

1 SEC. _____. (a) TREATMENT OF SEED COTTON.—

2 (1) DESIGNATION OF SEED COTTON AS A COV-
3 ERED COMMODITY.—Section 1111(6) of the Agricul-
4 tural Act of 2014 (7 U.S.C. 9011(6)) is amended—

5 (A) by striking “The term” and inserting
6 the following:

7 “(A) IN GENERAL.—The term”; and

8 (B) by adding at the end the following:

9 “(B) INCLUSION.—Effective beginning
10 with the 2018 crop year, the term ‘covered com-
11 modity’ includes seed cotton.”.

12 (2) REFERENCE PRICE FOR SEED COTTON.—
13 Section 1111(18) of the Agricultural Act of 2014 (7
14 U.S.C. 9011(18)) is amended by adding at the end
15 the following:

16 “(O) For seed cotton, \$0.367 per pound.”.

17 (3) DEFINITION OF SEED COTTON.—Section
18 1111 of the Agricultural Act of 2014 (7 U.S.C.
19 9011) is amended—

20 (A) by redesignating paragraphs (20)
21 through (24) as paragraphs (21) through (25),
22 respectively; and

23 (B) by inserting after paragraph (19) the
24 following:

1 “(20) SEED COTTON.—The term ‘seed cotton’
2 means unginning upland cotton that includes both
3 lint and seed.”.

4 (4) PAYMENT YIELD.—Section 1113 of the Ag-
5 ricultural Act of 2014 (7 U.S.C. 9013) is amended
6 by adding at the end the following:

7 “(e) PAYMENT YIELD FOR SEED COTTON.—

8 “(1) PAYMENT YIELD.—Subject to paragraph
9 (2), the payment yield for seed cotton for a farm
10 shall be equal to 2.4 times the payment yield for up-
11 land cotton for the farm established under section
12 1104(e)(3) of the Food, Conservation, and Energy
13 Act of 2008 (7 U.S.C. 8714(e)(3)) (as in effect on
14 September 30, 2013).

15 “(2) UPDATE.—At the sole discretion of the
16 owner of a farm with a yield for upland cotton de-
17 scribed in paragraph (1), the owner of the farm shall
18 have a 1-time opportunity to update the payment
19 yield for upland cotton for the farm, as provided in
20 subsection (d), for the purpose of calculating the
21 payment yield for seed cotton under paragraph
22 (1).”.

23 (5) PAYMENT ACRES.—Section 1114(b) of the
24 Agricultural Act of 2014 (7 U.S.C. 9014(b)) is
25 amended by adding at the end the following:

1 “(4) SEED COTTON.—

2 “(A) IN GENERAL.—Not later than 90
3 days after the date of enactment of this para-
4 graph, the Secretary shall require the owner of
5 a farm to allocate all generic base acres on the
6 farm under subparagraph (B) or (C), or both.

7 “(B) NO RECENT HISTORY OF COVERED
8 COMMODITIES.—In the case of a farm on which
9 no covered commodities (including seed cotton)
10 were planted or were prevented from being
11 planted at any time during the 2009 through
12 2016 crop years, the owner of such farm shall
13 allocate generic base acres on the farm to unas-
14 signed crop base for which no payments may be
15 made under section 1116 or 1117.

16 “(C) RECENT HISTORY OF COVERED COM-
17 MODITIES.—In the case of a farm not described
18 in subparagraph (B), the owner of such farm
19 shall allocate generic base acres on the farm—

20 “(i) subject to subparagraph (D), to
21 seed cotton base acres in a quantity equal
22 to the greater of—

23 “(I) 80 percent of the generic
24 base acres on the farm; or

1 “(II) the average number of seed
2 cotton acres planted or prevented
3 from being planted on the farm dur-
4 ing the 2009 through 2012 crop years
5 (not to exceed the total generic base
6 acres on the farm); or

7 “(ii) to base acres for covered com-
8 modities (including seed cotton), by apply-
9 ing subparagraphs (B), (D), (E), and (F)
10 of section 1112(a)(3).

11 “(D) TREATMENT OF RESIDUAL GENERIC
12 BASE ACRES.—In the case of a farm on which
13 generic base acres are allocated under subpara-
14 graph (C)(i), the residual generic base acres
15 shall be allocated to unassigned crop base for
16 which no payments may be made under section
17 1116 or 1117.

18 “(E) EFFECT OF FAILURE TO ALLO-
19 CATE.—In the case of a farm not described in
20 subparagraph (B) for which the owner of the
21 farm fails to make an election under subpara-
22 graph (C), the owner of the farm shall be
23 deemed to have elected to allocate all generic
24 base acres in accordance with subparagraph
25 (C)(i).”.

1 (6) RECORDKEEPING REGARDING UNASSIGNED
2 CROP BASE.—Section 1114 of the Agricultural Act
3 of 2014 (7 U.S.C. 9014) is amended by adding at
4 the end the following:

5 “(f) UNASSIGNED CROP BASE.—The Secretary shall
6 maintain information on generic base acres on a farm allo-
7 cated as unassigned crop base under subsection (b)(4).”.

8 (7) SPECIAL ELECTION PERIOD FOR PRICE
9 LOSS COVERAGE OR AGRICULTURE RISK COV-
10 ERAGE.—Section 1115 of the Agricultural Act of
11 2014 (7 U.S.C. 9015) is amended—

12 (A) in subsection (a), by striking “For”
13 and inserting “Except as provided in subsection
14 (g), for”; and

15 (B) by adding at the end the following:

16 “(g) SPECIAL ELECTION.—

17 “(1) IN GENERAL.—In the case of acres allo-
18 cated to seed cotton on a farm, all of the producers
19 on the farm shall be given the opportunity to make
20 a new 1-time election under subsection (a) to reflect
21 the designation of seed cotton as a covered com-
22 modity for that crop year under section 1111(6)(B).

23 “(2) EFFECT OF FAILURE TO MAKE UNANI-
24 MOUS ELECTION.—If all the producers on a farm
25 fail to make a unanimous election under paragraph

1 (1), the producers on the farm shall be deemed to
2 have elected price loss coverage under section 1116
3 for acres allocated on the farm to seed cotton.”.

4 (8) EFFECTIVE PRICE.—Section 1116 of the
5 Agricultural Act of 2014 (7 U.S.C. 9016) is amend-
6 ed by adding at the end the following:

7 “(h) EFFECTIVE PRICE FOR SEED COTTON.—

8 “(1) IN GENERAL.—The effective price for seed
9 cotton under subsection (b) shall be equal to the
10 marketing year average price for seed cotton, as cal-
11 culated under paragraph (2).

12 “(2) CALCULATION.—The marketing year aver-
13 age price for seed cotton for a crop year shall be
14 equal to the quotient obtained by dividing—

15 “(A) the sum obtained by adding—

16 “(i) the product obtained by multi-
17 plying—

18 “(I) the upland cotton lint mar-
19 keting year average price; and

20 “(II) the total United States up-
21 land cotton lint production, measured
22 in pounds; and

23 “(ii) the product obtained by multi-
24 plying—

1 “(I) the cottonseed marketing
2 year average price; and

3 “(II) the total United States cot-
4 tonseed production, measured in
5 pounds; by

6 “(B) the sum obtained by adding—

7 “(i) the total United States upland
8 cotton lint production, measured in
9 pounds; and

10 “(ii) the total United States cotton-
11 seed production, measured in pounds.”.

12 (9) DEEMED LOAN RATE FOR SEED COTTON.—

13 Section 1202 of the Agricultural Act of 2014 (7
14 U.S.C. 9032) is amended by adding at the end the
15 following:

16 “(c) SEED COTTON.—

17 “(1) IN GENERAL.—For purposes of section
18 1116(b)(2) and paragraphs (1)(B)(ii) and
19 (2)(A)(ii)(II) of section 1117(b), the loan rate for
20 seed cotton shall be deemed to be equal to \$0.25 per
21 pound.

22 “(2) EFFECT.—Nothing in this subsection au-
23 thorizes any nonrecourse marketing assistance loan
24 under this subtitle for seed cotton.”.

1 (10) LIMITATION ON STACKED INCOME PRO-
2 TECTION PLAN FOR PRODUCERS OF UPLAND COT-
3 TON.—Section 508B of the Federal Crop Insurance
4 Act (7 U.S.C. 1508b) is amended by adding at the
5 end the following:

6 “(f) LIMITATION.—Effective beginning with the 2019
7 crop year, a farm shall not be eligible for the Stacked In-
8 come Protection Plan for upland cotton for a crop year
9 for which the farm is enrolled in coverage for seed cotton
10 under—

11 “(1) price loss coverage under section 1116 of
12 the Agricultural Act of 2014 (7 U.S.C. 9016); or

13 “(2) agriculture risk coverage under section
14 1117 of that Act (7 U.S.C. 9017).”.

15 (11) TECHNICAL CORRECTION.—Section
16 1114(b)(2) of the Agricultural Act of 2014 (7
17 U.S.C. 9014(b)(2)) is amended by striking “para-
18 graphs (1)(B) and (2)(B)” and inserting “para-
19 graphs (1) and (2)”.

20 (12) ADMINISTRATION.—The Secretary of Agri-
21 culture shall carry out the amendments made by this
22 subsection in accordance with section 1601 of the
23 Agricultural Act of 2014 (7 U.S.C. 9091).

24 (13) APPLICATION.—Except as provided in
25 paragraph (10), the amendments made by this sub-

1 section shall apply beginning with the 2018 crop
2 year.

3 (b) MARGIN PROTECTION PROGRAM FOR DAIRY PRO-
4 DUCERS.—

5 (1) MONTHLY CALCULATION OF ACTUAL DAIRY
6 PRODUCTION MARGIN.—

7 (A) DEFINITIONS.—Section 1401 of the
8 Agricultural Act of 2014 (7 U.S.C. 9051) is
9 amended—

10 (i) by striking paragraph (4); and

11 (ii) by redesignating paragraphs (5)
12 through (11) as paragraphs (4) through
13 (10), respectively.

14 (B) CALCULATION OF ACTUAL DAIRY PRO-
15 DUCATION MARGIN.—Section 1402(b)(1) of the
16 Agricultural Act of 2014 (7 U.S.C. 9052(b)(1))
17 is amended by striking “consecutive 2-month
18 period” each place it appears and inserting
19 “month”.

20 (C) MARGIN PROTECTION PAYMENTS.—
21 Section 1406 of the Agricultural Act of 2014 (7
22 U.S.C. 9056) is amended—

23 (i) by striking “consecutive 2-month
24 period” each place it appears and inserting
25 “month”; and

1 (ii) in subsection (c)(2)(B), by strik-
2 ing “6” and inserting “12”.

3 (2) PARTICIPATION OF DAIRY OPERATIONS IN
4 MARGIN PROTECTION PROGRAM.—Section 1404 of
5 the Agricultural Act of 2014 (7 U.S.C. 9054) is
6 amended—

7 (A) in subsection (b)—

8 (i) in paragraph (1), by inserting “,
9 including the establishment of a date each
10 calendar year by which a dairy operation
11 shall register for the calendar year” before
12 the period at the end;

13 (ii) by redesignating paragraphs (2)
14 and (3) as paragraphs (3) and (4), respec-
15 tively; and

16 (iii) by inserting after paragraph (1)
17 the following:

18 “(2) EXTENSION OF ELECTION PERIOD FOR
19 2018 CALENDAR YEAR.—The Secretary shall extend
20 the election period for the 2018 calendar year by not
21 less than 90 days after the date of enactment of the
22 **【**_____ Act of _____**】** or such additional pe-
23 riod as the Secretary determines is necessary for
24 dairy operations to make new elections to participate
25 for that calendar year, including dairy operations

1 that elected to so participate before that date of en-
2 actment.”; and

3 (B) in subsection (c), by adding at the end
4 the following:

5 “(4) EXEMPTION.—A limited resource, begin-
6 ning, veteran, or socially disadvantaged farmer, as
7 defined by the Secretary, shall be exempt from the
8 administrative fee under this subsection.”.

9 (3) PRODUCTION HISTORY OF PARTICIPATING
10 DAIRY OPERATIONS.—Section 1405(a) of the Agri-
11 cultural Act of 2014 (7 U.S.C. 9055(a)) is amended
12 by adding at the end the following:

13 “(3) CONTINUED APPLICABILITY OF BASE PRO-
14 Duction HISTORY.—A production history estab-
15 lished for a dairy operation under paragraph (1)
16 shall be the base production history for the dairy op-
17 eration in subsequent years (as adjusted under para-
18 graph (2)).”.

19 (4) PREMIUMS FOR MARGIN PROTECTION PRO-
20 GRAM.—Section 1407 of the Agricultural Act of
21 2014 (7 U.S.C. 9057) is amended—

22 (A) in subsection (b)—

23 (i) by striking the subsection heading
24 and inserting the following: “TIER I: PRE-

1 MIUM PER HUNDREDWEIGHT FOR FIRST
2 5,000,000 POUNDS OF PRODUCTION.—”;

3 (ii) in paragraph (1), by striking
4 “4,000,000” and inserting “5,000,000”;
5 and

6 (iii) in paragraph (2)—

7 (I) by striking “\$0.010” and in-
8 serting “None”;

9 (II) by striking “\$0.025” and in-
10 serting “None”;

11 (III) by striking “\$0.040” and
12 inserting “\$0.009”;

13 (IV) by striking “\$0.055” and
14 inserting “\$0.016”;

15 (V) by striking “\$0.090” and in-
16 serting “\$0.040”;

17 (VI) by striking “\$0.217” and
18 inserting “\$0.063”;

19 (VII) by striking “\$0.300” and
20 inserting “\$0.087”; and

21 (VIII) by striking “\$0.475” and
22 inserting “\$0.142”; and

23 (B) in subsection (c)—

24 (i) by striking the subsection heading
25 and inserting the following: “TIER II: PRE-

1 MIUM PER HUNDREDWEIGHT FOR PRO-
2 DUCTION IN EXCESS OF 5,000,000
3 POUNDS.—”; and

4 (ii) in paragraph (1), by striking
5 “4,000,000” and inserting “5,000,000”.

6 (5) APPLICATION.—The amendments made by
7 this subsection shall apply beginning with the 2018
8 calendar year.

9 (c) LIMITATION ON CROP INSURANCE LIVESTOCK-
10 RELATED EXPENDITURES.—

11 (1) IN GENERAL.—Section 523(b) of the Fed-
12 eral Crop Insurance Act (7 U.S.C. 1523(b)) is
13 amended by striking paragraph (10).

14 (2) CONFORMING AMENDMENTS.—Section 516
15 of the Federal Crop Insurance Act (7 U.S.C. 1516)
16 is amended in subsections (a)(2)(C) and (b)(1)(D)
17 by striking “subsections (a)(3)(E)(ii) and (b)(10) of
18 section 523” each place it appears and inserting
19 “subsection (a)(3)(E)(ii) of that section”.