

112TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Food, Conservation, and Energy Act of 2008 to establish a revenue loss assistance program, repeal the direct payment and ACRE programs, extend commodity programs through 2017, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. CONRAD (for himself, Mr. HOEVEN, and Mr. BAUCUS) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To amend the Food, Conservation, and Energy Act of 2008 to establish a revenue loss assistance program, repeal the direct payment and ACRE programs, extend commodity programs through 2017, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

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

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Revenue Loss Assistance and Crop Insurance Enhance-  
6 ment Act of 2012”.

1 (b) TABLE OF CONTENTS.—The table of contents of  
2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Revenue loss assistance program and counter-cyclical program.
- Sec. 3. Marketing assistance loans and loan deficiency payments.
- Sec. 4. Extension of expiring authorities.
- Sec. 5. Repeal of direct payment and ACRE programs.
- Sec. 6. Supplemental coverage option.
- Sec. 7. Catastrophic risk protection premium reduction.
- Sec. 8. Adjustment in actual production history to establish insurable yields.
- Sec. 9. Supplemental agricultural disaster assistance.
- Sec. 10. Budgetary effects.
- Sec. 11. Effective date.

3 **SEC. 2. REVENUE LOSS ASSISTANCE PROGRAM AND**  
4 **COUNTER-CYCLICAL PROGRAM.**

5 (a) IN GENERAL.—Title I of the Food, Conservation,  
6 and Energy Act of 2008 is amended—

7 (1) by striking section 1001 (7 U.S.C. 8702);

8 (2) by striking subtitles A and C (7 U.S.C.  
9 8711 et seq.); and

10 (3) by inserting before subtitle B (7 U.S.C.  
11 8731 et seq.) the following:

12 **“SEC. 1001. DEFINITIONS.**

13 “In this title:

14 “(1) BASE ACRES.—The term ‘base acres’, with  
15 respect to a covered commodity on a farm, means  
16 the number of acres established under section 1101  
17 or 1302 of the Farm Security and Rural Investment  
18 Act of 2002 (7 U.S.C. 7911, 7952) or section 1101,  
19 1108, or 1302 of this Act, as in effect on September

1 30, 2012, subject to any adjustment under section  
2 1101.

3 “(2) COUNTER-CYCLICAL PAYMENT.—The term  
4 ‘counter-cyclical payment’ means a payment made to  
5 producers on a farm under section 1104.

6 “(3) COUNTER-CYCLICAL PAYMENT ACRES.—  
7 The term ‘counter-cyclical payment acres’ means 75  
8 percent of the base acres of a covered commodity on  
9 a farm for which counter-cyclical payments are  
10 made.

11 “(4) COVERED COMMODITY.—The term ‘cov-  
12 ered commodity’ means wheat, corn, grain sorghum,  
13 barley, oats, upland cotton, long grain rice, medium  
14 grain rice, pulse crops, peanuts, soybeans, and other  
15 oilseeds.

16 “(5) EFFECTIVE PRICE.—The term ‘effective  
17 price’, with respect to a covered commodity for a  
18 crop year, means the price calculated by the Sec-  
19 retary under section 1104 to determine whether  
20 counter-cyclical payments are required to be made  
21 for that crop year.

22 “(6) EXTRA LONG STAPLE COTTON.—The term  
23 ‘extra long staple cotton’ means cotton that—

24 “(A) is produced from pure strain varieties  
25 of the Barbadosense species or any hybrid of the

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

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

13 “(7) LOAN COMMODITY.—The term ‘loan com-  
14 modity’ means wheat, corn, grain sorghum, barley,  
15 oats, upland cotton, extra long staple cotton, long  
16 grain rice, medium grain rice, soybeans, other oil-  
17 seeds, graded wool, nongraded wool, mohair, honey,  
18 dry peas, lentils, peanuts, small chickpeas, and large  
19 chickpeas.

20 “(8) MEDIUM GRAIN RICE.—The term ‘medium  
21 grain rice’ includes short grain rice.

22 “(9) OTHER OILSEED.—The term ‘other oil-  
23 seed’ means a crop of sunflower seed, rapeseed,  
24 canola, safflower, flaxseed, mustard seed, crambe,

1 sesame seed, or any oilseed designated by the Sec-  
2 retary.

3 “(10) PAYMENT YIELD.—The term ‘payment  
4 yield’ means the yield established for counter-cyclical  
5 payments under section 1102 or 1302 of the Farm  
6 Security and Rural Investment Act of 2002 (7  
7 U.S.C. 7912, 7952), section 1102 of 1302 of this  
8 Act, as in effect on September 30, 2012, or section  
9 1102 or 1106, or for revenue loss assistance pro-  
10 gram payments under section 1103, for a farm for  
11 a covered commodity.

12 “(11) PRODUCER.—

13 “(A) IN GENERAL.—The term ‘producer’  
14 means an owner, operator, landlord, tenant, or  
15 sharecropper that shares in the risk of pro-  
16 ducing a crop and is entitled to share in the  
17 crop available for marketing from the farm, or  
18 would have shared had the crop been produced.

19 “(B) HYBRID SEED.—In determining  
20 whether a grower of hybrid seed is a producer,  
21 the Secretary shall—

22 “(i) not take into consideration the  
23 existence of a hybrid seed contract; and

24 “(ii) ensure that program require-  
25 ments do not adversely affect the ability of

1           the grower to receive a payment under this  
2           title.

3           “(12) PULSE CROP.—The term ‘pulse crop’  
4           means dry peas, lentils, small chickpeas, and large  
5           chickpeas.

6           “(13) REVENUE LOSS ASSISTANCE PROGRAM  
7           PAYMENT.—The term ‘revenue loss assistance pro-  
8           gram payment’ means a payment made to producers  
9           on a farm under section 1103.

10          “(14) STATE.—The term ‘State’ means—

11                   “(A) a State;

12                   “(B) the District of Columbia; and

13                   “(C) the Commonwealth of Puerto Rico.

14          “(15) TARGET PRICE.—The term ‘target price’  
15          means the price per bushel, pound, or hundred-  
16          weight (or other appropriate unit) of a covered com-  
17          modity used to determine the payment rate for  
18          counter-cyclical payments.

19          “(16) UNITED STATES.—The term ‘United  
20          States’, when used in a geographical sense, means  
21          all of the States.

22          “(17) UNITED STATES PREMIUM FACTOR.—The  
23          term ‘United States Premium Factor’ means the  
24          percentage by which the difference in the United  
25          States loan schedule premiums for Strict Middling

1 (SM) 1 $\frac{1}{8}$ -inch upland cotton and for Middling (M)  
2 1 $\frac{3}{32}$ -inch upland cotton exceeds the difference in the  
3 applicable premiums for comparable international  
4 qualities.

5 **“Subtitle A—Revenue Loss Assist-**  
6 **ance Program and Counter-cy-**  
7 **clical Program**

8 **“SEC. 1101. BASE ACRES.**

9 “(a) ADJUSTMENT OF BASE ACRES.—

10 “(1) IN GENERAL.—The Secretary shall provide  
11 for an adjustment, as appropriate, in the base acres  
12 for covered commodities for a farm whenever any of  
13 the following circumstances occurs:

14 “(A) A conservation reserve contract en-  
15 tered into under section 1231 of the Food Secu-  
16 rity Act of 1985 (16 U.S.C. 3831) with respect  
17 to the farm expires or is voluntarily terminated,  
18 or was terminated or expired during the period  
19 beginning on October 1, 2007, and ending on  
20 the date of enactment of this Act.

21 “(B) Cropland is released from coverage  
22 under a conservation reserve contract by the  
23 Secretary, or was released during the period be-  
24 ginning on October 1, 2007, and ending on the  
25 date of enactment of this Act.

1           “(C) The producer has eligible oilseed  
2           acreage as the result of the Secretary desig-  
3           nating additional oilseeds, which shall be deter-  
4           mined in the same manner as eligible oilseed  
5           acreage under section 1101(a)(2) of the Farm  
6           Security and Rural Investment Act of 2002 (7  
7           U.S.C. 7911(a)(2)).

8           “(2) SPECIAL CONSERVATION RESERVE ACRE-  
9           AGE PAYMENT RULES.—For the crop year in which  
10          a base acres adjustment under subparagraph (A) or  
11          (B) of paragraph (1) is first made, the owner of the  
12          farm shall elect to receive either revenue loss assist-  
13          ance program payments and counter-cyclical pay-  
14          ments with respect to the acreage added to the farm  
15          under this subsection or a prorated payment under  
16          the conservation reserve contract, but not both.

17          “(b) PREVENTION OF EXCESS BASE ACRES.—

18                 “(1) REQUIRED REDUCTION.—If the sum of the  
19          base acres for a farm, together with the acreage de-  
20          scribed in paragraph (2) exceeds the actual cropland  
21          acreage of the farm, the Secretary shall reduce the  
22          base acres for 1 or more covered commodities for the  
23          farm so that the sum of the base acres and acreage  
24          described in paragraph (2) does not exceed the ac-  
25          tual cropland acreage of the farm.



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

3           “(A) Any acreage on the farm enrolled in  
4 the conservation reserve program or wetlands  
5 reserve program under chapter 1 of subtitle D  
6 of title XII of the Food Security Act of 1985  
7 (16 U.S.C. 3830 et seq.).

8           “(B) Any other acreage on the farm en-  
9 rolled in a Federal conservation program for  
10 which payments are made in exchange for not  
11 producing an agricultural commodity on the  
12 acreage.

13           “(C) If the Secretary designates additional  
14 oilseeds, any eligible oilseed acreage, which shall  
15 be determined in the same manner as eligible  
16 oilseed acreage under section 1101(a)(2) of the  
17 Farm Security and Rural Investment Act of  
18 2002 (7 U.S.C. 7911(a)(2)).

19           “(3) SELECTION OF ACRES.—The Secretary  
20 shall give the owner of the farm the opportunity to  
21 select the base acres for a covered commodity for the  
22 farm against which the reduction required by para-  
23 graph (1) will be made.

24           “(4) EXCEPTION FOR DOUBLE-CROPPED ACRE-  
25 AGE.—In applying paragraph (1), the Secretary

1 shall make an exception in the case of double crop-  
2 ping, as determined by the Secretary.

3 “(c) REDUCTION IN BASE ACRES.—

4 “(1) REDUCTION AT OPTION OF OWNER.—

5 “(A) IN GENERAL.—The owner of a farm  
6 may reduce, at any time, the base acres for any  
7 covered commodity for the farm.

8 “(B) EFFECT OF REDUCTION.—A reduc-  
9 tion under subparagraph (A) shall be perma-  
10 nent and made in a manner prescribed by the  
11 Secretary.

12 “(2) REQUIRED ACTION BY SECRETARY.—

13 “(A) IN GENERAL.—The Secretary shall  
14 proportionately reduce base acres on a farm for  
15 covered commodities for land that has been sub-  
16 divided and developed for multiple residential  
17 units or other nonfarming uses if the size of the  
18 tracts and the density of the subdivision is such  
19 that the land is unlikely to return to the pre-  
20 vious agricultural use, unless the producers on  
21 the farm demonstrate that the land—

22 “(i) remains devoted to commercial  
23 agricultural production; or

24 “(ii) is likely to be returned to the  
25 previous agricultural use.

1                   “(B) REQUIREMENT.—The Secretary shall  
2                   establish procedures to identify land described  
3                   in subparagraph (A).

4                   “(3) REVIEW AND REPORT.—Each year, to en-  
5                   sure, to the maximum extent practicable, that pay-  
6                   ments are received only by producers, the Secretary  
7                   shall submit to Congress a report that describes the  
8                   results of the actions taken under paragraph (2).

9                   “(d) TREATMENT OF FARMS WITH LIMITED BASE  
10                  ACRES.—

11                   “(1) PROHIBITION ON PAYMENTS.—Except as  
12                   provided in paragraph (2) and notwithstanding any  
13                   other provision of this title, a producer on a farm  
14                   may not receive revenue loss assistance program  
15                   payments or counter-cyclical payments if the sum of  
16                   the base acres of the farm is 10 acres or less, as de-  
17                   termined by the Secretary.

18                   “(2) EXCEPTIONS.—Paragraph (1) shall not  
19                   apply to a farm owned or operated by—

20                   “(A) a socially disadvantaged farmer or  
21                   rancher (as defined in section 355(e) of the  
22                   Consolidated Farm and Rural Development Act  
23                   (7 U.S.C. 2003(e)); or

24                   “(B) a limited resource farmer or rancher,  
25                   as defined by the Secretary.

1           “(3) DATA COLLECTION AND PUBLICATION.—

2           The Secretary shall—

3                   “(A) collect and publish segregated data  
4                   and survey information about the farm profiles,  
5                   utilization of land, and crop production; and

6                   “(B) perform an evaluation on the supply  
7                   and price of fruits and vegetables based on the  
8                   effects of suspension of base acres under this  
9                   section.

10 **“SEC. 1102. PAYMENT YIELDS.**

11           “For the purpose of making revenue loss assistance  
12 program payments and counter-cyclical payments under  
13 this subtitle, the Secretary shall provide for the establish-  
14 ment of a payment yield for each farm for any designated  
15 oilseed or eligible pulse crop for which a payment yield  
16 was not established under section 1102 of the Farm Secu-  
17 rity and Rural Investment Act of 2002 (7 U.S.C. 7912)  
18 or this section as in effect on September 30, 2012.

19 **“SEC. 1103. REVENUE LOSS ASSISTANCE PROGRAM.**

20           “(a) DEFINITIONS.—In this section:

21                   “(1) FARM.—The term ‘farm’ means, in rela-  
22                   tion to an eligible producer on a farm, the sum of  
23                   all acreage in all counties of the covered commodity  
24                   that is planted or intended to be planted for harvest  
25                   by the eligible producer.

1           “(2) NONINSURED CROP DISASTER ASSISTANCE  
2 PROGRAM.—The term ‘noninsured crop disaster as-  
3 sistance program’ means the program established by  
4 section 196 of the Federal Agriculture Improvement  
5 and Reform Act of 1996 (7 U.S.C. 7333).

6           “(3) SOCIALLY DISADVANTAGED FARMER OR  
7 RANCHER.—The term ‘socially disadvantaged farmer  
8 or rancher’ has the meaning given the term in sec-  
9 tion 355(e) of the Consolidated Farm and Rural De-  
10 velopment Act (7 U.S.C. 2003(e)).

11          “(b) PAYMENTS REQUIRED.—Beginning with the  
12 2013 crop year of each covered commodity, the Secretary  
13 shall make revenue loss assistance payments to eligible  
14 producers on farms in accordance with this section.

15          “(c) COVERAGE PROVIDED.—The revenue loss assist-  
16 ance program under this section shall cover losses suffered  
17 by a producer with respect to covered commodities on a  
18 farm in excess of 12 percent and up to a maximum of  
19 25 percent of the historic revenue of the producer.

20          “(d) ELIGIBILITY.—A producer on a farm shall be  
21 eligible for assistance under this section—

22               “(1) in the case of each insurable covered com-  
23 modity produced on the farm (excluding grazing  
24 land), if the producer obtains a policy or plan of in-  
25 surance under subtitle A of the Federal Crop Insur-

1       ance Act (7 U.S.C. 1501 et seq.) (excluding a crop  
2       insurance pilot program under that subtitle);

3               “(2) in the case of each noninsurable covered  
4       commodity produced on the farm, if the producer  
5       files the required paperwork, and pays the adminis-  
6       trative fee by the applicable State filing deadline, for  
7       the noninsured crop disaster assistance program; or

8               “(3) if the producer is a socially disadvantaged  
9       farmer or rancher.

10       “(e) PAYMENT AMOUNT.—

11               “(1) IN GENERAL.—Subject to paragraph (2),  
12       the amount of a revenue loss assistance payment for  
13       a covered commodity on a farm to be paid to a pro-  
14       ducer of the covered commodity on the farm during  
15       an applicable crop year shall equal the product ob-  
16       tained by multiplying—

17               “(A) the per acre revenue loss of the pro-  
18       ducer for the covered commodity on the farm,  
19       as determined under paragraph (2)(A);

20               “(B) the payment factor determined under  
21       paragraph (2)(B);

22               “(C) in the case of acreage that the pro-  
23       ducer was prevented from planting, the applica-  
24       ble prevented planting payment factor deter-  
25       mined under paragraph (2)(C); and

1                   “(D) the payment acres on the farm deter-  
2                   mined under paragraph (2)(D).

3                   “(2) REVENUE LOSS PAYMENT FACTORS.—For  
4                   purposes of paragraph (1):

5                   “(A) REVENUE LOSS.—The amount of the  
6                   per acre revenue loss of the producer shall be  
7                   equal to the product obtained by multiplying—

8                   “(i) the lesser of—

9                   “(I) the amount that —

10                   “(aa) 88 percent of the his-  
11                   toric revenue per acre calculated  
12                   under subsection (f); exceeds

13                   “(bb) the actual crop rev-  
14                   enue per acre determined under  
15                   subsection (g); or

16                   “(II) the amount that is the dif-  
17                   ference between—

18                   “(aa) 88 percent of the his-  
19                   toric revenue per acre calculated  
20                   under subsection (f); and

21                   “(bb) 75 percent of the his-  
22                   toric revenue per acre calculated  
23                   under subsection (f); and

24                   “(ii) the payment acres calculated  
25                   under subparagraph (D).

1           “(B) PAYMENT FACTOR.—Except as pro-  
2           vided in subparagraph (C), the payment factor  
3           shall be 65 percent.

4           “(C) PREVENTED PLANTING PAYMENT  
5           FACTOR.—For producers who have been pre-  
6           vented from planting and have purchased a  
7           crop insurance policy under subtitle A of the  
8           Federal Crop Insurance Act (7 U.S.C. 1501 et  
9           seq.), the prevented planting factor shall be 45  
10          percent.

11          “(D) PAYMENT ACRES.—

12           “(i) IN GENERAL.—The payment  
13           acres for a covered commodity on a farm  
14           shall equal the sum of—

15                   “(I) the number of acres planted  
16                   to the covered commodity on the  
17                   farm; and

18                   “(II) the number of acres pre-  
19                   vented from being planted to covered  
20                   commodity on the farm.

21           “(ii) ADJUSTMENT.—If the total pay-  
22           ment acres for all covered commodities on  
23           the farm exceeds the total base acres for  
24           all covered commodities on the farm, the  
25           total payment acres for the covered com-



1 commodities on the farm shall be equal to the  
2 product obtained by multiplying—

3 “(I) the total payment acres of  
4 each covered commodity on the farm  
5 determined under clause (i); by

6 “(II) the factor determined by di-  
7 viding—

8 “(aa) the total base acres  
9 for all covered commodities on  
10 the farm; by

11 “(bb) the total acreage  
12 planted or prevented from being  
13 planted to all covered commod-  
14 ities on the farm.

15 “(f) HISTORIC REVENUE PER ACRE.—

16 “(1) IN GENERAL.—Subject to subsection (h),  
17 the historic revenue per acre for a covered com-  
18 modity produced on a farm shall be equal to the  
19 product obtained by multiplying—

20 “(A) the production yield for the covered  
21 commodity determined under paragraph (2)(A);  
22 and

23 “(B) the historic commodity price for the  
24 covered commodity determined under paragraph  
25 (2)(B).

1           “(2) HISTORIC REVENUE FACTORS.—For pur-  
2           poses of paragraph (1):

3           “(A) PRODUCTION YIELD.—The produc-  
4           tion yield of a covered commodity shall be the  
5           higher of—

6                   “(i) a production yield based on the  
7                   weighted average of the actual production  
8                   history yields of the producer for all acre-  
9                   age devoted to the covered commodity on  
10                  the farm, as determined by the Secretary;

11                   “(ii) the weighted average of produc-  
12                   tion yields for the most recent 5 crop years  
13                   for all acreage devoted to the covered com-  
14                   modity on the farm, excluding the crop  
15                   years with the highest and lowest yields, as  
16                   determined by the Secretary;

17                   “(iii) the production yield that is  
18                   equal to—

19                           “(I) the payment yield estab-  
20                           lished for the counter-cyclical program  
21                           that is in effect as of September 30,  
22                           2012; or

23                           “(II) the payment yield estab-  
24                           lished under section 1102; or

1                   “(iv) the yield established by the Sec-  
2                   retary in the case of a producer on a farm  
3                   that does not have a production yield es-  
4                   tablished under clause (i), (ii), or (iii).

5                   “(B) HISTORIC COMMODITY PRICE.—The  
6                   historic commodity price for each crop of a cov-  
7                   ered commodity produced on a farm shall be  
8                   equal to the higher of—

9                   “(i) the target price for the covered  
10                  commodity under section 1104(c); or

11                  “(ii) subject to subparagraph (C), the  
12                  average national price (as determined by  
13                  the Secretary) for each covered commodity,  
14                  by type or variety as applicable, for the  
15                  marketing years for the immediately pre-  
16                  ceding 5 crops, excluding the year in which  
17                  the average price received was the highest  
18                  in the period and the year in which the av-  
19                  erage price received was the lowest in the  
20                  period, as determined by the Secretary.

21                  “(C) LIMITATION.—The average national  
22                  price for each covered commodity under sub-  
23                  paragraph (B)(ii) may not exceed the total eco-  
24                  nomic cost of production for each covered com-

1           modity for the applicable crop year, as deter-  
2           mined by the Secretary.

3           “(g) ACTUAL CROP REVENUE PER ACRE.—

4           “(1) IN GENERAL.—Subject to subsection (h),  
5           the actual crop revenue per acre for a covered com-  
6           modity produced on a farm during the applicable  
7           crop year shall be equal to the sum of—

8                   “(A) the product obtained by multi-  
9                   plying—

10                           “(i) the actual yield for the covered  
11                           commodity on the farm determined under  
12                           paragraph (2)(A); and

13                           “(ii) the average price of the covered  
14                           commodity determined under paragraph  
15                           (2)(B); and

16                           “(B) the average amount of crop insurance  
17                           indemnities and noninsured crop disaster assist-  
18                           ance payments received by a producer on the  
19                           farm determined under paragraph (2)(C).

20           “(2) ACTUAL CROP REVENUE FACTORS.—For  
21           purposes of paragraph (1):

22                           “(A) ACTUAL YIELD.—The actual yield of  
23                           a covered commodity shall be equal to the  
24                           weighted average yield of all planted acres of

1 the covered commodity on the farm, as deter-  
2 mined by the Secretary.

3 “(B) AVERAGE PRICE.—

4 “(i) IN GENERAL.—Subject to clause  
5 (ii), the average price of a covered com-  
6 modity shall be equal to the national aver-  
7 age price for each covered commodity on  
8 the farm, determined by type or class if  
9 applicable in the case of wheat, barley, and  
10 rice, for the first 4 months of the mar-  
11 keting year of the covered commodity dur-  
12 ing which the crop of the covered com-  
13 modity would normally be expected to be  
14 harvested, as determined by the Secretary.

15 “(ii) ADJUSTMENT.—The Secretary  
16 shall adjust the average national price of a  
17 covered commodity received by a producer  
18 on a farm to reflect—

19 “(I) the average quality discounts  
20 applied to the local or regional market  
21 price of a crop or mechanically har-  
22 vested forage due to damage of the  
23 covered commodity from adverse  
24 weather, as determined annually by  
25 Secretary;

1                   “(II) the reduced value of the  
2                   covered commodity due to excess  
3                   moisture resulting from a disaster-re-  
4                   lated condition; or

5                   “(III) as the Secretary deter-  
6                   mines appropriate, regional variations  
7                   in quality recognized under the crop  
8                   insurance program under subtitle A of  
9                   the Federal Crop Insurance Act (7  
10                  U.S.C. 1501 et seq.) and the non-  
11                  insured crop disaster assistance pro-  
12                  gram.

13                  “(C) NET CROP INSURANCE INDEMN-  
14                  NITIES.—For each covered commodity, the av-  
15                  erage amount of crop insurance indemnities and  
16                  noninsured crop disaster assistance payments  
17                  received by a producer on a farm shall be equal  
18                  to the weighted average amount of crop insur-  
19                  ance indemnities less the amount of the pro-  
20                  ducer-paid premium per acre and noninsured  
21                  crop disaster assistance payments per acre re-  
22                  ceived by the producer.

23                  “(h) EXCLUSION OF GHOST ACRES.—

24                  “(1) IN GENERAL.—Except as provided in para-  
25                  graph (2), any crop subsequently planted on land de-

1       terminated for purposes of the Federal crop insurance  
2       program to be prevented planting acreage during the  
3       same crop year shall not be considered in calculating  
4       the historic revenue per acre or the actual crop rev-  
5       enue per acre for the farm under this section.

6               “(2) EXCEPTION.—Paragraph (1) shall not  
7       apply to a farm that, as determined by the Sec-  
8       retary—

9                       “(A) has a history of double-cropping; and

10                      “(B) is located in an area in which double-  
11       cropping is an acceptable agricultural practice  
12       for purposes of the Federal crop insurance pro-  
13       gram.

14   **“SEC. 1104. AVAILABILITY OF COUNTER-CYCLICAL PAY-**  
15                      **MENTS.**

16       “(a) PAYMENT REQUIRED.—For each of the 2013  
17       through 2017 crop years for each covered commodity, the  
18       Secretary shall make counter-cyclical payments to pro-  
19       ducers on farms for which payment yields and base acres  
20       are established with respect to the covered commodity if  
21       the Secretary determines that the effective price for the  
22       covered commodity is less than the target price for the  
23       covered commodity.

24       “(b) EFFECTIVE PRICE.—

1           “(1) COVERED COMMODITIES OTHER THAN  
2 RICE.—Except as provided in paragraph (2), for  
3 purposes of subsection (a), the effective price for a  
4 covered commodity is equal to the higher of the fol-  
5 lowing:

6           “(A) The national average market price re-  
7 ceived by producers during the first 4 months  
8 of the marketing year for the covered com-  
9 modity, as determined by the Secretary.

10           “(B) The national average loan rate for a  
11 marketing assistance loan for the covered com-  
12 modity in effect for the applicable period under  
13 subtitle B.

14           “(2) RICE.—In the case of long grain rice and  
15 medium grain rice, for purposes of subsection (a),  
16 the effective price for each type or class of rice is  
17 equal to the higher of the following:

18           “(A) The national average market price re-  
19 ceived by producers during the first 4 months  
20 of the marketing year for the type or class of  
21 rice, as determined by the Secretary.

22           “(B) The national average loan rate for a  
23 marketing assistance loan for the type or class  
24 of rice in effect for the applicable period under  
25 subtitle B.



1           “(c) TARGET PRICE.—For purposes of each of the  
2 2013 through 2017 crop years, the target prices for cov-  
3 ered commodities shall be as follows:

4           “(1) Wheat, \$4.17 per bushel.

5           “(2) Corn, \$2.63 per bushel.

6           “(3) Grain sorghum, \$2.63 per bushel.

7           “(4) Barley, \$2.63 per bushel.

8           “(5) Oats, \$1.79 per bushel.

9           “(6) Upland cotton, \$0.65 per pound.

10           “(7) Long grain rice, \$10.50 per hundred-  
11 weight.

12           “(8) Medium grain rice, \$10.50 per hundred-  
13 weight.

14           “(9) Soybeans, \$6.00 per bushel.

15           “(10) Other oilseeds, \$12.68 per hundred-  
16 weight.

17           “(11) Dry peas, \$8.32 per hundredweight.

18           “(12) Lentils, \$12.81 per hundredweight.

19           “(13) Small chickpeas, \$10.36 per hundred-  
20 weight.

21           “(14) Large chickpeas, \$12.81 per hundred-  
22 weight.

23           “(15) Peanuts, \$495 per ton.

24           “(d) PAYMENT RATE.—The payment rate used to  
25 make counter-cyclical payments with respect to a covered

1 commodity for a crop year shall be equal to the difference  
2 between—

3 “(1) the target price for the covered commodity;

4 and

5 “(2) the effective price determined under sub-  
6 section (b) for the covered commodity.

7 “(e) PAYMENT AMOUNT.—If counter-cyclical pay-  
8 ments are required to be paid under this section for any  
9 of the 2013 through 2017 crop years of a covered com-  
10 modity, the amount of the counter-cyclical payment to be  
11 paid to the producers on a farm for that crop year shall  
12 be equal to the product of the following:

13 “(1) The payment rate specified in subsection  
14 (d).

15 “(2) The counter-cyclical payment acres of the  
16 covered commodity on the farm.

17 “(3) The payment yield for the covered com-  
18 modity for the farm.

19 “(f) TIME FOR PAYMENTS.—If the Secretary deter-  
20 mines under subsection (a) that counter-cyclical payments  
21 are required to be made under this section for the crop  
22 of a covered commodity, as soon as practicable after the  
23 end of the first 4 months of the marketing year for the  
24 covered commodity, the Secretary shall make the counter-  
25 cyclical payments for the crop.

1 **“SEC. 1105. PRODUCER AGREEMENT REQUIRED AS CONDI-**  
2 **TION OF PROVISION OF PAYMENTS.**

3 “(a) COMPLIANCE WITH CERTAIN REQUIRE-  
4 MENTS.—

5 “(1) REQUIREMENTS.—Before the producers on  
6 a farm may receive revenue loss assistance program  
7 payments or counter-cyclical payments with respect  
8 to the farm, the producers shall agree, during the  
9 crop year for which the payments are made and in  
10 exchange for the payments—

11 “(A) to comply with applicable conserva-  
12 tion requirements under subtitle B of title XII  
13 of the Food Security Act of 1985 (16 U.S.C.  
14 3811 et seq.);

15 “(B) to comply with applicable wetland  
16 protection requirements under subtitle C of title  
17 XII of that Act (16 U.S.C. 3821 et seq.);

18 “(C) to comply with the planting flexibility  
19 requirements of section 1106;

20 “(D) to use the land on the farm, in a  
21 quantity equal to the attributable base acres for  
22 the farm for an agricultural or conserving use,  
23 and not for a nonagricultural commercial, in-  
24 dustrial, or residential use, as determined by  
25 the Secretary; and

1           “(E) to effectively control noxious weeds  
2           and otherwise maintain the land in accordance  
3           with sound agricultural practices, as determined  
4           by the Secretary, if the agricultural or con-  
5           serving use involves the noncultivation of any  
6           portion of the land referred to in subparagraph  
7           (D).

8           “(2) COMPLIANCE.—The Secretary may issue  
9           such rules as the Secretary considers necessary to  
10          ensure producer compliance with the requirements of  
11          paragraph (1).

12          “(3) MODIFICATION.—At the request of the  
13          transferee or owner, the Secretary may modify the  
14          requirements of this subsection if the modifications  
15          are consistent with the objectives of this subsection,  
16          as determined by the Secretary.

17          “(b) TRANSFER OR CHANGE OF INTEREST IN  
18 FARM.—

19           “(1) TERMINATION.—

20           “(A) IN GENERAL.—Except as provided in  
21           paragraph (2), a transfer of (or change in) the  
22           interest of the producers on a farm in base  
23           acres for which revenue loss assistance program  
24           payments or counter-cyclical payments are  
25           made shall result in the termination of the rev-

1 revenue loss assistance program payments or  
2 counter-cyclical payments to the extent the pay-  
3 ments are made or based on the base acres, un-  
4 less the transferee or owner of the acreage  
5 agrees to assume all obligations under sub-  
6 section (a).

7 “(B) EFFECTIVE DATE.—The termination  
8 shall take effect on the date determined by the  
9 Secretary.

10 “(2) EXCEPTION.—If a producer entitled to a  
11 revenue loss assistance program payment or counter-  
12 cyclical payment dies, becomes incompetent, or is  
13 otherwise unable to receive the payment, the Sec-  
14 retary shall make the payment, in accordance with  
15 rules issued by the Secretary.

16 “(c) REPORTS.—

17 “(1) ACREAGE REPORTS.—As a condition on  
18 the receipt of any benefits under this subtitle or sub-  
19 title B, the Secretary shall require producers on a  
20 farm to submit to the Secretary annual acreage re-  
21 ports with respect to all cropland on the farm.

22 “(2) PENALTIES.—No penalty with respect to  
23 benefits under this subtitle or subtitle B shall be as-  
24 sessed against the producers on a farm for an inac-  
25 curate acreage report unless the producers on the

1 farm knowingly and willfully falsified the acreage re-  
2 port.

3 “(d) TENANTS AND SHARECROPPERS.—In carrying  
4 out this subtitle, the Secretary shall provide adequate safe-  
5 guards to protect the interests of tenants and share-  
6 croppers.

7 “(e) SHARING OF PAYMENTS.—The Secretary shall  
8 provide for the sharing of revenue loss assistance program  
9 payments and counter-cyclical payments among the pro-  
10 ducers on a farm on a fair and equitable basis.

11 **“SEC. 1106. PLANTING FLEXIBILITY.**

12 “(a) DEFINITION OF NONCOVERED COMMODITY.—In  
13 this section, the term ‘noncovered commodity’ means—

14 “(1) fruits;

15 “(2) vegetables; and

16 “(3) wild rice.

17 “(b) PERMITTED CROPS.—Subject to subsection (c),  
18 any commodity or crop (other than a controlled substance)  
19 may be planted on base acres on a farm.

20 “(c) REDUCTION IN BASE ACRES.—

21 “(1) IN GENERAL.—Subject to paragraph (2),  
22 for each crop year for which a noncovered com-  
23 modity is planted on base acres on a farm, the total  
24 base acres used to calculate revenue loss assistance  
25 program payments and counter-cyclical payments

1 shall be reduced by an acre for each acre planted to  
2 the noncovered commodity.

3 “(2) DOUBLE-CROPPING.—In any region or on  
4 any farm that has a history of double-cropping of  
5 covered commodities with noncovered commodities,  
6 as determined by the Secretary, a producer may re-  
7 ceive full revenue loss assistance program payments  
8 and counter-cyclical payments for crops of covered  
9 commodities, but no payments for crops of non-  
10 covered commodities.

11 **“SEC. 1107. SPECIAL RULE FOR LONG GRAIN AND MEDIUM**  
12 **GRAIN RICE.**

13 “(a) CALCULATION METHOD.—Subject to sub-  
14 sections (b) and (c), for the purposes of determining the  
15 amount of the revenue loss assistance program payments  
16 and counter-cyclical payments to be paid to the producers  
17 on a farm for long grain rice and medium grain rice under  
18 sections 1103 and 1104, respectively, the base acres of  
19 rice on the farm shall be apportioned using the 4-year av-  
20 erage of the percentages of acreage planted in the applica-  
21 ble State to long grain rice and medium grain rice during  
22 the 2003 through 2006 crop years, as determined by the  
23 Secretary.

24 “(b) PRODUCER ELECTION.—As an alternative to the  
25 calculation method described in subsection (a), the Sec-

1   retary shall provide producers on a farm the opportunity  
2   to elect to apportion rice base acres on the farm using  
3   the 4-year average of—

4           “(1) the percentages of acreage planted on the  
5       farm to long grain rice and medium grain rice dur-  
6       ing the 2003 through 2006 crop years;

7           “(2) the percentages of any acreage on the  
8       farm that the producers were prevented from plant-  
9       ing to long grain rice and medium grain rice during  
10      the 2003 through 2006 crop years because of  
11      drought, flood, other natural disaster, or other con-  
12      dition beyond the control of the producers, as deter-  
13      mined by the Secretary; and

14          “(3) in the case of a crop year for which a pro-  
15      ducer on a farm elected not to plant to long grain  
16      and medium grain rice during the 2003 through  
17      2006 crop years, the percentages of acreage planted  
18      in the applicable State to long grain rice and me-  
19      dium grain rice, as determined by the Secretary.

20          “(c) LIMITATION.—In carrying out this section, the  
21      Secretary shall use the same total base acres, counter-cy-  
22      clical payment acres, and payment yields established with  
23      respect to rice under sections 1101 and 1102 of the Farm  
24      Security and Rural Investment Act of 2002 (7 U.S.C.



1 7911, 7912), as in effect on September 30, 2007, subject  
2 to any adjustment under section 1101 of this Act.

3 **“SEC. 1108. PERIOD OF EFFECTIVENESS.**

4 “This subtitle shall be effective beginning with the  
5 2013 crop year of each covered commodity through the  
6 2017 crop year.”.

7 **SEC. 3. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS.**

8  
9 (a) **LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.**—Section 1202 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8732) is  
10  
11 amended—  
12

13 (1) by redesignating subsection (d) as subsection (e); and  
14

15 (2) by inserting after subsection (c) the following:  
16

17 “(c) **2013 THROUGH 2017 CROP YEARS.**—For purposes of each of the 2013 through 2017 crop year, the  
18 loan rate for a marketing assistance loan under section  
19 1201 for a loan commodity shall be equal to the following:  
20

21 “(1) In the case of wheat, \$2.94 per bushel.

22 “(2) In the case of corn, \$1.95 per bushel.

23 “(3) In the case of grain sorghum, \$1.95 per  
24 bushel.

25 “(4) In the case of barley, \$1.95 per bushel.

1           “(5) In the case of oats, \$1.39 per bushel.

2           “(6) In the case of base quality of upland cot-  
3 ton—

4                   “(A) for the 2012 crop year, \$0.52 per  
5 pound; and

6                   “(B) for the 2013 and each subsequent  
7 crop year, the simple average of the adjusted  
8 prevailing world price for the 2 immediately  
9 preceding marketing years, as determined by  
10 the Secretary and announced the October 1  
11 preceding the next domestic plantings, but in  
12 no case less than \$0.47 per pound or more than  
13 \$0.52 per pound.

14           “(7) In the case of extra long staple cotton,  
15 \$0.7977 per pound.

16           “(8) In the case of long grain rice, \$6.50 per  
17 hundredweight.

18           “(9) In the case of medium grain rice, \$6.50  
19 per hundredweight.

20           “(10) In the case of soybeans, \$5.00 per bushel.

21           “(11) In the case of other oilseeds, \$10.09 per  
22 hundredweight for each of the following kinds of oil-  
23 seeds:

24                   “(A) Sunflower seed.

25                   “(B) Rapeseed.

- 1                   “(C) Canola.
- 2                   “(D) Safflower.
- 3                   “(E) Flaxseed.
- 4                   “(F) Mustard seed.
- 5                   “(G) Crambe.
- 6                   “(H) Sesame seed.
- 7                   “(I) Other oilseeds designated by the Sec-
- 8                   retary.
- 9                   “(12) In the case of dry peas, \$5.40 per hun-
- 10                  dredweight.
- 11                  “(13) In the case of lentils, \$11.28 per hun-
- 12                  dredweight.
- 13                  “(14) In the case of small chickpeas, \$7.43 per
- 14                  hundredweight.
- 15                  “(15) In the case of large chickpeas, \$11.28 per
- 16                  hundredweight.
- 17                  “(16) In the case of graded wool, \$1.15 per
- 18                  pound.
- 19                  “(17) In the case of nongraded wool, \$0.40 per
- 20                  pound.
- 21                  “(18) In the case of mohair, \$4.20 per pound.
- 22                  “(19) In the case of honey, \$0.69 per pound.
- 23                  “(20) In the case of peanuts, \$355 per ton.”.

1 (b) PEANUTS MARKETING.—Section 1204 of the  
2 Food, Conservation, and Energy Act of 2008 (7 U.S.C.  
3 8734) is amended by adding at the end the following:

4 “(i) PEANUTS MARKETING.—A marketing associa-  
5 tion or cooperative may market peanuts for which a loan  
6 is made under this section in any manner that conforms  
7 to consumer needs, including the separation of peanuts by  
8 type and quality.”.

9 **SEC. 4. EXTENSION OF EXPIRING AUTHORITIES.**

10 (a) FOOD, CONSERVATION, AND ENERGY ACT OF  
11 2008.—

12 (1) IN GENERAL.—The following provisions of  
13 the Food, Conservation, and Energy Act of 2008 are  
14 amended by striking “2012” each place it appears  
15 and inserting “2017”:

16 (A) Section 1201(a)(1) (7 U.S.C.  
17 8731(a)(1)).

18 (B) Section 1205(a)(2)(B) (7 U.S.C.  
19 8735(a)(2)(B)).

20 (C) Subsections (a) and (d) of section  
21 1206 (7 U.S.C. 8736).

22 (D) Subsections (a)(2) and (b) of section  
23 1209 (7 U.S.C. 8739).

24 (E) Section 1307(a)(1) (7 U.S.C.  
25 8757(a)(1)).

1 (F) Subsections (g) and (h)(1) of section  
2 1506 (7 U.S.C. 8773).

3 (G) Section 1602 (7 U.S.C. 8782).

4 (H) Section 1605(h) (7 U.S.C. 8783(h)).

5 (I) Subsections (b)(2)(A) and (c) of section  
6 1612 (7 U.S.C. 8787).

7 (J) Section 1613(c) (7 U.S.C. 8788(c)).

8 (K) Section 1621(d) (7 U.S.C. 8792(d)).

9 (2) OTHER AMENDMENTS.—

10 (A) ADJUSTMENT OF PREVAILING WORLD  
11 MARKET PRICE FOR UPLAND COTTON.—Section  
12 1204(e)(2)(B) of the Food, Conservation, and  
13 Energy Act of 2008 (7 U.S.C. 8734(e)(2)(B))  
14 is amended by striking “July 31, 2013” and in-  
15 sserting “July 31, 2018”.

16 (B) SPECIAL MARKETING LOAN PROVI-  
17 SIONS FOR UPLAND COTTON.—Section  
18 1207(a)(2)(A) of the Food, Conservation, and  
19 Energy Act of 2008 (7 U.S.C. 8737(a)(2)(A))  
20 is amended by striking “July 31, 2013” and in-  
21 sserting “July 31, 2018”.

22 (C) SPECIAL COMPETITIVE PROVISIONS  
23 FOR EXTRA LONG STAPLE COTTON.—Section  
24 1208(a) of the Food, Conservation, and Energy  
25 Act of 2008 (7 U.S.C. 8738(a)) is amended in

1 the matter preceding paragraph (1) by striking  
2 “July 31, 2013” and inserting “July 31,  
3 2018”.

4 (D) DAIRY PRODUCT PRICE SUPPORT PRO-  
5 GRAM.—Section 1501(b) of the Food, Conserva-  
6 tion, and Energy Act of 2008 (7 U.S.C.  
7 8771(b)) is amended by striking “December 31,  
8 2012” and inserting “December 31, 2017”.

9 (E) DAIRY FORWARD PRICING PROGRAM.—  
10 Section 1502(e) of the Food, Conservation, and  
11 Energy Act of 2008 (7 U.S.C. 8772(e)) is  
12 amended—”

13 (i) in paragraph (1), by striking “Sep-  
14 tember 30, 2012” and inserting “Sep-  
15 tember 30, 2017”; and

16 (ii) in paragraph (2), by striking  
17 “September 30, 2015” and inserting “Sep-  
18 tember 30, 2020”.

19 (b) OTHER LAWS.—The following provisions of law  
20 are amended by striking “2012” each place it appears and  
21 inserting “2017”:

22 (1) The matter preceding subparagraph (A) of  
23 section 359b(a)(1) of the Agricultural Adjustment  
24 Act of 1938 (7 U.S.C. 1359bb(a)(1)).

1           (2) Section 359*l*(a) of the Agricultural Adjust-  
2           ment Act of 1938 (7 U.S.C. 1359*l*(a)).

3           (3) Section 153(a) of the Food Security Act of  
4           1985 (15 U.S.C. 713a–14(a)).

5           (4) Section 3 of Public Law 90–484 (7 U.S.C.  
6           450*l*).

7           (5) Section 113(e)(2) of the Dairy Production  
8           Stabilization Act of 1983 (7 U.S.C. 4504(e)(2)).

9           (6)(A) Section 156 of the Federal Agriculture  
10          Improvement and Reform Act of 1996 (7 U.S.C.  
11          7272) is amended—

12                 (i) in subsection (a)(5), by striking “the  
13                 2012 crop year” and inserting “each of the  
14                 2013 through 2017 crop years”;

15                 (ii) in subsection (b)(2), by striking  
16                 “2012” and inserting “2017”; and

17                 (iii) in subsection (i), by striking “2012”  
18                 and inserting “2017”.

19          (B) Section 1402 of the Food, Conservation,  
20          and Energy Act of 2008 (7 U.S.C. 3602 note; Pub-  
21          lic Law 110–246) is amended by striking “2007”  
22          and inserting “2012”.

23          (c) TECHNICAL CORRECTIONS.—

1           (1) Section 359f(e)(1)(B) of the Agricultural  
2           Adjustment Act of 1938 (7 U.S.C. 1359ff(e)(1)(B))  
3           is amended by adding a period at the end.

4           (2) Section 1603(g) of the Food, Conservation,  
5           and Energy Act of 2008 (Public Law 110–246; 122  
6           Stat. 1739) is amended in paragraphs (2) through  
7           (6) and the amendments made by those paragraphs  
8           by striking “1703(a)” each place it appears and in-  
9           serting “1603(a)”.

10           (3) This paragraph and the amendments made  
11           by this paragraph take effect as if included in the  
12           Food, Conservation, and Energy Act of 2008 (Public  
13           Law 110–246; 122 Stat. 1651).

14 **SEC. 5. REPEAL OF DIRECT PAYMENT AND ACRE PRO-**  
15 **GRAMS.**

16           (a) FOOD, CONSERVATION, AND ENERGY ACT OF  
17 2008.—

18           (1) The table of contents in section 1(b) of the  
19           Food, Conservation, and Energy Act of 2008 (122  
20           Stat. 1651; 7 U.S.C. 8701 note) is amended in the  
21           items relating to title I—

22                   (A) by striking the items relating to sub-  
23           title A and inserting the following:

“Subtitle A—Revenue Loss Assistance Program and Counter-cyclical Program

“Sec. 1101. Base acres.

“Sec. 1102. Payment yields.

“Sec. 1103. Revenue loss assistance program.



“Sec. 1104. Availability of counter-cyclical payments.

“Sec. 1105. Producer agreement required as condition of provision of payments.

“Sec. 1106. Planting flexibility.

“Sec. 1107. Special rule for long grain and medium grain rice.

“Sec. 1108. Period of effectiveness.”;

1           and

2                   (B) by striking the items relating to sub-  
3           title C.

4           (2) Section 1206(b) of the Food, Conservation,  
5           and Energy Act of 2008 (7 U.S.C. 8736(b)) is  
6           amended—

7                   (A) in paragraph (1)(B)(ii), by striking  
8           “the payment yield in effect for the calculation  
9           of direct payments under subtitle A with re-  
10          spect to that loan commodity on the farm or, in  
11          the case of a farm without a payment yield for  
12          that loan commodity,”; and

13                   (B) in paragraph (2)(B)(ii), by striking  
14          “the payment yield in effect for the calculation  
15          of direct payments under subtitle A with re-  
16          spect to wheat on the farm or, in the case of  
17          a farm without a payment yield for wheat,”.

18          (b) FOOD SECURITY ACT OF 1985.—

19                   (1) Section 1001 of the Food Security Act of  
20          1985 (7 U.S.C. 1308) is amended by striking sub-  
21          sections (b) and (c) and inserting the following:

1           “(b) LIMITATION ON REVENUE LOSS ASSISTANCE  
2 PROGRAM PAYMENTS AND COUNTER-CYCLICAL PAY-  
3 MENTS FOR COVERED COMMODITIES.—The total amount  
4 of revenue loss assistance program payments and counter-  
5 cyclical program payments received, directly or indirectly,  
6 by a person or legal entity for any crop year under subtitle  
7 A of title I of the Food, Conservation, and Energy Act  
8 of 2008 (7 U.S.C. 8711 et seq.) for 1 or more covered  
9 commodities may not exceed \$105,000.”.

10           (2) Section 1001D of the Food Security Act of  
11 1985 (7 U.S.C. 1308–3a) is amended—

12                   (A) in subsection (b)(1)—

13                           (i) by striking subparagraphs (A) and  
14                           (B) and inserting the following:

15                           “(A) IN GENERAL.—Notwithstanding any  
16                           other provision of law, a person or legal entity  
17                           shall not be eligible to receive any benefit de-  
18                           scribed in subparagraph (B) during a crop, fis-  
19                           cal, or program year, as appropriate, if the av-  
20                           erage adjusted gross income of the person or  
21                           legal entity exceeds \$999,000.”;

22                           (ii) by redesignating subparagraph  
23                           (C) as subparagraph (B); and

1 (iii) in subparagraph (B) (as so des-  
2 ignated) by striking clause (i) and insert-  
3 ing the following:

4 “(i) A revenue loss assistance pro-  
5 gram payment or counter-cyclical payment  
6 under title I of the Food, Conservation,  
7 and Energy Act of 2008 (7 U.S.C. 8702 et  
8 seq.)”; and

9 (B) in subsection (f), by striking “2012”  
10 and inserting “2017”.

11 **SEC. 6. SUPPLEMENTAL COVERAGE OPTION.**

12 (a) AVAILABILITY OF SUPPLEMENTAL COVERAGE  
13 OPTION.—Section 508(c) of the Federal Crop Insurance  
14 Act (7 U.S.C. 1508(c)) is amended by striking paragraph  
15 (3) and inserting the following:

16 “(3) YIELD AND LOSS BASIS OPTIONS.—A pro-  
17 ducer shall have the option of purchasing additional  
18 coverage based on—

19 “(A)(i) an individual yield and loss basis;

20 or

21 “(ii) an area yield and loss basis; or

22 “(B) an individual yield and loss basis,  
23 supplemented with coverage based on an area  
24 yield and loss basis to cover a part of the de-

1 ductible under the individual yield and loss pol-  
2 icy, as described in paragraph (4)(C).”.

3 (b) LEVEL OF COVERAGE.—Section 508(c) of the  
4 Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amend-  
5 ed by striking paragraph (4) and inserting the following:

6 “(4) LEVEL OF COVERAGE.—

7 “(A) DOLLAR DENOMINATION.—Except as  
8 provided in subparagraph (C), the level of cov-  
9 erage shall be dollar-denominated.

10 “(B) INFORMATION.—The Corporation  
11 shall provide producers with information on cat-  
12 astrophic risk and additional coverage in terms  
13 of dollar coverage (within the allowable limits of  
14 coverage provided in this paragraph).

15 “(C) SUPPLEMENTAL COVERAGE OP-  
16 TION.—

17 “(i) IN GENERAL.—Notwithstanding  
18 subparagraph (A), in the case of the sup-  
19 plemental coverage option described in  
20 paragraph (3)(B), the Corporation shall  
21 offer producers the opportunity to pur-  
22 chase coverage in combination with an in-  
23 dividual policy or plan of insurance (other  
24 than catastrophic risk protection) offered  
25 under this subtitle that would allow indem-

1 nities to be paid to a producer equal to  
2 part of the deductible under the individual  
3 policy or plan of insurance, if sufficient  
4 area data is available (as determined by  
5 the Corporation).

6 “(ii) TRIGGER.—Coverage offered  
7 under paragraph (3)(B) and clause (i)  
8 shall be triggered only if the losses in the  
9 area exceed 25 percent of normal levels (as  
10 determined by the Corporation).

11 “(iii) COVERAGE.—Subject to the trig-  
12 ger described in clause (ii) and the deduct-  
13 ible required under clause (iv), coverage of-  
14 fered under paragraph (3)(B) and clause  
15 (i) shall cover the first loss incurred by the  
16 producer but not to exceed the difference  
17 between—

18 “(I) 75 percent; and

19 “(II) the coverage level selected  
20 by the producer for the underlying  
21 policy or plan of insurance.

22 “(iv) DEDUCTIBLE.—Coverage offered  
23 under paragraph (3)(B) and clause (i)  
24 shall be subject to a deductible in an  
25 amount equal to 25 percent of the expected

1 value of the crop of the producer under the  
2 underlying policy or plan of insurance, as  
3 determined by the Corporation.

4 “(v) REQUIRED TERMS.—The supple-  
5 mental coverage option shall be offered to  
6 producers of an agricultural commodity in  
7 each county in which the agricultural com-  
8 modity is produced—

9 “(I) at a county-wide level to the  
10 fullest extent practicable; or

11 “(II) in a county that lacks suffi-  
12 cient data, on the basis of such larger  
13 geographical area as the Corporation  
14 determines to provide sufficient data  
15 for purposes of providing the cov-  
16 erage.

17 “(vi) PREMIUM AMOUNT.—Notwith-  
18 standing subsection (d), the premium  
19 shall—

20 “(I) be sufficient to cover antici-  
21 pated losses and a reasonable reserve;  
22 and

23 “(II) include an amount for oper-  
24 ating and administrative expenses es-  
25 tablished in accordance with sub-

1 section (k)(4)(F), but not to exceed 6  
2 percent of the premium used to define  
3 the loss ratio for the supplemental  
4 coverage option.”.

5 (c) PREMIUM.—Section 508(d)(2)(B) of the Federal  
6 Crop Insurance Act (7 U.S.C. 1508(d)(2)(B)) is amended  
7 in the matter preceding clause (i) by inserting “or that  
8 combines an individual yield and loss basis and an area  
9 yield and loss basis” after “not based on individual yield”.

10 (d) PAYMENT OF PORTION OF PREMIUM BY COR-  
11 PORATION.—Section 508(e)(2) of the Federal Crop Insur-  
12 ance Act (7 U.S.C. 1508(e)(2)) is amended by adding at  
13 the end the following:

14 “(H) In the case of the supplemental cov-  
15 erage option described in paragraphs (3)(B)  
16 and (4)(C) of subsection (c), the amount shall  
17 be equal to the sum of—

18 “(i) not less than 70 percent of the  
19 additional premium associated with the  
20 coverage; and

21 “(ii) the amount determined under  
22 subsection (d)(2)(B)(ii) for the coverage to  
23 cover operating and administrative ex-  
24 penses.”.

1 (e) DATA SOURCES.—Section 508(g)(2) of the Fed-  
2 eral Crop Insurance Act (7 U.S.C. 1508(g)(2)) is amended  
3 by adding at the end the following:

4 “(E) SOURCES OF YIELD DATA.—To deter-  
5 mine yields under the program established  
6 under this paragraph, the Corporation shall use  
7 data collected by the Risk Management Agency  
8 or the National Agricultural Statistics Service,  
9 or both.”.

10 (f) ADMINISTRATIVE AND OPERATING COSTS REIM-  
11 BURSEMENT RATE.—Section 508(k)(4)(F) of the Federal  
12 Crop Insurance Act (7 U.S.C. 1508(k)(4)(F)) is amended  
13 by inserting “or as authorized under section  
14 508(e)(4)(C)” after “date of enactment of this subpara-  
15 graph”.

16 (g) EFFECTIVE DATE.—The Federal Crop Insurance  
17 Corporation shall begin to provide additional coverage  
18 based on an individual yield and loss basis, supplemented  
19 with coverage based on an area yield and loss basis, not  
20 later than for the 2013 crop year.

21 **SEC. 7. CATASTROPHIC RISK PROTECTION PREMIUM RE-**  
22 **DUCTION.**

23 Section 508(d)(2) of the Federal Crop Insurance Act  
24 (7 U.S.C. 1508(d)(2)) is amended by striking subpara-  
25 graph (A) and inserting the following:



1 “(A) CATASTROPHIC RISK PROTECTION.—

2 “(i) IN GENERAL.—For the 2011 and  
3 previous crop years, the amount of the pre-  
4 mium for catastrophic risk protection cov-  
5 erage shall be sufficient to cover antici-  
6 pated losses and a reasonable reserve.

7 “(ii) REDUCTION.—For the 2012 and  
8 subsequent crop years, the amount of the  
9 premium for catastrophic risk protection  
10 coverage authorized under clause (i) shall  
11 be reduced by the percentage equal to the  
12 difference between the average loss ratio  
13 for each crop and 100 percent, plus a rea-  
14 sonable reserve.”.

15 **SEC. 8. ADJUSTMENT IN ACTUAL PRODUCTION HISTORY TO**  
16 **ESTABLISH INSURABLE YIELDS.**

17 Section 508(g)(4)(B) of the Federal Crop Insurance  
18 Act (7 U.S.C. 1508(g)(4)(B)) is amended by striking “60  
19 percent” both places it appears and inserting “70 per-  
20 cent”.

21 **SEC. 9. SUPPLEMENTAL AGRICULTURAL DISASTER ASSIST-**  
22 **ANCE.**

23 (a) DEFINITIONS.—Section 531(a) of the Federal  
24 Crop Insurance Act (7 U.S.C. 1531(a)) is amended—

25 (1) in paragraph (5)—

1 (A) in the matter preceding clause (i), by  
2 striking the first “under”; and

3 (B) by redesignating clauses (i) through  
4 (iii) as subparagraphs (A), (B), and (C), re-  
5 spectively, and indenting appropriately;

6 (2) by striking paragraph (20); and

7 (3) by redesignating paragraph (21) as para-  
8 graph (20).

9 (b) SUPPLEMENTAL REVENUE ASSISTANCE PAY-  
10 MENTS.—Section 531(b) of the Federal Crop Insurance  
11 Act (7 U.S.C. 1531(b)) is amended—

12 (1) in paragraph (1)—

13 (A) in subparagraph (A)—

14 (i) by striking “from the Trust Fund”  
15 and inserting “of the Commodity Credit  
16 Corporation”; and

17 (ii) by striking “the crop year” and  
18 inserting “during the period beginning on  
19 October 1, 2011, and ending on September  
20 30, 2012”; and

21 (B) in subparagraph (B), by striking “crop  
22 of economic significance” and inserting “cov-  
23 ered commodity (as defined in section 1001 of  
24 the Food, Conservation, and Energy Act of  
25 2008 (7 U.S.C. 8702)) or peanuts”;

1           (2) in paragraph (2)(A), in the matter pre-  
2           ceding clause (i), by striking “60 percent” and in-  
3           serting “50 percent”;

4           (3) in paragraph (3)(A)(i), in the matter pre-  
5           ceding subclause (I), by striking “115 percent” and  
6           inserting “112 percent”; and

7           (4) in paragraph (4)—

8           (A) in subparagraph (A)—

9           (i) in clause (i)(II), by inserting “the  
10           first 4 months of” after “received for”;  
11           and

12           (ii) in clause (ii), by striking “15 per-  
13           cent” and inserting “100 percent”; and

14           (B) in subparagraph (C), by inserting “the  
15           first 4 months of” after “during the”.

16       (c) LIVESTOCK INDEMNITY PAYMENTS.—Section  
17       531(e) of the Federal Crop Insurance Act (7 U.S.C.  
18       1531(e)) is amended—

19           (1) in paragraph (1)—

20           (A) by striking “from the Trust Fund”  
21           and inserting “of the funds of the Commodity  
22           Credit Corporation for each of fiscal years 2012  
23           through 2021”; and

24           (B) by inserting “, or due to predators  
25           protected or reintroduced by the Federal Gov-

1           ernment, as determined by the Secretary” be-  
2           fore the period at the end; and

3           (2) in paragraph (2), by striking “75” and in-  
4           serting “65”.

5           (d) LIVESTOCK FORAGE DISASTER PROGRAM.—Sec-  
6           tion 531(d) of the Federal Crop Insurance Act (7 U.S.C.  
7           1531(d)) is amended—

8           (1) in paragraph (2), by striking “from the  
9           Trust Fund” and inserting “of the funds of the  
10          Commodity Credit Corporation for each of fiscal  
11          years 2012 through 2021”;

12          (2) by striking paragraph (5); and

13          (3) by redesignating paragraph (6) as para-  
14          graph (5).

15          (e) EMERGENCY ASSISTANCE FOR LIVESTOCK,  
16          HONEY BEES, AND FARM-RAISED FISH.—Section  
17          531(e)(1) of the Federal Crop Insurance Act (7 U.S.C.  
18          1531(e)(1)) is amended by striking “\$50,000,000 per year  
19          from the Trust Fund” and inserting “\$20,000,000 of the  
20          funds of the Commodity Credit Corporation for each of  
21          fiscal years 2012 through 2021”.

22          (f) TREE ASSISTANCE PROGRAM.—Section 531(f) of  
23          the Federal Crop Insurance Act (7 U.S.C. 1531(f)) is  
24          amended—

1           (1) in paragraph (2)(A), by striking “from the  
2           Trust Fund” and inserting “of the funds of the  
3           Commodity Credit Corporation for each of fiscal  
4           years 2012 through 2021”; and

5           (2) in paragraph (3)—

6                   (A) in subparagraph (A)(i), by striking  
7                   “70” and inserting “60”; and

8                   (B) in subparagraph (B), by striking “50”  
9                   and inserting “40”.

10          (g) RISK MANAGEMENT PURCHASE REQUIRE-  
11          MENT.—Section 531(g)(1) of the Federal Crop Insurance  
12          Act (7 U.S.C. 1531(g)(1)) is amended in the matter pre-  
13          ceding subparagraph (A) by striking “and (d)” and insert-  
14          ing “, (d), and (e)”.

15          (h) CONFORMING AMENDMENTS.—

16               (1) Section 531 of the Federal Crop Insurance  
17          Act (7 U.S.C. 1531) is amended—

18                   (A) by striking subsection (i); and

19                   (B) by redesignating subsections (j) and  
20                   (k) as subsections (i) and (j), respectively.

21               (2) Title IX of the Trade Act of 1974 (19  
22          U.S.C. 2497 et seq.) is repealed.

23          (i) EFFECTIVE DATE.—This section and the amend-  
24          ments made by this section take effect on October 1, 2011.

1 **SEC. 10. BUDGETARY EFFECTS.**

2       The budgetary effects of this Act, for the purpose of  
3 complying with the Statutory Pay-As-You-Go-Act of 2010,  
4 shall be determined by reference to the latest statement  
5 titled “Budgetary Effects of PAYGO Legislation” for this  
6 Act, submitted for printing in the Congressional Record  
7 by the Chairman of the Senate Budget Committee, pro-  
8 vided that such statement has been submitted prior to the  
9 vote on passage.

10 **SEC. 11. EFFECTIVE DATE.**

11       Except as otherwise provided in this Act, this Act and  
12 the amendments made by this Act take effect on October  
13 1, 2012.