Institutes of Plant and Agricultural Sciences	No Provision	Requires the Secretary to establish a task force to evaluate the merits of establishing one or more National Institutes of Plant and Agricultural Sciences. Lays out membership and general criteria for membership, appointed by the Secretary, and the duties of the Task Force. No funds authorized. *[Section 1088]*	No provision