

## Joint Explanatory Statement of the Committee of Conference

The managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill, H.R. 2, to provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2023, and for other purposes, submit the following joint statement to the Senate and the House in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment.

The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

## Title I – Commodities

### *(1) Definitions*

The House bill proposes a freestanding version of the farm program statutory framework, and provides definitions for 24 terms applicable to the commodity program provisions in subtitles A and B of the Act. Most are the same as current law, with exceptions in the following paragraphs of section 1111: (4) Base Acres: technical change is made to cross reference the same definition in the 2014 Act; (5) Covered Commodities: updated to include seed cotton in the underlying definition; (7) Effective Reference Price: defined to mean the lesser of: (A) An amount equal to 115% of the reference price for such covered commodity; or (B) An amount equal to the greater of— (i) the reference price for such covered commodity; or (ii) 85 percent of the average of the marketing year average price of the covered commodity for the most recent 5 crop years, excluding each of the crop years with the highest and lowest marketing year average price. (9) Marketing Year Average Price: included as defined term in lieu of repeated references to “national average market price received by producers during the 12-month marketing year for a covered commodity”; (13) Payment Yield: conforming amendment is included to reflect reenactment of new Title I provisions. (21) Temperate Japonica Rice: the reference to one-time reallocation of base acres under the Agriculture Act of 2014 is deleted. The House bill also deletes the current law definitions of “County Coverage” and “Individual Coverage”, consistent with the House bill’s proposal to repeal the Agriculture Risk Coverage (ARC) individual program. The definition of “Generic Base Acres” is also omitted. (Section 1111)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to add a definition of “effective reference price” to section 1111 of the Agricultural Act of 2014. (Section 1101)

### *(2) Base Acres*

The House bill deletes the provisions in section 1112(a) of the Agricultural Act of 2014 governing the 2009 through 2012 crop year-based 1-time base reallocation. (Section 1112(a)-(c)(2))

The Senate amendment amends section 1112(c)(2) to make a technical correction to update the reference to the wetlands reserve program to wetland reserve easements. (Section 1709(a))

The Conference substitute adopts the Senate provision. (Section 1102(a))

The Managers expect the Farm Service Agency (FSA) to provide information to producers regarding the treatment of base on a farm prior to a producer making a decision on whether or not to reenroll the farm in a CRP contract.

### *(3) Base Acres-Treatment of Unplanted Base Acres*

The House bill requires that in the case of a farm on which no covered commodities (including seed cotton) were planted during 2009 through 2017, the Secretary shall allocate all base acres on the farm to unassigned crop base for which no payment shall be made under the Price Loss Coverage (PLC) or ARC programs.

The House bill also requires the Secretary to ensure that producers do not reconstitute the farm to void or change the treatment of base acres section 1112. (Section 1112(c)(3)-(c)(4))

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to provide that in the case of a farm on which all of the cropland was planted to grass or pasture (including cropland that was idle or fallow), as determined by the Secretary, during 2009 through 2017, the Secretary shall maintain all base acres and payment yields for the covered commodities on the farm, except that no payment shall be made with respect to those base acres under the PLC or ARC programs for the 2019 through 2023 crop years. In addition, producers on a farm for which all the base acres are maintained under this provision are ineligible for the option to change their PLC / ARC election under new section 1115(h) of the Agricultural Act of 2014 as added by section 1105 of the bill. (Section 1102(b))

The Managers intend for base acreage on entire farms planted to grass and pasture to be limited to include only FSA crop codes for grass (subcategories of grass and native grass) and idle (subcategories of fallow and idle) for the purposes of the provision. The Managers intend for FSA to electronically maintain all of the base acres on the farm as the crop base for the covered commodity, along with program payment yields for the farm. The Managers do not intend for the base acres to be categorized as unassigned crop base, nor that unassigned crop base will be affected by this provision.

The Managers do not intend for base acreage planted to annual forages, such as sorghum-sudangrass or grazed commodities, to be considered planted to grass and pasture for the purposes of the provision. The Managers do not intend for base acreage assigned to idle crop codes (other than those for the subcategories of idle and fallow) and for base acreage under a CRP contract to be considered planted to grass and pasture for the purposes of the provision.

The Managers expect FSA to consult with the Committees during the process of identifying the base acreage that they determine to be subject to new section 1112(d)(3).

#### *(4) Payment Yields – Designated Oilseeds*

The House bill provides for the establishment of designated oilseed yields for a farm that does not have a payment yield under the Agricultural Act of 2014 (same as current law).

The House bill also increases the payment yield for designated oilseeds from 75 percent to 90 percent of the average yield per planted acre for the most recent 5 years. (Section 1113)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to clarify that the payment yield for designated oilseeds shall be established at 90 percent of the average yield per planted acre for the most recent 5 years shall apply only with respect to oilseed designated after the date of enactment of the Agriculture Improvement Act of 2018. (Section 1103(a))

#### *(5) Payment Yields-Single Opportunity to Update Yields in Counties Affected by Drought*

The House bill provides: (1) a single opportunity for the owner of a farm to update yields only where the farm is physically located in a county that experienced 20 or

more consecutive weeks of exceptional drought during 2008 through 2012; (2) by covered-commodity, yields may be updated at 90% of average yield per planted acre for the 2013 through 2017 crop years (excluding any year in which the acreage planted to the covered commodity was zero); (3) if the farm-level yield is less than 75% of the average county yield for a covered commodity for any of the years, then the Secretary shall assign 75% of the 2013-2017 average county yield for the covered commodity for that crop year; (4) the election must be made in time for the 2019 crop year; and (5) the average yield for seed cotton per planted acre equals 2.4 times the average yield for upland cotton per planted acre. (Section 1113(c))

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to provide the owners of all farms in the country a one-time opportunity to update the payment yield that would otherwise be used in calculating any PLC payment for each covered commodity on the farm, based on a formula specified in the statute, to be in effect beginning with the 2020 crop year. (Section 1103(b))

#### *(6) Payment Acres*

The House bill amends the minimum 10 base acre test for PLC or ARC payments to provide an exception for producers who collectively have more than 10 base acres across all farms in which they have an interest. Section 1114(c)(4) provides that for each crop year for which fruits, vegetables (other than mung beans and pulse crops), or wild rice are planted to base acres on a farm for which a reduction in payment acres is made, the Secretary shall consider such base acres to be planted, or prevented from planting, to a covered commodity for purposes of any adjustment or reduction of base acres for the farm under section 1112 of the Agricultural Act of 2014. (Section 1114)

The Senate amendment amends current law section 1114(e) of the Agricultural Act of 2014 to provide that: (A) if the Secretary recalculates base acres for a farm while a farm is engaged in planting and production of fruits, vegetables, or wild rice on base acres for which a reduction in payment acres was made, that planting and production shall be considered to be the same as the planting and production of a covered commodity; and (B) this provision does not authorize the Secretary to recalculate base acres for a farm (Section 1101)

The Conference substitute adopts the House provision with an amendment to add beginning and veteran farmers or ranchers to the current law exception for socially disadvantaged farmers and ranchers from the minimum 10 base acre test for PLC or ARC payments. (Section 1104)

#### *(7) Producer Election*

The House bill deletes references to ARC Individual coverage, but otherwise is consistent with current law, providing that failure to make a unanimous election for the 2019 crop year results in no program payments on the farm for the 2019 crop year, and that the producers on the farm are deemed to have elected PLC for all covered commodities on the farm for the 2020-2023 crop years. (Section 1115)

The Senate amendment makes current law section 1115(a) applicable for the 2019 through 2023 crop years. The Senate amendment also amends current law 1115(c) to provide that failure to make a unanimous election for the 2019 crop year results in no program payments to the farm for the 2019 crop year, and the producers on the farm are

deemed to have elected ARC county coverage for all covered commodities on the farm for the 2020-2023 crop years. (Section 1102)

The Conference substitute adopts the Senate provision with an amendment that failure to make a unanimous election for the 2019 crop year results in no program payments to the farm for the 2019 crop year, and the producers on the farm are deemed to have elected the same coverage for each covered commodity on the farm for the 2020 through 2023 crop years as was applicable for the 2015 through 2018 crop years. (Section 1105)

*(8) Option to Change Producer Election*

The Senate amendment amends section 1115 by adding a new subsection (h) to provide that for the 2021 crop year, all of the producers on a farm may make a one-time, irrevocable election to change the election applicable to the producers on the farm to PLC or ARC, which shall apply to the producers on the farm for each of the 2021, 2022, and 2023 crop years. (Section 1106)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to allow producers an opportunity to change program elections annually beginning with crop year 2021. (Section 1105(5))

The Managers intend for eligible producers to have the opportunity to voluntarily change program elections annually beginning with crop year 2021 under similar terms as the crop year 2019 election, including unanimous elections on a farm-by-farm and covered commodity-by-covered commodity basis. However, the Managers do not intend for FSA to require producers to make a new election or to reaffirm previous elections in crop year 2021 or each crop year thereafter. This is an option to be exercised solely at the discretion of the producers on the farm.

*(9) One time filing for ARC and PLC*

The House bill provides the following: (a) During the first enrollment period announced by the Farm Service Agency (FSA) after the date of the enactment, producers on a farm may file a one-time program contract with the Secretary to enroll in ARC or PLC through crop year 2023. (b) In the case of a change in a farming operation for which producers on a farm have filed a one-time program contract, the producers must file an updated program contract with the Secretary not later than one year after such change in the farming operation occurs. (c) The Secretary shall provide to each producer that files a one-time program contract a notice that includes the applicable annual and other periodic reporting requirements. (d) The Secretary shall issue regulations necessary to carry out this section; and revise section 1412.41 of title 7, Code of Federal Regulations, in accordance with this section. (Section 1612)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(10) Price Loss Coverage*

The House bill, effective for crop years 2019-2023, sets the PLC payment rate as the difference between (1) the effective reference price and (2) the effective price.

In order to reflect price premiums, the House bill provides a reference price for temperate japonica rice in an amount equal to (1) the effective price established for long

grain rice, multiplied by the ratio obtained by dividing: (A) the simple average of the marketing year average price of medium grain rice from the 2012 through 2016 crop years; by (B) the simple average of the marketing year average price of all rice from the 2012 through 2016 crop years. (Section 1116)

The Senate amendment amends section 1116 of the Agricultural Act of 2014 to extend PLC provisions through crop year 2023, with an amendment to require that within 30 days after the end of each applicable 12 month marketing year for each covered commodity, the Secretary shall publish the payment rate determined under 1116(c). (Section 1103)

The Conference substitute adopts the House provision with an amendment to require that within 30 days after the end of each applicable 12-month marketing year for each covered commodity, the Secretary shall publish the payment rate determined under 1116(c). (Section 1106)

### *(11) Agriculture Risk Coverage*

The House bill enacts the same provisions as current law for ARC county coverage applicable to crop years 2019 through 2023. By omission ARC individual would expire at the end of the 2018 crop year.

The House bill also enacts the same provisions as current law, with the following changes: (1) deletes section 1117(g)(3) provisions to delete the ARC individual provisions; (2) amends section 1117(g)(4) to require the Secretary to assign an actual or benchmark county yield for each planted acre for the crop year for the covered commodity – (A) for a county for which county data collected by the Risk Management Agency (RMA) is sufficient to offer a county-wide insurance product using the actual average county yield determined by RMA; or (B) for other counties using, as determined by the Secretary – (i) other sources of yield information; or (ii) the yield history of representative farms in the State, region, or crop reporting district; (3) adds a new requirement that the Secretary make ARC payments to producers using the payment rate of the county of the physical location of the base acres of a farm; and (4) deletes “to the maximum extent practicable” from section 1117(g)(2), thus requiring the Secretary to calculate a separate actual crop revenue and ARC guarantee for irrigated and nonirrigated covered commodities. (Section 1117)

The Senate amendment amends section 1117(a) to: (1) reauthorize the ARC County and ARC Individual Programs for the 2019 through 2023 crop years; and (2) require ARC payments to be paid based on the physical location of the farm.

The Senate amendment also amends section 1117(c) to extend ARC coverage guarantee provisions through the 2023 crop year; to increase the transitional (plug) yield from 70 percent to 75 percent of the transitional yield; and to require the use of a trend adjusted yield factor to adjust the yields in determining the actual county yield and the benchmark county revenue for ARC county coverage, not to exceed the trend-adjusted yield factor used to increase yield history under the endorsement under the Federal Crop Insurance Act for that crop and county.

The Senate amendment requires the Secretary to publish the county payment rate for a covered commodity no later than thirty days after the end of each marketing year for each covered commodity.

The Senate amendment requires the Secretary to – (1) assign an actual yield for the covered commodity by giving priority to the use of actual county yields from a single

source that provides the greatest national coverage of county-level data; and (2) prorate the base acres and payments in the case of a farm that has a tract with base acres that crosses a county boundary.

The Senate amendment also requires the Secretary, on request of a county FSA State Committee, to consider a 1-time request to calculate a separate actual crop revenue and ARC guarantee for irrigated and nonirrigated covered commodities in a county if, during the 2014 through 2018 crop years – (1) an average of not less than 5 percent of the planted and considered planted acreage of a covered commodity in the county was irrigated; and (2) an average of not less than 5 percent of the planted and considered planted acreage of the covered commodity in the county was nonirrigated. It also authorizes the Secretary to use other sources of yield information, including the yield history of representative farms in the State, region, or crop reporting district, when considering or recalculating separate actual crop revenue and ARC guarantee. (Section 1104)

The Conference substitute adopts the Senate provisions with amendments to: (1) make payments based on the payment rate of the county where the base acre on the farm is physically located; (2) increase the transitional yield plug to 80 percent; (3) utilize the “effective reference price” to calculate the guarantee; (4) calculate a separate irrigated and nonirrigated yield in each county; and (5) prioritize RMA data in the calculation of the guarantee and actual yields. The substitute deletes a Senate provision regarding the case of a farm that has a tract with base acres that crosses a county boundary. (Section 1107)

In applying the yield plug, when actual yields drop below 80% of the transitional yield for the county, the Managers expect the FSA Administrator to consult with the Administrator of the Risk Management Agency (RMA) to ensure that the transitional yield utilized is current and reflective of recent yields within the county.

In the case of a farm that has a tract with base acres that crosses a county boundary, the Managers intend for FSA to prorate the base acres based on the quantity of cropland of the tract in each county and calculate any ARC-County payments to the farm on that basis.

For determining a separate irrigated and non-irrigated yield for a covered commodity within a county with limited data for a practice, the Managers intend for the Secretary to utilize other sources of yield information such as representative farms in adjacent counties or the crop reporting district to determine a county yield that is representative of the applicable practice.

The Managers intend for FSA to implement the trend yield adjustment such that it has a similar result as the Federal Crop Insurance endorsement to adjust either the guarantee or actual yield to account for the long-term increase in production that is not accounted for otherwise. The Managers expect this will include using more than just the five years of the guarantee to calculate a trend, which will also help avoid the potential anomalies from using limited data. The Managers also expect all trend yield adjustments to be positive or neutral.

#### *(12) Agriculture Risk Coverage-Publication of Coverage Guarantee, Yield, and Price*

The Senate amendment requires the publication of the county risk coverage guarantee, average historical county yield, and the national average market price for each covered commodity in each county, not later than 30 days after the end of the applicable

12-month marketing year; provides an exception to the reporting deadline in the case of a covered commodity, such as temperate japonica rice, for which the Secretary cannot determine the national average market price for the most recent 12-month marketing year for the national average market price due to insufficient reporting of timely pricing data by one or more nongovernmental entities, including a marketing cooperative for the covered commodity. (Section 1104(6))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment to clarify the information that the Secretary shall publish. (Section 1107)

*(13) Administrative Units*

The Senate amendment adds a new subsection to section 1117 of the Agricultural Act of 2014 providing that, for purposes of ARC payments in the case of county coverage, a county may be divided into not greater than two administrative units. Eligible counties are those that are larger than 1,400 square miles, are in a State that is larger than 140,000 square miles, and contain more than 190,000 base acres. (Section 12611)

The House bill contains no comparable provisions.

The Conference substitute adopts the Senate provision with an amendment to delete the requirement the county be contained within a State that is larger than 140,000 square miles. The substitute adds a limit of 25 counties that may be divided into administrative units, and provides direction for the preference to the division of counties that have greater variation in climate, soils, and expected productivity between the proposed administrative units. (Section 1107)

*(14) Producer Agreements*

The House bill restates current law except that it omits subsection (d), consistent with the cessation of ARC individual coverage. (Section 1118)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(15) Repeal of Transition Assistance for Producers of Upland Cotton*

The Senate amendment repeals section 1119 of the Agricultural Act of 2014. (Section 1105)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1108)

*(16) Availability of Nonrecourse Marketing Assistance Loans for Loan Commodities*

The House bill restates current law to make available nonrecourse marketing assistance loans for the 2019 through 2023 crops. (Section 1201)

The Senate amendment amends section 1201(b) (1) of the 2014 Act to extend current law for the availability of nonrecourse marketing assistance loans through 2023. (Section 1201(a))

The Conference substitute adopts the Senate provision. (Section 1108)

*(17) Loan Rates for Nonrecourse Marketing Assistance Loans*

The House bill provides that for the 2019 through 2023 crop years the loan rate for extra long staple cotton is increased to 95 cents per pound; the loan rate formula for upland cotton is prevented from declining by more than two percent in any one crop year; and that seed cotton shall be deemed to have a loan rate of 25 cents per pound for purposes of calculating the effective price under PLC and actual crop revenue under ARC. (Section 1202)

The Senate amendment amends section 1201(b)(1) of the 2014 Act to extend the availability of nonrecourse marketing assistance loans through 2023. (Section 1201(b))

The Conference substitute adopts the House provision with amendments to adjust the loan rates for wheat, corn, grain sorghum, barley, oats, long grain rice, medium grain rice, soybeans, dry peas, lentils, small chickpeas, large chickpeas, and raw cane sugar for the 2019 through 2023 crop years. (Sections 1202 and 1301(a))

#### *(18) Loan Deficiency Payments*

The House bill includes provisions that are the same as current law, effective for the 2019 through 2023 crop years. (Section 1205)

The Senate amendment extends through the 2023 crop year the provisions of section 1205(a)(2)(B) of the Agricultural Act of 2014 authorizing the Secretary to make loan deficiency payments for hay and silage derived from a loan commodity.

The Senate amendment also repeals the authority of the Secretary to make loan deficiency payments for nongraded wool in the form of unshorn pelts. (Section 1201(d)(1) & 1202)

The Conference substitute adopts the Senate provision with an amendment to delete the repeal of the authority of the Secretary to make loan deficiency payments for nongraded wool in the form of unshorn pelts. (Section 1201(c))

#### *(19) Special Marketing Loan Provisions for Upland Cotton; Economic Adjustment Assistance to Users of Upland Cotton*

The House bill is the same as current law applicable beginning with the 2019 crop year, except with regard to the changes to the Economic Adjustment Assistance to Users of Upland Cotton, for which the House bill increases the payment rate of economic adjustment assistance 3 cents to 3.15 cents per pound of cotton used, and renames the program as “Economic Adjustment Assistance for Textile Mills.” (Section 1207)

The Senate bill amends section 1207(c) of the 2014 Act to extend the Economic Adjustment Assistance to Users of Upland Cotton at the rate of 3 cents per pound through July 31, 2021. For subsequent years, the program is extended at the same payment rate, subject to funding available through annual appropriations. (Section 1203(b))

The Conference substitute adopts the House provision with an amendment to continue the payment rate of economic adjustment assistance at 3 cents per pound of cotton used, and to strike a redundant authority to provide economic adjustment assistance under section 1207(c) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8737). (Section 1202)

The Managers believe timely shipment and delivery of cotton to the end-user is essential to maintain the competitiveness of the U.S. cotton industry. The Managers urge the Secretary to work with representatives of the U.S. cotton industry to identify how best to update and modernize the current Cotton Storage Agreement for U.S. cotton warehouses. The Managers expect any updates to be based on consensus

recommendations of all segments of the industry. As necessary, the Secretary should make changes to the provider agreement between USDA and the electronic warehouse receipt provider to facilitate the implementation of those industry recommendations to improve the flow of cotton.

*(20) Special Competitive Provisions for Extra Long Staple Cotton*

The House bill is the same as current law, except the House bill maintains the value of assistance available to domestic users of extra long staple cotton by making a conforming change in new section 1208(b) to reflect the increase in the extra long staple cotton loan rate. (Section 1208)

The Senate amendment extends current law through July 31, 2024. (Section 1201(d)(3)).

The Conference substitute adopts the House provision to make a conforming change to reflect the increase in the extra long staple cotton loan rate, and extends the authority through July 31, 2024. (Section 1204)

*(21) Availability of Recourse Loans for High Moisture Feed Grains and Seed Cotton*

The House bill (1) extends current law with respect to high moisture feed grains and seed cotton for the 2019 through 2023 crops; and (2) requires the Secretary to make available recourse commodity loans at the loan rate for a marketing assistance loan for a loan commodity that is ineligible for 100 percent of the nonrecourse marketing loan rate in the county due to a determination that the commodity is contaminated yet still merchantable. (Section 1209)

The Senate amendment extends current law with respect to high moisture feed grains and seed cotton through the 2023 crops. (Section 1201(d)(4))

The Conference substitute adopts the House provision. (Section 1205)

*(22) Adjustment of Loans*

The House bill (1) continues the authorization for the Secretary to adjust loan rates for loan commodities in the same manner as current law; and (2) adds a requirement that the Secretary shall consider methods to enhance the support, loan, or assistance provided under this title in a manner that further minimizes the potential for forfeitures. (Section 1210)

The Senate amendment has no comparable provision.

The Conference substitute deletes the House provision.

*(23) Dairy Risk Management Production for Dairy Producers – Reports; Collection and Review of Data*

The House bill requires the Secretary to submit a report to the relevant congressional committees evaluating the accuracy of the data used by the Secretary to reevaluate the average cost of feed used by a dairy operation to produce a hundredweight of milk.

The House bill also requires the Secretary to submit a report to the relevant congressional committees detailing the costs incurred by the dairy operation in the use of corn silage as feed and the difference between the feed cost of corn silage and the feed cost of corn.

The House bill also requires the Secretary to revise monthly price survey reports to include prices for high-quality alfalfa hay in the top five milk producing States. (Section 1401(a) through (c))

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provisions. (Section 1401(a) through (c))

*(24) Margin Protection Program for Dairy Producers – Name of Program*

The House bill (1) renames the program as the Dairy Risk Management Program for Dairy Producers (DRMP), defined in section 1401(5) and referred to throughout as the “dairy risk management program” (2) makes conforming amendments throughout section 1401, and specifically in subsection (i). (Section 1401 generally & subsection (i))

The Senate amendment (1) renames the program as Dairy Risk Coverage (DRC), defined in section 1401(5) and referred to throughout as “dairy risk coverage;” and (2) makes amendments throughout current law section 1401 to conform to the renaming of the program to “Dairy Risk Coverage.” (Section 1401)

The Conference substitute adopts the House provision with an amendment to rename the program Dairy Margin Coverage (DMC). (Section 1401)

*(25) Margin Protection Program for Dairy Producers- Definition of Catastrophic Coverage*

The Senate amendment amends current law section 1401 to add a definition of “catastrophic coverage.” (Section 1401(b))

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

*(26) Establishment of Margin Protection Program for Dairy Producers*

The House bill amends section 1403 to require the Secretary to continue to administer a dairy risk program.

The House bill also provides that the amendments made by section 1401 shall take effect 60 days after the date of enactment. (Section 1401 (i) & (j))

The Senate amendment amends current law section 1403(a), to require the Secretary to administer DRC beginning with the 2019 calendar year.

The Senate amendment also provides that Subpart A of part 1430 of title 7, Code of Federal Regulations (as in effect on the date of enactment), shall remain in effect for DRC beginning with the 2019 calendar year, except to the extent that the regulations are inconsistent with any provision of this Act. (Section 1401(d))

The Conference substitute adopts the Senate provision with amendments that specify that MPP regulations that do not conflict with the new structure of DMC are to remain in place and do not need to be reissued. (Section 1401(k))

*(27) Margin Protection Program for Dairy Producers-Registration of Multiproducer Dairy Operations*

The House bill amends section 1404(b) to allow a multiproducer dairy operation to elect to exclude from registration under the DRMP one or more individual owners –

(1) who individually owns less than five percent of the operation; or (2) who is entitled to less than five percent of the income, revenue, profit, or one of other specified financial measures of the operation.

The House bill also would require a reduction in DRMP payments to such operations corresponding to the reduction in ownership excluded from registration. (Section 1401(d))

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to ensure a multiproducer dairy will be treated as a single operation under the program, and to clarify that operations are not allowed to reduce their production history to impact eligibility for tier I or tier II premiums. (Section 1401(d))

The Managers intend for FSA to ensure a more efficient sign-up process for dairy operations with multiple owners. The Managers intend for operations to be allowed to sign-up for coverage without every owner participating, and that those participating operations be treated as a single operation consistent with existing law. After coverage elections are made, the total premiums due and payments made may be adjusted downward to reflect the proportion of ownership participating. Nothing in this section is intended to allow a participating dairy operation to reduce the production history for the dairy operation to impact eligibility for tier I or tier II premiums.

#### *(28) Margin Protection Program for Dairy Producers-Catastrophic Coverage*

The Senate amendment amends section 1404(b) to provide that a participating dairy operation may elect to receive catastrophic coverage instead of paying a premium under section 1407.

The Senate amendment also amends section 1404(c) to provide that, in addition to the \$100 administrative fee under section 1404(c)(1)(A), a participating dairy operation that elects to receive catastrophic coverage shall pay an additional administrative fee of \$100. (Section 1401(e))

The House bill contains no comparable provision.

The Conference substitute allows participating dairy operations to elect to receive a \$4 coverage level instead of paying a premium. (Section 1401(h))

#### *(29) Margin Protection Program for Dairy Producers-Relation to Livestock Gross Margin for Dairy Program*

The House bill amends section 1404(d) to allow a dairy operation to participate in both the DRMP and the Livestock Gross Margin (LGM) for dairy program. (Section 1401(e))

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with a modification permitting participating dairy operations to participate in both programs on the same production, and to allow producers who were locked out of the improved 2018 MPP due to LGM participation to retroactively participate in MPP for the months in 2018 in which they were excluded from participation. (Section 1401(e))

Given that Dairy Margin Coverage (DMC) is a new program option for dairy operations, the Managers note the importance of USDA-led outreach and education efforts to operations that are currently participating in the Margin Protection Program (MPP), those that have ceased participation, and those that have never participated

(including organic dairy farmers that may not be aware of their eligibility). In advance of 2019 program sign-up, the Managers expect FSA to conduct outreach to eligible operations through repeated contacts and multiple modes such as mailings, phone calls and local meetings, and to collaborate with state licensing boards, cooperatives, producer groups, institutions of higher education, and other stakeholders to thoroughly inform producers of their operations' new affordable options under DMC, MPP credit or refund values, and the new safety net options provided under DMC.

Specifically with regard to the credit or refund under section 1407(f) of the Agricultural Act of 2014 (7 USC 9057), the Managers recognize the potential complexity of tracing former owners of operations that have ceased operation, but expect operations that have continued operation unabated to be offered the option of a credit or refund in conjunction with the 2019 program sign-up. Additionally, this title removes restrictions between DMC and any Federal Crop Insurance product. Therefore the Managers expect FSA and the Risk Management Agency (RMA) to coordinate to ensure that each agency's employees, along with crop insurance companies, agents and customers, are aware of the change in rules and additional opportunities for complementary coverage.

*(30) Margin Protection Program for Dairy Producers – Production History of Participating Dairy Operations*

The House bill amends current law section 1405 (a)(2) to limit the application of the adjustments to the production history of participating dairy operations to “calendar years ending before January 1, 2019.”

The House bill also adds a new section 1405(d) to prevent DRMP payments to a participating dairy operation if the Secretary determines that the participating dairy operation has reorganized the operation solely for the purpose of qualifying as a new operation. (Section 1401(f))

The Senate amendment amends current law section 1405(a)(2) to limit the application of the adjustments to the production history of participating dairy operations to “during each of the 2014 through 2019 calendar years.” (Section 1401(f))

The Conference substitute adopts the House provision with an amendment to provide equitable treatment to newly-participating dairies. (Section 1401(f))

*(31) Margin Protection Program - Payments*

The House bill amends section 1406(a) of the Agricultural Act of 2014 to provide that, for purposes of receiving DRMP payments for a month, a participating dairy operation shall elect – (1) a coverage level threshold that is equal to \$4.00, \$4.50, \$5.00, \$5.50, \$6.00, \$6.50, \$7.00, \$7.50, or \$8.00 “(and in the case of production subject to Tier 1 premiums (under section 1407(b)), also \$8.50 or \$9.00)”; and (2) a percentage of coverage, in 5-percent increments, but not to exceed 90 percent of the production history of the participating dairy operation.

The House bill further amends section 1406 by adding a new subsection (d) requiring that, within 90 days after the date of enactment, each participating dairy operation shall elect a coverage level threshold under subsection (a)(1) and a coverage percentage under subsection (q) (2) to be used to determine DRMP payments. This election shall remain in effect for the participating dairy operation through December 31, 2023 (for the duration of the DRMP, as specified in section 1409). (Section 1401(h))

The Senate amendment amends section 1406(a) of the Agricultural Act of 2014 to provide that, for purposes of receiving margin protection payments for a month, a participating dairy operation shall annually elect – (1) a coverage level threshold that is equal to – (A) in the case of catastrophic coverage, \$5.00; (B) \$5.50, \$6.00, \$6.50, \$7.00, \$7.50, \$8.00, \$8.50, or \$9.00; and (2)(A) a percentage of coverage, in 5-percent increments, that does not exceed 90 percent of the production history of the participating dairy operation; or (2)(B) in the case of catastrophic coverage, a coverage level of 40 percent of the production history of the participating dairy operation. (Section 1401(g))

The Conference substitute adopts the House provision with an amendment to require the participating dairy operation to elect a coverage level threshold that is equal to \$4.00, \$4.50, \$5.00, \$5.50, \$6.00, \$6.50, \$7.00, \$7.50, \$8.00, \$8.50, \$9.00, or \$9.50 for their first five million pounds of participating production. The amendment allows an operation that elects coverage on its first five million pounds of \$8.00, \$8.50, or \$9.50 to make a second election of a coverage level threshold that is equal to \$4.00, \$4.50, \$5.00, \$5.50, \$6.00, \$6.50, \$7.00, \$7.50, or \$8.00 for production over five million pounds. The amendment also allows operations to cover between five percent and ninety-five percent of their production history. (Section 1401(g))

### *(32) Margin Protection Program – Premium Rates*

The House bill amends section 1407(b)(2) to set the Tier 1 premium rates for the first 5 million pounds of milk marketings included in the production history of a participating dairy operation, for each coverage level ranging from \$5.50 to \$9.00 per hundredweight. (Section 1401(h))

The Senate amendment amends section 1407(b)(2) to set the Tier 1 premium rates for the first 5 million pounds of milk marketings included in the production history of a participating dairy operation, the premium per hundredweight for each coverage level ranging from \$5.50 to \$8.00 per hundredweight. (Section 1401(h))

The Conference substitute adopts the House provision with an amendment to modify premium rates from the \$4.00 to \$9.50-coverage options. The amendment also modifies premium rates for operations covering more than five million pounds. (Section 1401(h))

### *(33) Margin Protection Program – Small and Medium Farmer Discount*

The Senate amendment adds a new subsection (f) to section 1407 to require that the Tier I and Tier II premium per hundredweight for each coverage level shall be reduced by – (1) 50 percent for a participating dairy operation with a production history that is less than 2 million pounds; and (2) 25 percent for a participating dairy operation with a production history that is less than 2 million pounds and not greater than 1 million pounds. (Section 1401(h)(6))

The House bill contains no comparable provision.

The Conference substitute provides that any operation that signs up in 2019 and commits to maintaining their coverage decisions, including coverage level and covered production, through 2023 will receive a 25% discount on their premiums each year. Any producer who makes this commitment will be unable to change that coverage decision at any time over the life of the bill. Operations electing not to commit to five-year decisions may continue to make annual coverage decisions but will be ineligible for this discount. (Section 1401(j))

*(34) Margin Protection Program- Repayment of Premiums*

The Senate amendment adds a new subsection (g) to section 1407 to require the Secretary to repay each dairy operation that participated in the MPP as in effect for each of calendar years 2014 through 2017, an amount equal to the difference between – (1) the premiums paid by the participating dairy operation for the calendar year; and (2) the total amount of margin protection payments made to the participating dairy operation for the calendar year. (Section 1401(h)(6))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments clarifying that eligible dairy operations must apply for the repayment and to establish the percentages for repayments as credit at 75 percent and direct cash repayment at 50 percent. (Section 1401(i))

The Managers expect, with regard to the credit or refund under section 1407(f) of the Agricultural Act of 2014 (7 USC 9057), for FSA to make the credit or refund available to the operation that paid the premiums for coverage during 2014 through 2017. In the event that the ownership and production history of an operation has been sold or transferred, the Managers expect the current operation to receive the credit or refund. In the case of an operation that participated in MPP during 2014, 2015, 2016, or 2017 and has since ceased operating or been dissolved, the Managers expect FSA to offer the owners of the operation a credit or refund based on their respective ownership share.

*(35) Margin Protection Program for Dairy Producers-Duration*

The House bill amends section 1409(k) to authorize the DRMP through December 31, 2023. (Section 1401(k))

The Senate Amendment amends section 1409 to authorize DRC through December 31, 2023. (Section 1401(j))

The Conference substitute provides an authorization for the DMC program through December 31, 2023. (Section 1401(l)). The Conference substitute also provides that the effective date of the amendments made by Section 1401 is January 1, 2019. (Section 1401(m))

While DMC is replacing MPP, the Managers expect FSA to continue utilizing any existing regulations that are not contradicted by the new provisions including the regulations related to intergenerational transfer and the regulation that provides the maximum coverage percentage at a \$4 margin, even if an operation selects a lower percentage under buy-up.

*(36) Dairy Product Donation Program*

The House bill repeals the current law Dairy Product Donation Program (Section 1431 of the 2014 Act). (Section 1406)

The Senate amendment amends current law section 1431 in its entirety to establish and administer a milk donation program to reimburse eligible dairy organizations' costs incurred for donating milk by accounting to the Federal Milk Marketing Order pool the difference in the Class I milk value and the lowest classified price for the applicable month (either Class III milk or Class IV milk).

The Senate amendment defines eligible dairy organization, eligible distributor, eligible milk, eligible partnership, and participating partnership for purposes of the

program. The amendment also establishes the purposes and administrative provisions governing the program, donation and distribution plans, and the reimbursement of qualified expenses. It prohibits the resale of products, and requires the conduct of audits to insure program integrity.

The amendment provides mandatory funding for the program in the amount of \$8 million for fiscal year 2019, and \$5 million each fiscal year thereafter. (Section 1413)

The Conference substitute adopts the Senate provision with an amendment to repeal the Dairy Product Donation Program in current law and establish a new fluid milk donation program that makes it easier for producers, processors, and co-operatives to donate fluid milk to food banks and other feeding organizations. The amendment provides mandatory funding for the program at \$9 million in 2019 and at \$5 million in each of the following years. (Section 1404)

*(37) Supplemental Agricultural Disaster Assistance*

The House bill amends the Livestock Indemnity Program (LIP) to cover death or sale loss as a result of diseases that are “caused or transmitted by a vector and that is not able to be controlled by vaccination or other acceptable management practices.

The House bill also eliminates the payment limitation of \$125,000 per crop year for Emergency Assistance for Livestock, Honey Bees, and Farm Raised-Fish (ELAP). The amendment applies the limitation to any person or “qualified pass through entity,” and excludes such a person or pass through entity from the Adjusted Gross Income (AGI) limitation if 75 percent or more of the person or entity’s average AGI comes from farming, ranching, or silviculture.

The House bill also requires that the amendments made by this section shall be effective for losses incurred on or after January 1, 2017. (Section 1501)

The Senate amendment adds an Indian Tribe or tribal organization (as those terms are defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304) as an eligible producer for purposes of supplemental agricultural assistance.

The Senate amendment also allows the Secretary to provide assistance for coverage under LIP for the death of unweaned livestock due to adverse weather, including those that have not been vaccinated; and requires the Secretary to seek input annually from the bison industry to ensure LIP rates are consistent with market value.

The Senate amendment also provides that funds made available for emergency assistance include for the purpose of reducing losses from inspections of cattle tick fever.

The Senate amendment also requires an increased cost reimbursement of 75 percent for beginning farmers, ranchers and veterans under the Tree Assistance Program (TAP). (Sections 1501 & 12610)

The Conference substitute adopts the House provisions with amendments to add Indian Tribes or tribal organizations as an eligible producer, provide assistance for coverage under LIP for the death of unweaned livestock due to adverse weather, make available ELAP funds for inspections of cattle tick fever, increase the cost share available under TAP to 75 percent for beginning farmers, ranchers, and veterans, and to exclude the changes related to “qualified pass thru entities”, AGI, and retroactive application. (Section 1501)

The Managers encourage the Secretary to seek input and data from the bison industry (including bison producer groups) annually relating to the market value of bison

to ensure that Livestock Indemnity Program (LIP) payments are consistent with the market value of bison.

The Managers intend for livestock death losses that occur due to a cause of loss that is not eligible for indemnification under LIP to still be eligible for compensation under Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP).

The Managers note the ongoing struggle faced by beekeepers due to the persistence of Colony Collapse Disorder (CCD). In determining a normal mortality rate for honeybees for the purposes of calculating ELAP assistance for beekeepers, the Managers expect FSA to use mortality rates known to be normal prior to the emergence of CCD and other serious honeybee health declines.

*(38) Loss of Peach and Blueberry Crops due to Extreme Cold*

The Senate amendment requires the Secretary to provide compensation for expenses relating to losses of peach and blueberry crops that occurred during calendar year 2017 due to extreme cold, as determined by the Secretary. It provides \$18 million in mandatory funding from CCC. (Section 1502)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

*(39) Administration and Operation of Noninsured Crop Assistance Program – Eligible Crops*

The House bill amends section 196(a)(2) of the Federal Agriculture Improvement and Reform Act to define “eligible crops” for the purposes of non-insured assistance as commercial crops or other agricultural commodities which are produced for food or fiber (except livestock) for which catastrophic risk protection or certain other additional coverage is not available. (Section 11501)

The Senate amendment amends section 196(a)(1) of the Federal Agriculture Improvement and Reform Act of 1996 to direct the Secretary to coordinate between the agencies of the Department data collection, eligibility, and reduced paperwork for the Noninsured Crop Assistance Program (NAP).

The Senate amendment also amends section 196(a)(4) to clarify required reductions in benefits for eligible crops for any 4 years after native sod acreage has been tilled by producers in Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota. The Senate amendment allows a governor of another State to elect to have the provision apply to the State. It also requires a producer, as a condition of receiving noninsured crop assistance, to certify to the Secretary if the producer has tilled native sod for the production of an insurable crop. The Senate amendment directs the Secretary to submit an annual report to the House and Senate Agriculture Committees describing the tilled native sod acreage in each country and state.

The Senate amendment also amends section 196(b) to add a new paragraph (4) requiring the Secretary to establish a streamlined process for the submission of records and acreage reports for small-scale, direct-to-consumer, and divers urban production systems.

The amendment also amends section 196(i)(2) to establish separate payment limitations of \$125,000 for catastrophic coverage and \$300,000 for additional coverage. (Section 1601)

The Conference substitute adopts the Senate provisions with amendments to

define “eligible crops”, clarify that native sod acreage that has been tilled would be subject to a reduction in benefits not more than four cumulative years during the first ten years after initial tillage, and exclude the authority for a governor of a state to elect to have the requirements apply to a state not currently covered by native sod rules.

(Section 1601)

The Managers observe that FSA implements the Noninsured Crop Disaster Assistance Program (NAP) in a manner that is appropriate for conventional row-crop agriculture with entire fields and farms planted to one, or a small number of crops, that are harvested in a single crop year. The Managers note that producers who grow a variety of crops, often on small acreage with multiple rotations each crop year, have a paperwork burden under existing NAP that can act as a barrier to obtaining adequate risk protection.

The Managers direct FSA to streamline reporting requirements through an equivalent process as described in the regulations for microloan operating loans under parts 761 and 764 of title 7, Code of Federal Regulations (as in effect on the date of enactment) and implement any other additional streamlining, as determined appropriate. The Managers also encourage FSA to coordinate with RMA to ensure that participation data are collected in a form useful to support the development and expansion of Federal Crop Insurance to new crops and counties.

*(40) Noninsured Crop Assistance Program – Service Fee*

The House bill amends section 196(k)(1) to increase the service fees for eligible crops to the lesser of – (a) \$350 per crop per county; or (B) \$1,050 per producer per county, but not to exceed a total of \$2,100 per producer (Section 11502)

The Senate amendment amends section 196(k)(1) to increase the service fees for eligible crops to the lesser of – (A) \$325 per crop per county; or (B) \$825 per producer per county, but not to exceed a total of \$1,950 per producer. (Section 1601(6))

The Conference substitute adopts the Senate provision. (Section 1601(6))

*(41) Noninsured Crop Assistance Program – Payment Equivalent to Additional Coverage*

The House bill amends section 196(1)(2)(b)(i) to add the producer’s share of the crop to the list of multipliers used to calculate the service fee or premium required to be paid by the producer in order to receive payments under noninsured assistance.

The House bill strikes obsolete current law section 196(1)(3) that addressed assistance for losses to certain 2012 annual fruit crops grown on a bush or tree related to losses due to a freeze or frost.

The House bill also amends section 196(1)(5) to extend the availability of additional coverage under subsection (1) through the 2023 crop year. (Section 11503)

The Senate amendment amends section 196(1)(1) to add “the producer’s share of the total acres devoted to the crop” to the list of multipliers used to calculate the NAP payment amount that is equivalent to an indemnity for additional coverage under section 508(c) of the Federal Crop Insurance Act.

The Senate amendment amends section 196(1)(1)(C) to clarify the “market price” used to calculate the NAP payment amount to also include the “contract price, or other premium price (such as a local, organic, or direct market price, as elected by the producer.)”

The Senate amendment strikes the same obsolete current law section 196(1)(3).

The Senate amendment also strikes section 196(1)(5), thus making additional coverage under subsection (1) available permanently. (Section 1601(7))

The Conference substitute adopts the Senate provision. (Section 1601(7))

The Managers recognize that the expiration of the authority to offer additional coverage (also referred to as NAP buy-up) creates both an administrative burden on the agency and can cause uncertainty or even limited coverage for producers of crops with fall or winter sign-up periods. The Managers intend to avoid these issues in the future and have made permanent the authority for NAP buy-up. The Managers also removed the 30-day limit before coverage can attach in order to provide more flexibility and allow FSA to restart NAP buy-up immediately following enactment.

*(42) Additional Assistance for Certain Producers – Losses Due to Volcanic Activity*

The Senate amendment requires the Secretary, as soon as practicable after October 1, 2018, under the section 196 related to NAP to make available assistance to producers of an eligible crop that suffered losses in a county covered by a qualifying natural disaster declaration for production losses due to volcanic activity. The Secretary shall make assistance available under in an amount equal to the amount of assistance determined under section 196(d), less any service fees that are owed by producers under section 196(k). (Section 1602)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

*(43) Administration Generally*

The House bill continues the expedited rulemaking and other provisions in current law, with amended section references updated to reflect the House Bill. (Section 1601)

The Senate amendment continues the expedited rulemaking and other provisions as current law, with amended section references updated to reflect the amendments made by title I (commodities) and section 10109 (multiple crop and pesticide use survey) of the Senate Amendment (Section 1701)

The Conference substitute adopts the Senate provision. (Section 1709)

*(44) Suspension of Permanent Price Support Authority*

The House bill continues the suspension of the same permanent price support authorities (and related wheat marketing quotas) through 2023, with an amendment.

The House bill amends section 201(a) of the Agricultural Act of 1949 to (1) add eleven additional commodities to the current list of eleven commodities for which the Secretary would be required to provide price support in the event that the 1949 Act were to become effective, including crambe, cottonseed, sesame seed, dry peas, lentils, small chickpeas, large chickpeas, graded wool, nongraded wool, mohair and peanuts; and (2) clarify that if price support were to be required under section 201, it would be provided at a level not less than 75 percent and not greater than 90 percent of the parity price of the commodity. (Section 1602)

The Senate amendment extends the suspension of permanent price support authorities through 2023. (Section 1702)

The Conference substitute adopts the Senate provision. (Section 1702)

*(45) Payment Limitations*

The House bill amends section 1001 of the Food Security Act of 1985 to limit to \$125,000 the total amount of payments a person or a legal entity can receive from PLC or ARC payments under Subtitle A – (1) for the sum of all covered commodities (except peanuts); and (2) separately, for peanuts.

The House bill amends the definition of family member to include first cousins, nieces, and nephews.

The House bill adds a new definition of “qualified pass through entity” to mean “a partnership (within the meaning of subchapter K of chapter 2 of the Internal Revenue Code of 1986 and including a limited liability company that does not affirmatively elect to be treated as a corporation), an S corporation (as defined in section 1361 of such Code), or a joint venture.”

The House bill amends sections 1001(b) and 1001(c) of the Food Security Act of 1985 to remove marketing loan gains and loan deficiency payments from the limitations on payments for peanuts under subsection (c) and all other covered commodities under subsection (b).

The House bill also amends section 1001(f) of the Food Security Act of 1985 to require the Secretary to apply reductions in PLC or ARC payments due to a sequester before applying payment limitations under section 1001.

The House bill also amends section 1001(e)(3)(B) of the Food Security Act of 1985 to attribute payments to all qualified pass through entities on the same basis as joint ventures and general partnerships under current law. (Section 1603)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provisions with amendments to delete the definition of ‘qualified pass through entity’ and related provisions that would have attributed payments to all qualified pass through entities on the same basis as joint ventures and general partnerships. (Section 1703)

*(46) Definition of Significant Contribution of Active Personal Management*

The Senate amendment amends section 1001 of the Food Security Act of 1985 to add a new definition for a “significant contribution of active personal management”. (Section 1704)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

*(47) Payments Limited to Active Farmers*

The Senate amendment amends section 1001A(b) of the Food Security Act of 1985 to require the Secretary to consider not more than 1 person or legal entity per farming operation to be actively engaged in farming using active personal management, and to establish detailed criteria for determining when a person may be considered to be actively engaged in farming using active personal management. (Section 1705)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

*(48) Adjusted Gross Income Limitation*

The House bill amends section 1001D(b)(2) of the Food Security Act of 1985 to exempt Marketing Loan Gains (MLG) and Loan Deficiency Payments (LDP) from Adjusted Gross Income (AGI) limitations.

The House bill also amends Section 1001D(b) of the Food Security Act of 1985 to – (1) provide an exception from the AGI limitation for a qualified pass through entity; and (2) authorize the Secretary to waive, on a case-by-case basis, the AGI limitation to protect environmentally sensitive land of special significance. (Section 1604)

The Senate amendment amends section 1001D(b)(1) of the Food Security Act of 1985 to reduce the AGI limitation from \$900,000 to \$700,000. (Section 1706)

The Conference substitute adopts the House provision with an amendment to delete the exception for marketing loan gains and loan deficiency payments and for a qualified pass through entity. The substitute also clarifies that the AGI limitation applies to conservation benefits under title II of the Agriculture Improvement Act of 2018. (Section 1704)

*(49) Prevention of Deceased Individual Receiving Payments Under Farm Commodity Programs*

The House bill would reenact the current law requirement. (Section 1605)

The Senate amendment contains no comparable provision—current law continues to apply.

The Conference substitute deletes the House provision.

*(50) Assignment of Payments*

The House bill would reenact and continue the assignment of payments provisions in the same manner as current law. (Section 1606)

The Senate amendment contains no comparable provision—current law continues to apply.

The Conference substitute deletes the House provision.

*(51) Tracking of Benefits*

The House bill would reenact and continue the tracking of benefits in the same manner as current law. (Section 1607)

The Senate amendment contains no comparable provision—current law continues to apply.

The Conference substitute deletes the House provision.

*(52) Signature Authority*

The House bill would reenact and continue the signature authority of a producer in the same manner as current law, with a conforming amendment. (Section 1608)

The Senate amendment contains no comparable provision – current law continues to apply.

The Conference substitute deletes the House provision.

*(53) Base Acres Review*

The Senate amendment requires the Secretary to review the establishment, calculation, reallocation, adjustment, and reduction of base acres under Subtitle A of Title

I of the Agricultural Act of 2014, and to report to the House and Senate Agriculture Committees on the results of the review. (Section 1707)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

*(54) Farm Service Agency Accountability*

The Senate amendment requires the Secretary to establish policies, procedures and plans to improve program accountability and integrity through activities including utilizing data mining to identify and reduce errors, waste, fraud, and abuse in Farm Service Agency programs and to report to the House and Senate Agriculture Committees. (Section 1708)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to delete some of the prescriptive requirements for the report. (Section 1705)

The Managers intend the report to include a summary of the existing USDA efforts to eliminate errors, waste, fraud, and abuse, including existing and planned data sampling and mining activities of FSA, and efforts that involve coordination with other departments or agencies. The report should include identified weaknesses or program integrity issues, any plans for action and recommendations for legislative changes to address errors, waste, fraud, and abuse in FSA programs.

*(55) Personal Liability of Producers for Deficiencies*

The House bill reenacts and continues provisions regarding the personal liability of producers for deficiencies in the same manner as current law. (Section 1609)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(56) Technical Corrections*

The Senate amendment revises sections 1112(c)(2) and 1614(d) of the Agricultural Act of 2014 to make 2 technical corrections. (Section 1709(b))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to exclude the modification to section 1614(d). (Section 1102(a))

*(57) Implementation*

The House bill requires the Secretary to continue to maintain base acres and payment yields for each covered commodity in the same manner as current law.

The House bill also requires the Secretary to continue to streamline administrative burdens and costs under the Acreage Crop Reporting and Streamlining Initiative (ACRSI).

The House bill adds a new requirement that the Secretary shall ensure that no agent, Approved Insurance Provider (AIP), or employee or contractor of an agency or AIP, bears responsibility or liability under the ACRSI for the eligibility of a producer for programs administered by USDA that are not policies or plans of insurance offered under the Federal Crop Insurance Act except in cases of misrepresentation, fraud, or scheme and device.

The House bill allows producers an option to remotely and electronically sign annual contracts.

The House bill requires the Secretary to make \$25,000,000 available to the FSA to implement this title.

The House bill also amends section 1614(d) of the Agricultural Act of 2014 to extend the loan implementation provisions to the provisions of the Agriculture and Nutrition Act of 2018. (Section 1610)

The Senate amendment amends section of 1614(b) of the Agricultural Act of 2014 to update the requirements of ACSRI to make available more detailed USDA data across agencies and accessible via a single department-wide login.

The Senate amendment also amends section 1614 by adding a new requirement that any USDA commodity program payment obligations that have not been disbursed or liquidated, and remain outstanding five years after the date on which the payment was obligated or made available, shall be deobligated and revert to the U.S. Treasury. The Secretary may delay the date of deobligation in the event of an ongoing appeal or litigation, settlement of an estate, or where otherwise equitable. (Section 1703)

The Conference substitute adopts the House provision with amendments to allow crop insurance agents and AIPs access to records necessary for program delivery held by FSA, include NRCS in coordination and data sharing efforts, provide producers an opportunity to sign a multi-year contract, reduces the mandatory funding available to the FSA for implementation to \$15.5 million, and to consolidate required reports on the tillage of native sod. (Section 1706)

The Managers recognize significant progress has been made to implement the Acreage Crop Reporting Streamlining Initiative (ACRSI) to allow for sharing of producer information across common fields in FSA and RMA data collection. The Managers would note that the goal of one-stop reporting for producers at either RMA or FSA has yet to be realized, additionally widespread acceptance of geospatial data has not been achieved. The Managers expect the Undersecretary for Farm Production and Conservation (FPAC) to make acceptance of geospatial data a priority for the next phase of improvements to ACRSI, as well as begin the process of integrating data from the Natural Resource Conservation Service (NRCS) to allow for the seamless transfer of producers' information across the agencies within the FPAC mission area.

The Managers encourage FSA to add temporary refrigerated beehive storage facility to the list of eligible uses for the Farm Storage Facility Loan Program, in order to help beekeepers more effectively fight mites and CCD.

The Managers note that the reports on tillage of native sod and the cropland report were consolidated in section 1614(f) of the Agricultural Act of 2014, as added by section 1706(f) in Title 1 of this bill. The Managers expect FSA and RMA to coordinate on completing this report, and to provide data similar to that provided in the previous separate reports to allow a comparison over time in addition to any new information.

#### *(58) Exemption from Certain Reporting Requirements for Certain Producers*

The House bill exempts producers who participate in any conservation or commodity program, or who are eligible for indemnity or compensation payments, from the same reporting requirements as under section 1244(m), with respect to assistance received through NRCS, APHIS, or FSA.

The House bill strikes current law section 1244(m). (Sections 1611 and 2503(1))

The Senate amendment amends current law section 1244(m) to add producers participating in commodity programs through FSA to the exemption from the reporting requirements. (Section 2503(d))

The Conference substitute adopts the House provision with amendments to clarify the term “exempted producer” means an individual or entity that is eligible to participate in a conservation program under title II of the Agriculture Improvement Act of 2018 or a law amended by title II; an indemnity or disease control program under the Animal Health Protection Act (7 U.S.C. 8301 et seq.) or the Plant Protection Act (7 U.S.C. 7701 et seq.); or a commodity program under title I of the Agricultural Act of 2014 (7 U.S.C. 9011 et seq.), excluding the assistance provided to users of cotton under sections 1207(c) and 1208 of that Act (7 U.S.C. 9037(c), 9038). (Section 1707)

## Title II– Conservation

### *(1) Extension and enrollment requirements of conservation reserve program*

The House bill amends the Food Security Act of 1985 (the “’85 Act”) to cap Conservation Reserve Program (“CRP”) enrollment at 25 million acres for FY 2019, 26 million acres for FY 2020, 27 million acres for FY 2021, 28 million acres for FY 2022, and 29 million acres for FY 2023. It requires the Secretary of Agriculture (the “Secretary”) to enroll a minimum of 3 million acres of grassland by the end of FY 2023 and sets maintenance goals for each of those fiscal years. It requires the Secretary to reserve remaining acres for a fiscal year when the grassland 3 million acre or the applicable maintenance goal is not reached. The bill requires the Secretary to hold a signup for contracts not available on a continuous basis at least once every other year. It also directs the Secretary to enroll and maintain acreage in accordance with historical State enrollment rates. It maintains current law regarding the general contract duration, strikes the special rule for certain land (owner specified duration), and sets certain continuous contract duration at 15 or 30 years. The bill caps land to one reenrollment if it is devoted to hardwood tress. (Section 2201)

The Senate amendment strikes the previous farm bill reference and inserts the new 2018 short title. It also caps enrollment at 25 million acres for each of fiscal years 2019 through 2023. It reauthorizes the 2-million-acre limitation regarding grassland enrollment through FY 2023. It authorizes a new clean water initiative and the State Acres for Wildlife Enhancement Program. (Section 2101)

The Conference substitute adopts the House provision with an amendment. The overall acreage limit is increased to 27 million by FY 2023, including 8.6 million acres to be devoted to continuous practices, and 2 million for grasslands. Contract lengths will be between 10 and 15 years, after which the land is eligible for reenrollment, with some exceptions. A proportional, historic State acreage allocation was included for a portion of the acres available for enrollment. The Conference substitute adopts the House provision with amendments to continuous enrollment procedure and eligibility, including making certain water quality practices eligible. (Section 2201)

The Managers codify the Clean Lakes, Estuaries, and Rivers Initiative (“CLEAR”) in order to guarantee that it remains a priority in CRP. The Managers expect the Farm Service Agency (“FSA”) to target CLEAR practices in high priority watersheds where they will maximize environmental benefits. The Managers expect that at least 40 percent of continuous CRP acres will be devoted to CLEAR. The Managers expect USDA to take greater steps to report on the water quality benefits from these practices through the annual report.

The Managers recognize the benefits of native vegetation to improve water and air quality and enhance soil health. By encouraging the adoption of native vegetation seed blends, USDA programs are supporting habitat restoration for the northern bobwhite, lesser prairie-chicken, greater sage-grouse, other upland game birds, songbirds, monarch butterflies and pollinators. The Managers encourage the use of native vegetation where practicable.

### *(2) Farmable wetland program*

The House bill amends the ’85 Act to strike the buffer acreage authority for certain land that enhances a wildlife benefit in terms of upland to wetland ratios. It caps

overall program acreage at 500,000 acres. It also directs the Secretary to also consider the submission of bids in the method of determination when looking at these offers and amounts of rental payments. (Section 2202)

The Senate amendment extends the reauthorization through FY 2023. (Section 2102)

The Conference substitute adopts the Senate provision. (Section 2203)

### *(3) Duties of owners and operators*

The House bill authorizes management to include the use of grazing for limited purpose of management. It authorizes thinning and other practices for certain purposes on land devoted to hardwood or other trees. It clarifies the conservation plan will set forth commercial use of enrolled lands. (Section 2203)

The Senate Amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 2205)

### *(4) Duties of the Secretary*

The House bill authorizes the Secretary to make rental payments. It expands opportunities for haying, grazing, and other management tools. It limits haying to no more frequently than that once in every three years with certain parameters. The bill further allows for intermittent or seasonal vegetative buffer practices incidental to production activity on adjacent land, and for program acres to be eligible for grazing when livestock assistance program is engaged because of drought. The bill gives the Secretary discretion to waive planned mid-contract management requirements in response to a natural disaster or adverse weather it results in the same effect on the cover as planned management activity. (Section 2204)

The Senate amendment authorizes cost-share for fencing and other water distribution practices. It provides for managed harvesting, grazing, and other commercial use, consistent with the conservation of soil, water quality and wildlife habitat, management, in exchange for a reduction in the annual rental rate of 25 percent. It also provides certain disaster designation authority to States. (Section 2103)

The Conference substitute adopts the House provision with amendments. Conservation practices cost-share and soil rental rate payments are authorized, as well as haying and grazing, with conditions. Natural disasters may fulfill contractual land management requirements imposing conditions on haying and grazing, including restricting it to non-primary wildlife nesting season. (Section 2206)

The Managers provide greater flexibility for haying and grazing on acres enrolled in CRP, with appropriate protections to maintain the conservation and wildlife value. The Managers direct the Secretary to allow for these specified activities on both general and continuous acres, including on acres enrolled in practices like CP-25 rare and declining bird habitat.

Similar to current USDA practice, the Managers intend to provide flexibility to allow haying, grazing or other use of forage under section 1233(b)(1)(B) with appropriate safeguards under section 1233(b)(1)(A) or section 1233(b)(2) of the Food Security Act of 1985. The Managers also recognize that the impact of haying on some species of wildlife and habitat quality may be more significant than grazing (which can be adjusted through limits on the stocking rate) and therefore intend the FSA to have discretion to set more stringent limitations on haying and under what circumstances haying is allowed.

Specifically as part of the authority for the Secretary to allow emergency haying, grazing or other emergency use of forage outside the primary nesting season (section 1233(b)(1)(B)(i)(I)(aa)), the Managers intend for FSA to maintain the current procedures where the respective county committees have the ability to request such authorization from the respective state FSA committee when any part of the county is designated as a level "D2 Drought - Severe" or worse according to the U.S. Drought Monitor.

*(5) Payments*

The House bill directs the Secretary to pay not more than 40 percent cost-share and limits cost share for seed of cover. It caps incentive payments for installing practices and prohibits a cost share payment for mid-contract management. It authorizes forest management payments, and limits payments to not more than 100 percent of the total cost. It directs the Secretary to consider the impact on local farmland rental markets when determining annual rental payments. It directs the Secretary to limit rental payments for initial enrollment to not more than 80 percent of the estimated average county rental rate. It also directs the Secretary to limit payments for subsequent re-enrollments. It increases the frequency of the rental rate estimate survey from every other year to be published by September 15 each year. The bill directs the Secretary to use estimates derived from the survey to determine these rental rates. It limits CREP rental payments to States to no more than 50 percent of the cost of activities. (Section 2205)

The Senate amendment authorizes incentive payments for continuous enrollment contracts under certain circumstances based upon prices for major covered commodities. It directs the Secretary to prioritize the enrollment of marginal and environmentally sensitive land when considering offers. The amendment adds a rental rate limitation of 88.5 percent. It strikes paragraph (2) of subsection (g) and replaces it with an exemption for payments received by rural water districts or association for lands enrolled for the purpose of protecting a wellhead and conforms subsection (g) to the new paragraph (2). (Section 2104)

The Conference substitute adopts the House provision with amendments that limit practice cost-share payments to actual cost of practice installation, and 50 percent for the cost of seed. Soil rental rates for general and continuous enrollment are limited to 85 percent and 90 percent of the county average, respectively, with secretarial requirement to account for potential impact on local farmland rental market. Incentive payments for continuous practices and forest management are also authorized. It amends the rental rate calculation methods for reenrolled land, to allow for state and Conservation Reserve Enhancement Program ("CREP") partner input, and to maintain incentives for specific practices or areas like wellhead protection zones. (Section 2207)

The Managers recognize that rental rates vary significantly across the different production regions of the country. The Managers direct USDA to use average rental rates that are more reflective of local rental rates, including offering the opportunity for State FSA and CREP partners to recommend alternative rates with supporting information. The impact of reducing the rental rates in CRP may be greater on dryland production areas where soil conservation is a significant resource concern. The Managers encourage USDA to work with producers to address soil conservation concerns in semi-arid production regions.

The Managers increased CRP's annual enrollment acreage cap and reduced the

soil rental rate limits in hopes that CRP will more accurately serve one of its fundamental purposes: retiring the most sensitive lands without competing with local farmland rental markets (which may preclude some farmers from having access to prime farmland). By incorporating changes in the program that are more market-based, the Managers are hopeful that highly productive land will not be taken out of production while remaining affordable for those who wish to utilize it for production agriculture.

Furthermore, the Managers are concerned that the complexity and expenses associated with seed mixes under CRP have led to frustration on the part of landowners, a waste of taxpayer dollars, and in some cases inferior cover on the ground if the mix fails to take root. The Managers hope that USDA will consider the hardiness and suitability of seed mixtures when recommending multiple species blends, and consider seed mixtures that contain fewer, hardier species and provide adequate cover for wildlife and pollinators on sites where cover is difficult to establish or maintain.

The Managers maintained continuous enrollment and incentives for continuous practices, including signing incentives, incentives to provide additional cost-share, and those related to specific practices, such as buffers, and wellhead areas, for certain high conservation value practices. These continuous practices are typically smaller, more targeted, and implemented only on parts of fields or farms with higher practice establishment costs, which often require higher payment rates.

#### *(6) Conservation reserve enhancement program*

The Senate amendment authorizes CREP in the '85 Act, which applies to not less than 20 percent of continuous acres. The Secretary is required to provide cost share payments as components are completed. The Secretary is also required to make incentive payments for a program that includes riparian buffers, but not to exceed 100 percent of the management cost. (Section 2105)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments limiting eligible partners and requiring a 30 percent minimum contribution from nongovernmental organizations. CREP is expressly authorized, including drought and water conservation agreements to address regional drought concerns. (Section 2202)

The Managers encourage USDA to continue the enrollment of acres in CREP in all regions of the country. The Managers incentivize more enrollment of riparian buffers, including forested riparian buffers, in CREP by authorizing the Secretary to make-cost share payments for forested riparian buffer maintenance throughout the length of the agreement and to cover up to 100 percent of the cost incurred by the owner or operator.

The Managers build upon past provisions that increase flexibility for harvesting and grazing within CRP by authorizing harvesting of products from food-producing woody plants on forested riparian buffers, provided that conservation benefits are maintained and only native plants are planted within 35 feet of the watercourse. The Managers expect USDA to make cost-share payments for installing stream fencing, crossings, and alternative water development on marginal pastureland to reflect the fair market value of the cost of installation.

#### *(7) Contracts*

The House bill amends the authority to allow a 1-time early termination in fiscal year 2019. It authorizes a transition option to beginning farmers and ranchers to prepare

land for crop use, to provide extended time certification under OFPA, and directs the Secretary to provide technical and financial assistance to carry out plan requirements. (Section 2206)

The Senate amendment strikes early termination authority. It authorizes a transition option from contract holders beginning 2 years before termination of the contract, includes short-term leases in the transition authority, provides for certain new priorities and provides for reenrollment for grasslands. It provides an authority for owner or operator election relating to easements. (Section 2106)

The Conference substitute adopts the House provision, with an amendment to maintain the current law transition option into the Conservation Stewardship Program (“CSP”). It reauthorizes a transition option for land that will be prepared for organic production or enrolled in CSP or the Environmental Quality Incentives Program (“EQIP”). Land under contract may simultaneously be enrolled in the Agricultural Conservation Easement Program (“ACEP”). (Section 2204)

#### *(8) Conservation reserve easements*

The Senate Amendment defines terms, makes requirements for the agreement between the owner and the Secretary, sets out the terms and conditions of the easement, addresses violations of the easement, and authorizes compatible economic uses in certain circumstances. (Section 2107)

The House bill contains no comparable provision.

The Conference substitute accepts the Senate provision with amendment to change the easement authority to a pilot program for 30 year contracts for Clean Lakes Estuaries and Rivers (CLEAR) practices and to include a Soil Health and Income Protection Pilot Program. (Section 2204)

The Managers require FSA to carry out a pilot to incentivize the use of 30-year contracts for the water quality practices authorized through the CLEAR initiative. The Managers would like producers to be given the opportunity to enroll in and capitalize on the benefits of longer-term contracts beyond the traditional 10-year contract, while simultaneously maximizing environmental benefits associated with the CRP. The Managers intend for this pilot to serve as a tool for measuring demand for longer-term CRP contracts and to provide insights into the conservation benefits associated with long-term contracts.

#### *(9) Eligible land; State law requirements*

The Senate amendment directs the Secretary, in consultation with the State technical committee, to make certain land eligible for enrollment through regulation. (Section 2108)

The House bill contains no comparable provision.

The Conference substitute accepts the Senate amendment with an amendment to limit the provision to partnerships established before 2014. (Section 2209)

#### *(10) Definitions*

The Senate amendment amends the definitions used in Subchapter B, the Conservation Stewardship Program, by adding more “conservation activities” and

amends the definition of “stewardship threshold” to direct the Secretary to use certain criteria, tools or models, data and other methods. (Section 2201)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with technical changes. (Section 2308)

*(11) Establishment*

The Senate amendment extends the authority through FY 2023 and amends the conversion provision to precede enactment of the 2018 farm bill. (Section 2202)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with technical changes. (Section 2308)

*(12) Stewardship contracts*

The Senate amendment requires environmental benefits be part of the measurement concept for types of performance. It authorizes contract renewals and requires for renewals a higher level of performance with respect to 2 existing priority resource concerns in the initial contract. (Section 2203)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with technical changes. (Section 2308)

The Managers direct the NRCS to ensure that existing and future CSP participants are given the opportunity to renew expiring contracts before their original 5-year contract is set to expire. Given that expiring contracts will no longer be eligible for automatic renewals and instead must compete within the same pool as applicants applying for a new contract, the Managers direct NRCS to ensure that the renewal process begins at the beginning of the fifth year of the original contract so that contracts are re-enrolled before they expire. The Managers expect USDA to rank the renewal offers according to the same two primary ranking criteria used for new contracts, in addition to including the results from previous contracts.

*(13) Duties of Secretary*

The Senate amendment changes the annual program enrollment to 8.797 million acres each fiscal year. It directs the Secretary to manage the program to achieve a national average payment rate. It authorizes payments for cover crop activities and advanced grazing management. It authorizes a 1-time payment to a producer for comprehensive conservation plan. The amendment authorizes the Secretary to allocate State funding for organic and transition to organic production. It requires the Secretary, to the maximum extent feasible, to manage the program to enhance soil health. (Section 2204)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with an amendment to strike the annual acreage allocation and the national average payment rate. (Section 2308)

The Managers removed the acre-based funding method and the \$18 per acre national average payment rate for CSP. The Managers intend this change to give NRCS greater flexibility in administering the program to maximize the Federal investment to

achieve higher conservation benefits. This change should allow NRCS to further the locally-led mission of addressing local concerns by allowing greater investment in local priorities. The Managers intend for NRCS to limit contract offers that have an exceptionally high per-acre or per-unit cost or that score lower for addressing applicable priority resource concerns.

The Managers support USDA recognizing the use of innovative technology such as enhanced efficiency fertilizers. Enhanced efficiency fertilizers, which reduce nitrate losses to the environment, help protect water quality, and reduce greenhouse gas emissions, include slow- and controlled-release fertilizers (absorbed, coated, occluded or reacted) and stabilized nitrogen fertilizers (nitrification inhibitors and nitrogen stabilizers). These tools are recognized in USDA's conservation standards and specifications for nutrient management and related practices and by State regulators of fertilizers.

The Managers intend for USDA to provide program resources for the development of a comprehensive conservation plan. The Managers intend that payments for these plans can be prorated over the life of the 5 year contract or paid in full the year it is completed. The Managers intend for the plan to be implemented in a subsequent CSP contract or through a different conservation program, like EQIP.

When determining State funding allocations under CSP for organics, the Managers intend for USDA to take into account the number of certified organic and transitioning to organic operations and the number of acres in certified organic and transitioning to organic production in a State. Both criteria are important to ensure that States with smaller organic operations can compete fairly for funding with States with larger organic operations.

The Managers intend for USDA to encourage States to give higher consideration to contracts that include conservation activities to improve soil health, where this consideration is appropriate and in line with local conservation priorities. This can take the form of higher-ranking points or other similar prioritization of soil health in producer applications.

The Managers direct NRCS to report on the payment rates for conservation activities offered under CSP in each fiscal year and analyze whether payment rates can be reduced for the most expensive conservation activities. The Managers encourage NRCS to evaluate payment rates to determine the most impactful utilization of limited program dollars.

#### *(14) Purposes*

The Senate amendment adds adaption and mitigation regarding weather volatility to the practices that sustain food and fiber production in program purposes. It also authorizes new program purpose authority regarding producer assistance to address new or expected resource concerns, including crops and drought resistant measures. (Section 2301)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with a modification regarding the program's purpose of assisting producers. (Section 2302)

The Managers added the modifiers "identified or expected" to resource concerns to help ensure that animal agriculture producers who do not yet have livestock in their facility, but have a contract for the animals to be delivered within a reasonable timeframe,

may apply for and be eligible for EQIP.

*(15) Definitions*

The House bill adds the following new inclusions to the term “practice”: conservation activities, precision conservation, management planning, and the use of cover crops and resource conserving crop rotations. It defines the term “priority resource concern” and the term “stewardship practice”. (Section 2301)

The Senate amendment defines the term “conservation planning survey”. It adds an inclusion to the definition of “eligible land”. It amends the concept of other agricultural land in the definition of the term “eligible land” to include “identified or expected” resource concerns. The amendment adds 2 new inclusions to the term “practice” improvements. It adds new inclusions to the term “practice” conservation activities. It adds a definition of the term “producer”. (Section 2302)

The Conference substitute adopts the Senate amendment with modifications, defining the terms conservation planning assessment, incentive practice, priority resource concern, soil remediation and soil testing and amending the definition of eligible land. (Section 2303)

The Managers expand eligible land inclusions for EQIP to environmentally sensitive areas. The Managers intend for these areas to be limited to associated agricultural land with natural resource concerns, such as road-stream crossings that a producer would use to access a field. These areas may include land that producers use as part of their normal agricultural operation, but is not limited to land in active agricultural production where the natural resource concern exists. Many of these areas are considered eligible by NRCS today, but by including it in statute the Managers intend for this to be implemented uniformly in all States.

The Managers recognize that by providing assistance to producers to improve soil health on eligible land it may be necessary to provide targeted assistance to test not only the biological and physiological health of the soil, but also to test for contaminants, including heavy metals, volatile organic compounds, and polycyclic aromatic hydrocarbons. Not only should the Secretary provide funding to cover the cost for this category of targeted soil testing covered under section 1240A, but funding should also be provided for conducting scientifically based soil remediation practices to be carried out by the producer. The Managers do not intend for the Secretary to provide assistance that would be covered under services provided through the Brownfields Program at the Environmental Protection Agency (EPA), but do intend that the Secretary provide an assessment of soil testing, as well as recommendations and technical assistance (as covered under section 1242), to improve overall quality and health of soil by removing potential contaminants. In the event that the expertise for making this assistance is not available at a local or regional level, the Secretary may draw upon outside expertise and/or provide training to agency staff so that they may provide assistance and customer service to producers.

The Managers direct the Secretary to conduct education and outreach to producers regarding the uses of soil and methods of addressing soil contamination and soil health degradation. This outreach may include the sharing of current information regarding soil testing protocols made available by the EPA Administrator. Furthermore, on the request of a producer, where soil is found to pose an imminent hazard to human or animal health, the Secretary may refer the producer to the EPA for additional assistance for remediation

under section 104(k) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604(k)).

*(16) Establishment and administration*

The House bill authorizes a wildlife carveout at 5 percent for each of FYs 2019 through 2023. It amends the availability of payments for water conservation or irrigation efficiency practice and the list types of practices available for water conservation and irrigation efficiency. It makes amendments to priorities for payments for water reduction and cost-shared practices. It authorizes a new authority for stewardship contracts. (Section 2302)

The Senate amendment authorizes additional term authority for wildlife practices. It makes amendments to the advance payment authority. The amendment authorizes review and guidance for cost share rates, conservation practice standards. The amendment authorizes an increase payment for high-priority practices. It decreases the livestock carveout from 60 percent to 50 percent, including for grazing management practices, and increases the wildlife carveout from 5 percent to 10 percent. The amendment allows the Secretary to provide water conservation and system efficiency payments. It amends organic production payment limits to \$160,000 during FY 2019 through FY 2023. It authorizes a micro-EQIP pilot program. (Section 2303)

The Conference substitute adopts the Senate amendment with several modifications. The amendment moves section 2303(2) of the Senate amendment, to section 2304(d) of this bill. It modifies the Senate provision on advanced payments for beginning farmers by striking the opt out concept, amending it to be an assurance of notification to producers. It also moves the cost-share provision and practice standards provisions to section 1241 of the '85 Act. It also moves high-priority practices to section 2304 of the substitute. The amendment includes the Senate provision on irrigation, livestock carve-out and wildlife carve-out, and the House authority on stewardship contracts with a technical amendment, but modifies the payment limit provision, and does not include the Micro-EQIP pilot program. (Section 2304)

The Managers believe that conservation practices adopted solely for the benefit of wildlife should be fostered with contracts of maximum length allowed by law. Wildlife practices often diminish agronomic value on working agricultural lands because they have real implementation costs and increase operational risks by reducing yield. These practices are therefore highly unlikely to be sustained by farmers without longer-term, incentives-based partnerships with NRCS. In taking this action to encourage longer-term contracts, the Managers intend that contracts for the benefit of wildlife should not be limited by previous agency interpretation limiting the length or term of these contracts to three years or any other term less than 10 years.

The Managers authorize the Secretary to enter into expedited contracting arrangements to deliver EQIP surface and groundwater cost-share assistance for both on and off farm conservation measures. The Managers provide that the expedited cost-share assistance authorized by this drought authority is specifically limited by project type, and shall only be made available by the Secretary for a watershed-wide project that will effectively conserve water, provide fish or wildlife habitat, or provide for drought-related environmental mitigation. The Managers further direct the Secretary to prioritize assistance provided under this authority to producers participating in efforts to stabilize water resources of state or regional significance, and to prioritize cost-share practices

which improve agricultural drought resiliency and productivity. In order to ensure that EQIP cost-share assistance made available under this provision does not disadvantage other regions and conservation concerns, the Managers specifically state that the Secretary is not authorized to modify the process for determining the annual allocation of EQIP funding to States. Rather these efforts should be addressed within each State's locally led priorities with input from State Technical Committees. Furthermore, the Managers intend that the AGI waiver authority made available under this provision apply only to the eligible entity, not to individual producers.

The Managers recognize the broad and significant role of EQIP in promoting environmental stewardship. In addressing water quality as a resource concern, the Committee believes that conservation programs should prioritize funding for producers implementing fertilizer management practices that incorporate the use of the right fertilizer source, the right rate (amount of fertilizer), the right placement of fertilizer (including precision application) and the right timing of fertilizer applications (making the nutrients available when the crop needs them). These practices are recognized by the USDA-NRCS Nutrient Management Standard (590) and have been proven to help producers optimize production potential and protect the environment.

The Managers intend that conservation programs should recognize the use of innovative technology, such as enhanced efficiency fertilizers (including slow and controlled-release fertilizers, stabilized nitrogen fertilizers). This innovative technology can help producers to protect water quality and reduce greenhouse emissions. In the case of EQIP applications involving manure-to-energy projects, the Managers encourage the Secretary to consider whether the projects include an integrative approach to addressing nutrient management and water quality issues.

The Managers make changes to the advance payment option under EQIP by requiring notification of an advance payment option to beginning, limited resource, and socially disadvantaged producers. The Managers recognize that the historic low utilization rate by these groups is likely due to challenges with implementation and outreach, rather than lack of interest. Advance payments should be timed so that the 90 day period to expend all funds commences at the time practice installation begins. The Managers encourage USDA to explore options to provide assistance to small-scale and limited resource agricultural producers to access EQIP to address natural resource concerns.

The Managers believe that states should increase EQIP incentives for those practices which are especially effective at addressing local or regionalized priority resource concerns. The Managers intend for the increased incentives to promote further adoption of these highly beneficial practices by producers in high priority watersheds. The Managers intend that increased payments to producers under this provision shall not exceed 90 percent of costs, even in the case of producers who would otherwise qualify for increased payments.

The Managers direct the Secretary to ensure conservation practice standards reflect the use of integrated irrigation and nutrient management technologies, such as micro-irrigation systems (e.g., drip irrigation). Such technology, in addition to providing increased water efficiency, can be used to distribute fertilizers and other nutrients directly to plant roots, improve soil health, both water quantity and quality, and reduce nutrient runoff. In the case of EQIP applications involving irrigation projects, the Managers encourage the Secretary to consider whether the projects include an integrative approach

to addressing nutrient management and water efficiency issues.

The Managers intend for the new incentive contracts to be available to producers for not less than five years, but no more than 10 years to receive annual and cost-share payments for adoption, installation, required management and maintenance of incentive practices that attain increased natural resource levels of conservation on the applicable portion of the farm, ranch or forest as determined by the producer. The Managers anticipate incentive practices with broad resource benefits (including, but not limited to, cover crops, transition to resource conserving crop rotations, and incorporation of precision agriculture technologies into agriculture operations) will be available to producers within the program. Similarly, a broad suite of incentive practices relating to grazing lands and forest lands will be available to incentivize increased levels of conservation around locally-established resource priorities.

*(17) Evaluation of application*

The Senate amendment authorizes application priority for the consideration of the most effective practices to address natural resource concerns. (Section 2304)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with a modification, moving the priority to section 2503 of the substitute, as an implementation provision. (Section 2503)

*(18) Duties of the Secretary*

The Senate amendment authorizes the Secretary, to the maximum extent feasible, to streamline and coordinate between the EQIP plan and CSP and manage the program for soil health. (Section 2305)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment in section 2304 of the Conference substitute. (Section 2308)

*(19) Environmental quality incentives program plan*

The Senate amendment amends the requirement for a CAFO plan of operation to include “progressive” implementation. (Section 2306)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 2305)

The Managers intend for the Comprehensive Nutrient Management Plan (“CNMP”) to remain a comprehensive and whole farm plan. However, during a particular EQIP contract period, it is not necessary for an existing facility with a CNMP to achieve every aspect of the CNMP all at once if doing so would be practically or economically infeasible. In such instances, progressive implementation should include an appropriate and realistic timeframe for the remaining implementation factors after the end of the contract period, including, if warranted, with additional EQIP assistance.

*(20) Conservation innovation grants and payments*

The House bill caps conservation innovation grants at not more than \$25 million for each of FYs 2019 through 2023 and increases air quality funding at \$37.5 million for each of FYs 2019 through 2023. The amendment also includes new on farm conservation innovation trials. (Section 2304)

The Senate amendment authorizes new program uses. It reauthorizes the funding provision through fiscal year 2023. (Section 2308).

The Conference substitute adopts the House provision with amendment. The modifications include a provision specific to community colleges and an authorization of partnerships with farmers for certain innovative conservation practices, as well as edge-of-field, emerging agricultural practices, and other monitoring practices. The substitute does not include the House cap on conservation innovation grant funds. The amendment includes a soil health demonstration trial within the authority for On-Farm Conservation Innovation Trials. (Section 2307)

The Managers intend for the conservation innovation grants to promote innovative conservation approaches that increase green space, pollinator habitat, stormwater management, carbon sequestration, and access to agricultural production sites through land tenure agreements and other contracts.

The Managers believe that conservation innovation and technological advancement should be farmer-centric and support experimentation by farmers. It should harness leading-edge technology and data science while also leveraging private expertise and capital. Producers are also reluctant to introduce new conservation practices across the entire farming operation without first testing how they work in practice. Current law has focused on innovation of practices but not enough on testing and adoption at field scale in partnership with farmers. An important component of innovation trials is involving the private sector and the Managers intend commercial entities to work together with NRCS to test and prove new conservation practices.

The Managers intend that innovation trials take place on a variety of operations that reflect the diversity of producers and natural resource concerns present across the United States, and that payments be made to producers across a range of operation sizes. Included in the innovation trials is a Soil Health Demonstration Trial, which USDA should implement by drawing upon the expertise and resources of outside partners (including commodity groups and producers) to mirror and build upon existing soil health projects.

Furthermore, the Managers intend that the conservation practice database be a publicly available and continuously updated resource that informs the public on USDA conservation practice standards and contributes to the conservation efforts of partners and producers in the agricultural community.

The Managers intend for the Secretary to ensure all producers in the innovation trials meet EQIP eligibility requirements before participation in the program. The explicit statutory language requiring the Secretary to enforce adjusted gross income requirements for producers shall not preclude or impact enforcement of these requirements in other conservation programs.

#### *(21) Soil health demonstration pilot project*

The Senate amendment authorizes a soil health demonstration pilot project that includes financial incentives for producers in appropriate geographic regions, including at least 1 drought prone region, and establishes protocols for measuring gains in soil health. The amendment also authorizes a study on soil health and economic outcomes, report to Congress and provides \$15 million annually through fiscal year 2023 to carry out the pilot. (Section 2309)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with modifications within the authority for On-Farm Conservation Innovation Trials. (Section 2307)

*(22) Wetland conservation*

The House bill requires the Secretary to identify regulatory categorical exemptions within 180 days of enactment of the 2018 farm bill as it relates to the minimal effects exemption. It further provides \$10 million in mandatory funds for wetlands mitigation banking beginning in FY 2019, which funds shall remain available until expended. It also authorizes appropriations of \$5 million for each of FYs 2019 through 2023. (Sections 2101 and 2102)

The Senate amendment requires that the requisite on-site inspection occur in the presence of the affected person, as long as they are available for such inspection. It clarifies that no person shall become ineligible if the Secretary determines an exemption under section 1222(b) of the '85 Act applies to that person. It directs the Secretary, within 1 year, to identify categorical minimal effect exemptions in compliance with certain laws and regulations and in consultation with particular groups. The amendment eliminates mandatory funding for mitigation banking and instead authorizes \$5 million in appropriations for each of fiscal years 2019 through 2023. (Sections 2401, 2412, and 2413)

The Conference substitute adopts the Senate amendment to section 1221(d) of the '85 Act with a modification to the authority for on-site visits without the affected person present. The substitute also deletes the House and Senate provisions on minimal effects under 1222(d). (Sections 2101 and 2102)

*(23) Conservation security program*

The House bill repeals the conservation security program and conservation stewardship program authorities. It clarifies that the amendment does not have an impact on existing contracts. It also prohibits the Secretary from renewing existing contracts. (Section 2801)

The Senate amendment repeals subchapter A of chapter 2 of subtitle D of the '85 Act. (Section 2402)

The Conference substitute repeals both conservation programs and establishes the subchapter B of chapter 2 authority in subchapter B of chapter 4 of the '85 Act. It also provides transition authority, monetizes the acreage cap, and establishes the Grasslands Incentive Program. (Sections 2301 and 2308)

With the combination of CSP and EQIP under Chapter 4, the Managers intend for the Secretary to implement the programs in coordination with each other while also maintaining each subchapter as a separate and distinguishable program with a distinct purpose. The Managers intend for USDA to continue to seek applications and enroll producers in both EQIP and CSP each year, and to promote both programs equally among producers.

This reorganization of programs provides an opportunity to streamline procedures for both programs so that they complement each other and provide a better customer service experience for producers, while maximizing the conservation potential of this chapter. Streamlining efforts for these programs should include applications, contracting, conservation planning, conservation practices, and related administrative procedures. The Managers encourage USDA to provide outreach and technical assistance to

producers to assist them in resolving priority resource concerns through adaptive management and continual improvement through both programs.

The Managers intend for CSP and EQIP under Chapter 4 to provide flexibility at the local level to address issues for all production systems, especially those in semi-arid areas where there is a need for practices to increase water savings and climate resiliency. For example, wheat growers need to be able to access the program through conservation practices that are specific to local production needs and that includes areas with lower rainfall. The Managers believe USDA should provide appropriate conservation practice and enhancement options for producers that focus on drought mitigation and dryland agriculture. The Managers also believe USDA should also provide assistance at varying levels of conservation performance, to enable all producers to access conservation assistance.

The Conference substitute establishes a new Grassland Conservation Initiative within Subchapter B of the Conservation Stewardship Program. The Managers require USDA to establish this initiative beginning in fiscal year 2019 and intend the first opportunity to enroll be provided in fiscal year 2019 to eligible land on a voluntary basis. The Managers expect that additional enrollments also be offered in each subsequent fiscal year at a time determined appropriate by the Department. Regardless of the fiscal year, eligible land, as defined, shall be enrolled only once in the program. The Managers expect FSA and NRCS to work concurrently to identify and provide program information to producers who have eligible acres to enroll in the program. The Grassland Conservation Initiative establishes a statutory \$18 per acre payment rate and payments shall be made on an annual basis. The Managers do not intend for the Grassland Conservation Initiative to be administered in the same exact manner as CSP and have established separate program requirements. The Managers do not intend to require that the eligible land enrolled has to be in grass at the time of enrollment or maintained as grass for the life of the contract for purposes of addressing a resource concern. The Managers do not intend for the grassland contracts to be subject to CSP payment limits. The Managers provide an early termination of the contract at any time without penalty to the producer, and all land enrolled during a crop year shall be planted or considered planted to an agricultural commodity during that crop year.

*(24) Conservation of private grazing land*

The Senate amendment adds authority for partnerships. (Section 2403)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 2404)

*(25) Soil health and income protection program*

The Senate amendment authorizes the soil health and income protection program to assist landowners with conserving and improving soil, water and wildlife resources. It allows agreements entered under this program to be for 3, 4, or 5 years. Provides an authorization of appropriations to carry out this program. (Section 2404)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with a modification authorizing a pilot program in the Conservation Reserve Program. (Section 2204)

*(26) Grassroots source water protection program*

The House bill extends this authority through FY 2023. It authorizes \$5 million in mandatory funding beginning in FY 2019, to remain available until expended. (Section 2402)

The Senate amendment authorizes \$25 million in appropriations for each of fiscal years 2019 through 2023. (Section 2405)

The Conference substitute adopts the House provision. (Section 2405)

*(27) Soil testing and remediation assistance*

The Senate amendment authorizes soil testing and remediation assistance. It requires the Secretary to work with producers to mitigate the presence of contaminants in soil, including by establishing a soil testing protocol, providing technical assistance for testing and remediation, education, outreach. It also authorizes a referral to the Environmental Protection Agency if necessary for additional remediation assistance. (Section 2406)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with modifications, including to the definition of “practice” under EQIP authorities. (Section 2303)

*(28) Voluntary public access and habitat incentive program*

The House bill authorizes \$50 million in mandatory funding for the period of FY 2019 through 2023. (Section 2403)

The Senate amendment merges the conservation innovation grant authority with the voluntary public access and habitat incentive program authority. It authorizes \$40 million of mandatory funding from Chapter 5 of the '85 Act for the period of FY 2019 through 2023 towards the voluntary public access and habitat incentive program. (Section 2407)

The Conference substitute adopts the House provision. It simplifies the current grant application process, increases funding in response to increased popularity, and includes additional incentives intended to encourage owners of private land to allow public recreation on land containing wetland reserve easements. (Section 2406)

The Managers intend the \$3 million for enhancing access to Wetland Reserve Easements (“WRE”) to be utilized to determine the level of interest among States in providing public access for hunting, fishing, and other recreational activities on WRP/WRE acreage. Because there are legitimate concerns about the scarcity of public access and the quality of wildlife habitat on wetland easements, landowners who are not utilizing or underutilizing enrolled land for personal use could potentially be incentivized to open their enrolled land to public use. After making a reasonable effort to conduct landowner outreach, if the Secretary determines that exchanging incentives for public access for recreation on WRE/WRP acreage would not be realistic, remaining funds are to be available for the other purposes of the program.

*(29) Agriculture conservation experienced services program*

The Senate amendment sunsets the ACES authority on October 1, 2023. (Section 2408)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

*(30) Remote telemetry data system*

The Senate amendment directs the Secretary to encourage the use of remote telemetry data systems for irrigation scheduling in the environmental quality incentives program. (Section 2409)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

The Managers recommend that USDA recognize as a best management practice in conservation programs the use of remote telemetry data systems for irrigation scheduling. Remote telemetry data systems, as used for irrigation scheduling, combine the use of field, weather, crop and soil data, which ensures that the precise amount of water is applied to crops to promote water and energy efficiency while also increasing crop yields. The Managers encourage USDA to incorporate remote telemetry data systems as a best management practice under the Environmental Quality Incentives Program.

*(31) Agricultural conservation easement program*

The House bill clarifies that one of the program purposes of the Agricultural Conservation Easement Program is to limit non-agricultural uses of land that negatively affect the agricultural uses and conservation values. It strikes “restoring and” and inserts “restoring or”. It amends the definition of “eligible land” to include up to 100 percent of the described parcel under certain enrollment circumstances. It strikes the consultation requirement with the Department of the Interior. The bill defines the term “monitoring report”. It authorizes technical assistance to implement the program. The bill allows for other forms of contributions from the eligible entities: cash contribution, charitable donation or funding from a non-USDA federal source. It continues the same cap for grasslands. The bill amends minimum terms and conditions to also require those are consistent with the agricultural use of the land. The bill further clarifies that the current right of enforcement does not extend a right of inspection unless the holder of the easement does not provide timely monitoring reports. The bill also strikes the Agricultural Land Easement “(ALE)” plan requirements and requires a conservation plan for highly erodible cropland. It requires proof of fraud or gross negligence to require a refund. The bill authorizes additional provisions regarding mineral development and environmental services markets. It authorizes within the entity certification a process to allow a certified eligible entity to use its own terms and conditions. It adds certification criteria regarding those accredited by the Land Trust Accreditation Commission with certain requirements. The bill amends subsection (d) of the ’85 Act by amending the technical assistance authority to assist in compliance with the terms and conditions of easements. It requires the terms and conditions of a wetland easement to comply with a grazing management plan that is modified at least every 5 years. The bill strikes “or off-site” in paragraph (4) of subsection (a) of the ’85 Act and the term “proposed or”, which is replaced with “permitted or”. It separates out and provides new modification and termination authorities. It prohibits the limitation in section 1001D(B)(1) of the ’85 Act from applying to a landowner with respect to any benefit described in paragraph (2)(B) of that section, related to the purchase of the easement. (Sections 2601-2605)

The Senate amendment clarifies that one of the purposes of ACEP is to limit non-agricultural uses of land that may negatively impact the agricultural uses and conservation values. It adds acequias to the list of eligible entities. It amends the

definition of “eligible land” to reflect the additional requirements for eligibility of certain land. The amendment authorizes buy-protect-sell transactions and authorizes technical assistance to implement the program, including for the development of a conservation plan. It strikes clause (ii) of subsection (b)(2)(B) of the ’85 Act regarding the source of contribution and replaces it with a charitable donation, certain costs related to securing a deed and other costs, as determined by the Secretary. The amendment requires an applicant to develop an agricultural land easement plan. It adds an additional priority for applications that maintain agricultural viability. It amends minimum terms and conditions to also require those are consistent with the agricultural activities to be covered. The amendment strikes the ALE plan requirements in clause (iv) of the ’85 Act and requires in a new subparagraph the terms and conditions exclude a right of inspection, unless monitoring reports are not provided. It authorizes additional terms and conditions. It also adds an additional term and condition authorizing the certified eligible entity to use its own terms and conditions to account for geographic differences. The amendment adds two certification criteria for those accredited by the Land Trust Commission with certain different requirements or State Departments of Agriculture or other State agencies. It adds acequias as an entity that may enroll in a 30-year contract. It adds as a consideration the ability of the land to sequester carbon. The amendment adds as a priority the improvement of water quality. It adds acequias as eligible entities for a contract or agreement regarding technical assistance and to carry out special wetland reserve enhancements. The amendment authorizes the Secretary to establish or restore alternative vegetative communities. It provides that subsection (a)(2) of the ’85 Act (new subparagraph (B)) is subject to the new acequia authority. It provides authority for the Secretary to acquire land owned by acequias. The amendment authorizes the Secretary to terminate or modify a contract under section 1231(a) of the ’85 Act if the land is enrolled in an ALE easement under section 1265C(b). It authorizes the Secretary to simultaneously enroll land subject to an easement in a CRP contract under subchapter B of chapter 1 of the ’85 Act. (Section 2410)

The Conference substitute adopts the House provision with amendments. It narrows existing limitation on nonagricultural uses to those that negatively affect agricultural and conservation values while expanding cost-share and program eligibility, including land subject to buy-protect-sell transactions, and broadens secretarial authority to set application criteria and modifies authority to conduct enforcement, subordination, modification, exchange, and termination of easements. It also provides additional allowable conditions an easement holder may place on the agreement and prioritizes water quality improvement on wetland reserve easements. It authorizes alternative vegetative communities. Land enrolled under ALE may simultaneously be enrolled under a CRP contract. (Subtitle F)

The Managers make amendments to both Agricultural Land Easements and Wetland Reserve Easements in order to improve program deliverability. The Managers expect the agency to prioritize the maintenance and enhancement of the functions and values of currently enrolled WRE. While some States have effectively achieved increased wetland functions and values, including optimum wildlife habitat, more could be done by States to achieve these goals. By including these statutory changes for WRE, the Managers hope to ensure these wetlands and associated upland areas will be managed so the taxpayers receive the wildlife habitat and water quality benefits they have paid for and deserve.

The Managers included language on alternative plant communities and intend for the agency to eliminate the 30 percent restriction on restoration of alternative plant communities as part of a wetland reserve easement, and to provide flexibility in wetland restoration to enhance wetland functions and migratory bird habitat values and contribute to the goals of state, regional, and local conservation initiatives.

Riparian areas are critical to wildlife conservation and water quality, especially in the Southwest where non-contiguous riparian habitats constitute a major portion of those States' wetlands. These riparian areas in the Southwest that are not connected to permanently protected wetlands are eligible for WRE, and the Managers urge the Secretary to invest the resources needed to make WRE a useful and well-used tool in those states where riparian areas are so critical to wildlife, including in New Mexico and Arizona.

The Managers' intent behind allowing flexibility and additional options in the non-federal share of cost share assistance (matching funds) is to broaden the ability of entities to participate in ALE, including for grasslands of special environmental significance, across a more diverse geography. The intention of the language is to provide better access to the program to states where farm and ranchland preservation funding is not readily available like South Dakota, Texas, and Alabama. The Managers do not believe the program should be limited only to entities that can provide cash match. It is important to acknowledge other expenses that an entity must take on, such as the long-term expense of monitoring an easement or other additional upfront costs. The Managers believe that the long-term strength of the program is derived from making the program available as broadly and equitably as possible across diverse regions of the country. The Managers do not intend for USDA to reject cash match entirely but to broaden the options available to eligible entities.

The Managers have made two main changes to certification language in the Conference substitute. The first is to clarify the intent of Congress that a certified entity should be able to write its own deed terms, subject to minimum deed terms set by NRCS. This was the intent in the Agricultural Act of 2014 and is clarified here. The Department should not put undue burden on an entity's ability to write its own deed terms. Second, the Managers have provided three pathways for eligible entities to be certified. The first is the Agricultural Act of 2014's retained provision enabling any eligible entity to be certified if it demonstrates to the Secretary certain capabilities around acquiring, administering and enforcing agricultural land easements. Two additional pathways have been created – one for accredited land trusts, and the other for State agencies with statutory authority for farm and ranch land protection. In order to become certified, the entity must have acquired a certain number of easements through a Federal easement program and successfully met program responsibilities in doing so.

The Managers limit the Secretary's authority to the right of enforcement under the program and clarify that such right only extends to a right of inspection in two cases: (1) where a monitoring report is not supplied or (2) when there is reasonable evidence of violation of the terms of the easement. The Managers intend for entities to be the primary agent for enforcement of the deed terms reinforcing Congressional intent back to the Food, Conservation, and Energy Act of 2008.

The Managers defined a monitoring report in order to provide clarity to NRCS on the documentation required by eligible entities. The Managers believe that this clarification is needed to ensure that NRCS respects the role of the eligible entity and

does not pursue an inspection role while the eligible entity is fulfilling responsibilities under their agreements and providing reports to NRCS.

The Managers modified the definition of eligible land to allow for agricultural land to be owned by an eligible entity on a transitional basis to qualify for program participation, provided that the land subject to the agricultural land easement be transitioned to farmer or rancher ownership within 3 years. The language provides two pathways for these “Buy-Protect-Sell”-type projects, both of which allow an application to the program for purchase of an agricultural land easement without a pending offer and without identification of the farmer or rancher to whom the land will eventually transfer.

The Managers recognize the value of “Buy-Protect-Sell” projects, which are intended to help farmers and ranchers gain access to affordable farmland, and the need for flexibility in the program to facilitate their use. The Managers recognize that the process of identifying a farmer or rancher to purchase the protected land and effecting the sale of that land can take time, and that unforeseen circumstances can delay a sale. With this in mind, the timeline—and option for extension—laid out in this section is intended to provide as much flexibility as possible, while at the same time holding eligible entities to the terms of their initial application.

By striking the consultation with the Secretary of the Interior, the Managers do not intend to exclude the Department of the Interior from involvement in WRE. It is the intent of the Managers that the Secretary of Agriculture continue to implement the program in close partnership with the Department of the Interior at the local level.

While the Conference substitute removes the requirement for an ALE plan as part of the minimum deed terms (except for land with highly erodible soil), the Managers encourage USDA and eligible entities to work with landowners entering into an ALE easement to undertake conservation planning activities on their land in order to maximize the environmental value of the protected land.

The Managers recognize the substantial investment taxpayers make in easements and understand the importance of ensuring taxpayer dollars are wisely spent. However, on limited occasions, there may be justifications for changes to easements. Entities participating in the ALE program take the obligations that come with stewarding perpetual easements very seriously. Modifying an easement can be necessary from time to time for a variety of reasons. Modifications should be done to (1) add acreage; (2) improve conservation values; or (3) improve the administration of the easement. Alternative options should always be considered before administrative action is taken to change or modify the terms of the easement. Terminating an easement should only be done in very rare cases and the Conference substitute does not weaken the current requirements for termination actions. In the case of termination actions, the United States should be fully compensated, including for any restoration costs. However, the Managers understand there needs to be some flexibility and straight forward rules in these rare instances of termination. The Managers expect that the Department will provide entities with the flexibility to properly administer perpetual easements, but to be prudent in the use of this flexibility. The Managers intend that a contribution shall not fail to be considered a qualified contribution under the Internal Revenue Code of 1986 based solely on the termination authority granted to the Secretary under this section.

The Managers include the consideration of agricultural viability as a priority for the Secretary in evaluating applications under the program. The Managers consider the components of agricultural viability to include those that enable a producer to

productively operate a farm or ranch on the protected land; maintain the long-term affordability of the protected land; maintain an economically sustainable farm business on the protected land; and maintain the protected land in a way that enables its agricultural use by future generations of farmers and ranchers.

The Managers intend to provide explicit authorization for eligible entities to add deed terms to the agricultural land easement that address farmland affordability and keep the protected parcel in farmer ownership. The Managers envision that these deed terms include those that NRCS has permitted in ALE easement purchases in Vermont and Massachusetts, known as the Option to Purchase at Agricultural Value, as well as deed terms with a similar purpose, such as a Preemptive Purchase Right.

The Managers allow for entities holding an ALE to add deed terms that address mineral development. The intent of the Managers is to provide statutory clarity to the issue of mineral development on easement lands. The Managers have determined that instances when the ALE program prohibits subsurface mineral development on lands where mineral rights have been severed, they are limiting the applicability and impact of the program by eliminating otherwise high value conservation lands from program eligibility. This provision does not negate or supersede any other applicable laws, including State laws, which may otherwise apply to any mineral development activities. In the event that mineral development rights are reserved and exercised under the program, the activity should be consistent with the conservation and agricultural purposes of the land and all provisions of the program. It is not the intention of the Managers to have a massive expansion of mineral rights exploration on ALE lands but it is intended to provide clarity, especially on lands where mineral rights are severed and not owned by the landowner. This language is not intended to require States that have specific prohibitions against mineral development on eased lands to allow mineral rights development on eased lands.

### *(32) Regional conservation partnership program*

The House bill amends the term “covered program” to include CRP and the Watershed Protection and Flood Prevention Act. It amends the term “eligible activity” to include “resource-conserving crop rotations”. It amends the same term to include protection of source waters for drinking water. The bill amends the length of the partnership agreements to limit an agreement and renewal to 5 years, and one extension up to 12 months. The bill further authorizes the Secretary to enter into a partnership agreement, including a renewal under subsection (d)(5) of the '85 Act for longer than 5 years if necessary to meet the objectives. It amends subsection (c)(1)(E) of the '85 Act to include quantification of the project’s environmental outcomes. It also directs the Secretary to conduct a “simplified” competitive process. The bill authorizes applications for renewals for certain purposes. It also amends the Adjusted Gross Income (“AGI”) waiver authority under section 1001D of the Act to create an exemption to the limitation of paragraph (2), as well as any limitations related to the covered programs for producers. The bill authorizes mandatory funding at \$250 million for each of fiscal years 2019 through 2023. It directs the Secretary to provide guidance on how to quantify and report environmental outcomes and the progress being made towards quantifying and reporting the same. It eliminates the limitation applying the Small Watershed Program to only Critical Conservation Areas (“CCA”). (Sections 2701-2706)

The Senate amendment amends the program to simplify and streamline the program. The Senate amendment eliminates the requirement for USDA to operate the program through the terms and conditions of the covered programs and instead requires USDA to operate it as a stand-alone program using a new program contract for producers. The Senate bill included new authority for renewal of partnership agreements, provided more flexibility in the partner funding contributions, eliminated and replaced Alternative Funding Arrangement authority with a new grant authority limited to 30 percent of annual funding, eliminated the national funding pool and created a new multistate funding pool, increased mandatory funding to \$200 million per year, retained the 7 percent reservation of funds from the covered programs, and revised criteria for CCA designations.

(Section 2411)

The Conference substitute adopts the Senate amendment with modifications. The conference report maintains most of the Senate bill reforms, with a few amendments. The two Senate bill funding pools will be fund equally between states and multistate CCAs. The new grant authority from the Senate bill is revised to allow USDA to enter into up to 15 grants or Alternative Funding Arrangements per year with eligible partners. Mandatory funding is increased to \$300 million per year and the 7 percent reservation of funds is eliminated. (Subtitle G)

The Managers streamline the operation of the Regional Conservation Partnership Program (RCPP) to increase program adoption by eligible partners and producers alike. The Managers intend for USDA to use the covered programs (as defined in statute) as a guide for what conservation activities can be done through partnership agreements and contracts with producers, but do not intend for USDA to continue to implement RCPP through the rules and regulations of the covered programs. NRCS shall run RCPP as a stand-alone program, with its own rules and regulations, and shall revise the program to focus on increasing producer access, improving conservation outcomes, and simplifying procedures.

The Managers do not intend for the change in RCPP's eligible activities to, in any way, lessen the prioritization of projects that may include drought mitigation, flood prevention, water retention or water quantity and groundwater recharge activities. The availability of funding to address these issues remains of utmost importance in many regions of the country.

The Managers continue to believe that initiatives developed at the local level and with local input are critical to ensuring the success of this program. Therefore, the Managers encourage potential project partners to engage with conservation districts within the boundaries of a proposed project for input and feedback on the natural resource priorities that have been identified. The Managers encourage NRCS to include conservation district engagement within its ranking criteria.

The Managers modified the terms in the establishment of RCPP to ensure eligible partners entering into agreements can be funded through alternative funding arrangements and grant agreements through which the eligible partners can implement projects and provide financial assistance directly to producers. It also modifies the purposes of the program by striking the use of covered programs under RCPP and refocuses the program on carrying out conservation activities through program contracts outside of covered programs. The Managers intend for this to change how NRCS carries out RCPP by moving away from implementation directly through the covered programs.

The definition of ‘covered program’ under RCPP is revised to be a “purpose, activity, or agreement” of EQIP, CSP, ACEP, CRP, Healthy Forest Reserve Program, and the Watershed Act. The Managers intend this change to mean that a partnership agreement must include a purpose, activity or agreement that is authorized in one of the covered programs, but not be carried out through the covered program.

The definition of eligible partner is updated to specifically include acequias, land trusts and other organizations who have authority to hold conservation easements, and conservation districts. The Managers note that these entities are already considered eligible partners by NRCS, but wanted to make that clear in statute so they continue to be eligible in the future.

While the Managers intend to allow a partnership agreement longer than 5 years under RCPP, they expect the Secretary to only allow longer agreements in select situations, like if the longer period is concurrent with a deadline established under a State or Federal program that relates specifically to the project.

The Managers emphasize the importance of a partner’s duty to quantify the environmental outcomes of their RCPP projects, and partners are encouraged to assess and report on the economic and social outcomes of their projects, as partners may be able to encourage increased adoption of conservation practices. The Managers expect the Secretary to provide guidance to partners on how to quantify and report on the outcomes of their projects. This guidance should include methods and tools that can be used to quantify outcomes at varying scales appropriate to projects (regional, state, county, watershed, field, etc.), and for the various natural resource concerns addressed by projects. The Managers emphasize the importance of presenting the progress of partners and participating producers in regular reports to Congress, while recognizing that different conservation practices have differing timelines for their full effects to be realized.

The Managers clarified the partner contribution requirements to ensure that a partner contribution can be a combination of financial or in-kind contributions, and that time spent between the announcement of the project award and the signing of the partnership agreement can be counted toward the partner contribution.

The Managers intend for NRCS to ensure that there is a staff person in every state to serve as an RCPP coordinator. This person should be available to assist partners with implementing the project and provide reports and other information required by the Secretary. While the Managers did not include the requirement for modification of conservation practice standards from the Senate bill within RCPP, this authority was moved to Section 1242 of the Food Security Act of 1985 so that the modification of conservation practice standards can be allowed for all conservation programs.

The Managers direct USDA to create a simplified application process for eligible entities, particularly new partners and small organizations.

The Managers intend NRCS to develop a separate, noncompetitive process for renewing successful partnership agreements. NRCS should ensure that only the most successful projects qualify for renewal, and the Managers do not intend for renewals to use a majority of funding available each fiscal year. Since the national funding pool is eliminated, the Managers intend that any eligible partner that was funded through the national funding pool and otherwise meets the requirements for renewal of that partnership agreement shall be renewed with funding from the applicable State or multiple State competitive process.

The Managers encourage the Secretary to provide all RCPP applicants who are not awarded a partnership agreement, information and feedback, including written information and feedback as appropriate, for improvements that could be made to the application to make it more competitive if the partner chooses to apply again in the future.

The Managers provided new authority for the Secretary to deliver RCPP through a new program contract with producers that is not a contract from a covered program. The Managers intend the Secretary to have greater flexibility in setting the terms of the program contract and the type of conservation activities to be undertaken by producers. New application bundles are authorized to give higher priority to projects where a majority of producers in a watershed agree to submit applications for conservation activities. The Managers intend the Secretary to utilize this authority when there would be a greater conservation benefit to the watershed.

The Managers authorize USDA to enter into both alternative funding arrangements and grant agreements with eligible partners, depending on the specific requirements of the project. The alternative funding arrangement or grant agreements provision replaces the problematic “alternative funding arrangement” (AFA) provision in the current law. The current AFA provision proved to be time-intensive and difficult to contract for multi-producer, irrigation infrastructure projects and other watershed scale projects, and only two AFA contracts were completed nation-wide under the current law. This section addresses the short-comings of the current AFA provision by providing new statutory authority for straight-forward contracting with an eligible partner implementing an RCPP project directly with multiple producers, such as a project to upgrade water delivery or irrigation infrastructure owned by a canal company, ditch company, or irrigation district.

The Conference substitute limits AFA and grant projects to no more than 15 projects per year. The Managers encourage the Secretary to use discretion to ensure that the project can truly be carried out more effectively through the alternative funding arrangement or grant than through the traditional partnership agreement model. The Managers also intend for the eligible partners to ensure that the projects under this authority directly benefit and involve producers.

While the eligible partner will be responsible for contracting with producers and making payments to producers, the Secretary may provide technical and administrative assistance to support the eligible partner. Such assistance includes checking producer eligibility requirements, including conservation compliance, adjusted gross income, and payment limits.

While the Conference substitute included alternative funding arrangements alongside grants within this authority, it is the intent of the Managers that the Secretary utilize alternative funding arrangements to provide both flexibility in implementation and support for eligible partners. The Managers recognize that AFAs may provide the Department with more administrative flexibility, but intend for these to run very similar to a grant agreement. If the eligible partner and the Secretary so choose, they may simply enter directly into a grant agreement in lieu of an AFA.

In order to simplify the application process, the national funding pool is eliminated. Partners can apply if they are in a critical conservation area, or under a new state and multistate funding pool. The Managers intend the state and multistate funding pool to fund both large and small projects. For the multistate authority, the State

Conservationist for each state involved should agree to fund the project in order for it to be awarded.

There has been considerable frustration among partners regarding the use of technical assistance by NRCS in implementing the program. The Managers intend NRCS to be straightforward and up front with partners about the amount of technical assistance that will be needed to implement projects and to report publicly on that information. To help further its capacity to get conservation on the ground, NRCS should increase efforts to engage third-party providers in technical assistance for projects.

The Managers intend for NRCS to continue to apply conservation compliance requirements to producers participating in projects through RCPP, including through the alternative funding arrangement or grant agreement authority.

The Managers expect the Secretary to work with eligible partners to ensure participation in projects by beginning farmers and ranchers, veteran farmers and ranchers, socially disadvantaged farmers and ranchers, and limited resource farmers and ranchers. Both USDA and eligible partners shall conduct outreach and provide technical assistance to historically underserved producer groups to ensure that these groups actively participate in RCPP projects.

The Managers intend the current Critical Conservation Areas (CCA) to remain in place for the duration of the 2018 Farm Bill, unless the Secretary can demonstrate the resource concerns have been fully addressed for the CCA. In addition, some partners believe that some project awards in a CCA were not directly addressing the primary resource concerns for the respective CCA. The Managers intend for the Secretary to only award projects in the CCA directly related to the primary resource concerns for a CCA.

The Managers expect the Secretary to provide guidance to partners on how to quantify and report on the outcomes of their projects. This guidance should include methods and tools that can be used to quantify outcomes at varying scales appropriate to projects (regional, state, county, watershed, field, etc.) and for the various natural resource concerns addressed by projects. The Managers emphasize the importance of presenting the progress of partners and participating producers in regular reports to Congress, while recognizing that different conservation practices have differing times for their effects to be realized.

### *(33) Emergency conservation program*

The House bill restructures section 401 of the Agricultural Credit Act of 1978 (the “ACA”) into two subsections amending existing law to add wildfires and creating a new subsection for repair and replacement of fencing with option to receive the payment in advance. It adds new section 402A to the ACA, providing maximum cost-share rate, exceptions for Limited Resource Farmers and Ranchers, Beginning Farmers and Ranchers, or Socially Disadvantaged Farmers and Ranchers, and a maximum payment limitation. (Section 2406)

The Senate amendment amends section 403 of the ACA and adds two new sections (authorities). It provides a payment limit and establishes a set-aside of program funds for repair and restoration of fencing. Section 12614 of the Senate amendment is identical to section 2406 of the House bill, with the exception of the 25 percent maximum pre-payment limit and return of funds requirement. (Section 2414 & 12614)

The Conference substitute adopts the House provision with an amendment. Losses due to wildfire are made eligible. Fencing repair and replacement cost-share are

authorized for up to 75 percent of the total cost, with an advance disbursement option available to the producer. A payment limit of \$500,000 is established. (Section 2403)

*(34) Watershed protection and flood prevention*

The House bill maintains the current authorization of appropriations structure for flood prevention and includes new \$100 million in mandatory spending for the overall program during each of fiscal years 2019 through 2023. (Section 2404)

The Senate amendment authorizes \$200 million in appropriations for each of fiscal years 2019 through 2023. (Section 2415)

The Conference substitute adopts the House bill with amendment. The substitute includes a waiver for the watershed plan under certain instances and provides \$50 million in mandatory funding for each fiscal year thereafter. (Section 2401)

*(35) Small watershed rehabilitation program*

The Senate amendment authorizes the Watershed Protection and Flood Prevention Act authorization of appropriations at \$20 million annually through FY 2023. (Section 2416)

The House bill maintains the current authorization level of \$85 million through FY 2023. This program is also covered by the new mandatory money above.

The Conference adopts the House provision. (Section 2401)

*(36) Repeal of conservation corridor demonstration program*

The Senate amendment repeals the conservation corridor demonstration program. (Section 2417)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 2811)

*(37) Repeal of cranberry acreage reserve program*

The Senate amendment repeals the cranberry acreage reserve program. (Section 2418)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 2812)

*(38) Repeal of National Natural Resources Foundation*

The Senate amendment repeals the National Natural Resources Foundation. (Section 2419)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 2813)

*(39) Repeal of flood risk reduction*

The Senate amendment repeals the flood risk reduction. (Section 2420)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 2814)

*(40) Repeal of study of land use for expiring contracts and extension of authority*

The Senate amendment repeals the authority. (Section 2421)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 2815)

*(41) Repeal of integrated farm management program option*

The Senate amendment repeals the integrated farm management program option authority. (Section 2422)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 2816)

*(42) Repeal of clarification of definition of agricultural lands*

The Senate amendment repeals the authority. (Section 2423)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 2817)

*(43) Resource conservation and development program*

The Senate amendment authorizes the program through FY 2023. (Section 2424)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

*(44) Wildlife management*

The Senate amendment codifies the working lands for wildlife conservation partnership between the Department of Agriculture and the Department of Interior and expands the authority to the conservation reserve program in the Farm Service Agency. It also authorizes the Secretary to assist a requesting federal, state or local agency regarding regulatory certainty through conservation practices, under certain conditions. (Section 2425)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with a technical change. (Section 2407)

The Managers recognize the success of the Working Lands for Wildlife model of conservation established between USDA's Natural Resource Conservation Service and the U.S. Fish and Wildlife Services as a model of effective species conservation on private lands that can provide regulatory certainty for farmers, ranchers, and landowners. The Managers support the regulatory predictability that the model of conservation provides to producers who voluntarily implement agreed upon conservation practices that promote species recovery. In the event that a species is listed as threatened or endangered under the Endangered Species Act in the future, producers in the Working Lands for Wildlife model of conservation who voluntarily implement agreed upon conservation practices are able to continue to operate their farms and businesses without potential disruptions related to the listing. Protections under this initiative include up to 30 years of certainty related to protections from incidental take under the Endangered Species Act as long as the producer or landowner voluntarily maintains the agreed upon conservation practice. The Managers expand the Working Lands for Wildlife model of conservation to apply to the Farm Service Agency for programs like the Conservation Reserve Program and expect the same regulatory certainty to apply.

*(45) Healthy forests reserve program*

The House bill includes this provision within the forestry title. (Section 8107)

The Senate amendment makes amendments to the Healthy Forests Reserve Program and adds as a purpose of the program to conserve habitats for candidate, threatened, endangered species or species of greatest conservation under State wildlife action plans. The provision eliminates the limitation on the use of cost-share agreements and easements. It also directs that restoration plans under the program include land management practices, vegetative treatments, structural practices and measure, practices that improve biological diversity, carbon sequestration, and other appropriate activities. It strikes (e)(2). It authorizes certain practices. (Section 2426)

The Conference substitute deletes the Senate amendment and addresses it within Title VIII.

*(46) Watershed protection*

The Senate amendment amends the definition of “works of improvement” in the Watershed Protection and Flood Prevention Act and authorizes a waiver for the watershed plan under certain circumstances. (Section 2427)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with modifications that do not include a change to the definition and modify the requirements for a waiver. (Section 2401)

The Managers authorize a waiver for watershed plans where the Secretary determines that it is unnecessary or duplicative. The Managers intend that the Secretary exercise this waiver authority in instances where the proposed work of improvement would not require the same type of plan or analysis provided for in a PL-566 plan if the activity were conducted under other USDA conservation program authority, for work which is categorically excluded from more significant USDA or other Federal agency review, or where adequate planning has already been conducted. The watershed plan waiver authority does not authorize the Secretary to waive the National Environmental Policy Act (NEPA) or other federal environmental laws applicable to a proposed PL-566 work of improvement. The Managers included this waiver to improve the deliverability of the program and ensure financial resources are devoted to implementing watershed protection measures that benefit producers, rural communities, and the environment.

*(47) Modifications to conservation easement program*

The Senate amendment provides authority for the Secretary to modify or exchange land in a covered program and modify an agreement, contract or an easement in a covered program if such modifications meet certain requirements and costs are covered by the party requesting the modification or exchange. (Section 2429)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

*(48) Feral swine eradication and control pilot program*

The House bill provides the Secretary the authority to establish a pilot project for eradication and control of feral swine. It enumerates the duties of the Secretary in carrying out the pilot including assessment, control methods, restoration, and the provision for financial assistance to producers. It also enumerates the actions for which financial assistance will be provided. The bill requires coordination between the Natural Resources Conservation Service and the Animal and Plant Health Inspection Service with

State Technical Committees to determine the pilot areas for the project. It provides that areas considered for the pilot will demonstrate feral swine impacts as a threat to agriculture, native ecosystems, or human or animal health. It establishes the cost-share level of 75 percent and provides for in-kind contributions of materials and services. The bill allocates \$100 million in mandatory funds for the period of 2019 through 2023 and distributes the funding at 50 percent to each agency and the scope of their work. It further limits the use of these funds to no more than 10 percent for administrative expenses associated with the pilot project. (Section 2405)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment providing \$75 million in mandatory funding. (Section 2408)

*(49) Soil and water resources conservation*

The House bill reauthorizes the Soil and Water Resource Conservation Act through FY 2023 and expands USDA's ability to assess natural resource concerns through enhanced measurement, evaluation, and reporting on conservation program outcomes. (Section 2408)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment reauthorizing the authority. (Section 2402)

*(50) Funding; Report on program enrollments and assistance*

The House bill amends the '85 Act to extend CRP funding under both paragraphs (A) and (B) through FY 2023. It authorizes ACEP funding at \$500 million for each fiscal year 2019 through 2023. It conforms this section with CSP repeals. The bill retains the current authorization of EQIP funding for 2018, and authorizes funding at \$2 billion for 2019, \$2.5 billion for 2020, \$2.75 billion for 2021, \$2.935 billion for 2022 and \$3 billion for 2023. It strikes 2 reports due in 2014. It also strikes the regional equity authority. The bill extends the authority through FY 2023 and conforms paragraph (1) regarding the CSP repeal. It strikes paragraph (h)(3) regarding an authority to repool acres. It requires a report each FY 2018 through 2023 by Dec. 15 regarding different activities. (Section 2501)

The Senate amendment amends the funding for section 1234(c)(1)(A) of the '85 Act to \$11 million for the period of FY 2019 through 2023 and (B) to \$50 million for the period of FY 2019 through 2023 to carry out section 1235(f), capping outreach and assistance spending at \$5 million and conforming retiring owners and operators with previous changes to "contract holders". It authorizes ACEP funding at \$400 million for each fiscal year 2019 through 2021, \$425 million for FY 2022 and \$450 million for FY 2023. It authorizes EQIP funding at \$1.473 billion for 2019, \$1.478 billion for 2020, \$1.541 billion for 2021, \$1.571 billion for 2022, and \$1.595 billion for 2023. The amendment strikes a 2012 review. It extends the authority through FY 2023. It targets 15 percent of funding to assist beginning farmers and ranchers and the same for socially disadvantaged farmers and ranchers. The amendment provides new conservation standards and requirements. It strikes certain activities. (Sections 2501 & 2602)

The Conference substitute adopts the House provision, including funding for various programs, reports, an extension of a funding authority for certain farmers and ranchers, and provides for interagency coordination on conservation standards and

requirements. (Section 2501)

While the Conference substitute does not increase the set-aside for beginning farmers or socially disadvantaged producers, the Managers recognize the importance of updating funding allocations in the conservation programs to better reflect the changing demographics among farmers and ranchers and encourage USDA to continue to improve enrollment in conservation programs by these producers.

*(51) Delivery of technical assistance*

The House bill amends the definition of “eligible participant” to remove eligibility under section 524 of the Federal Crop Insurance Act. It also defines “third-party provider”. It authorizes a new alternative certification process. (Section 2502)

The Senate amendment defines “third-party provider”. It authorizes a new certification process for third-party providers as well as a streamlined process. It strikes the current authorization and inserts new authority for the expedited revision of conservation practice standards. It also requires a report. (Section 2502)

The Conference substitute adopts the House provision with amendments to the certification process and review of conservation practice standards, and includes the expedited revision of standards provision in the Senate amendment. (Section 2502)

The Managers believe technical service providers are an important part of the conservation delivery system. The Managers intend for USDA to use the vast technical knowledge available in the private sector as a way of complementing NRCS reach and expertise. The Conference substitute clarified the definition of a TSP to specifically include commercial entities. The Conference substitute provides authority for non-Federal entities to certify technical service providers. The Managers intend for USDA to implement this and make this available nationwide.

The Managers encourage NRCS to continue to work with the U.S. Forest Service and state forestry agencies to streamline and align forest management plan requirements in private forestry assistance programs administered by each of these agencies. The Managers also encourage NRCS to allow use of landscape-wide or area-wide forest management plans to meet the requirements of forest management plans in NRCS programs.

*(52) Administrative requirements for conservation programs*

The House bill strikes subsection (m) of the '85 Act because expanded language related to that exemption is not in Title I of this bill and adds a new authority for targeting conservation practices for source water protection which includes a reservation of funds at not less than 10 percent of conservation funds (not including CRP) for each of fiscal years 2019 through 2023. (Section 2503)

The Senate amendment adds Acequias to the authority for certain incentives in section 1244 of the '85 Act. It increases the cap from 10 percent to 15 percent for cropland in a county that can be subject to a wetland reserve easement. It updates the calculation authority regarding acreage to reflect 2018 farm bill enactment. The Senate amendment adds new authority to the pollinator authority in subsection (h) of the '85 Act. It applies commodity program eligibility to the definition of an exempted producer and conforms paragraph (2) of subsection (m) of the '85 Act. It directs the Secretary to enter into alternative funding arrangements with tribes under certain circumstances. The

amendment adds an authority for source water protection. It authorizes a waiver and contract limitation to payments made to acequias. (Sections 2503 & 12613)

The Conference substitute adopts the Senate amendment with modifications, including deleting subsections (a) and (f) of the '85 Act, providing an authority for the review and guidance for practice costs and payment rates, amending the authority for alternative funding arrangements for Indian tribes. The substitute also adopts the House provision on source water protection and a modification to its reservation of funds, does not include the pollinator authority within this title, does not include the regulatory relief provision within this title (moved to title I), establishes authority for environmental services market, and addresses regulatory certainty. (Section 2503)

The Managers encourage the Secretary to expand upon existing work at USDA to encourage the protection of pollinators and the enhancement of pollinator habitat through adoption of conservation practices. This work may be accomplished through the development of area-wide conservation plans and strategies to increase the use of integrated pest management, as well as providing technical assistance to producers relating to background science, promotion, and implementation of conservation habitat enhancement for beneficial insects. Examples of assistance that USDA could provide to producers include, but are not limited to, sharing best management practices that integrate natural predators and parasites of crop pests into agricultural systems and promoting additional practices that enhance natural habitat for these insects, providing an alternative to pesticide application on farms.

The Managers intend for the Department to emphasize the importance of protecting sources of drinking water throughout the title because of the direct public health benefit such activities would provide. Protection of sources of drinking water not only means emphasizing practices that have a significant water quality or water quantity benefit, but also focusing those practices in watersheds where source waters can be protected or improved. Water quality and quantity practices do not address source water protection if those waters are not used as water system sources or if they do not address water system concerns.

The Managers understand that some programs do not have purposes that directly align with source water, but the Managers intend at least ten percent of the total amount of conservation title funding go towards source water protection, not necessarily from each individual program. For example, this could mean EQIP could in practice provide more than its 10 percent minimum share to satisfy the overall requirement if the Agricultural Conservation Easement Program could not. The Managers do not intend for this to be a “check the box” activity of retrospectively accounting for funds that addressed protection of source water, but instead represents a clear priority for the Department to identify watersheds where potable water is at risk and to target those areas for conservation implementation.

The Managers provide authority to incentivize practices that have a beneficial environmental impact on protecting drinking water. This tool is intended to address practices that might have limited adoption because of the cost to the producer or because the benefits are largely off-farm. Examples include edge of field practices such as saturated buffers, woodchip denitrifying bioreactors, or drainage water management.

The Managers believe that USDA actively seeking partnerships to identify targeted areas helps amplify the importance of voluntary, incentive-based conservation. One of those critical partnerships is with water utilities and the Managers expect the

Department to work with drinking water utilities to identify key areas in each state to focus on protecting source water. The Managers intend for this to be used in priority areas in each state; not just certain areas of the country.

The Managers believe environmental markets have the potential to play a significant role in addressing natural resource concerns. Producers enrolled in conservation programs under this title should not be precluded from participating in those markets as long as the landowner is providing additive conservation above and beyond the protections provided under the program. This could be an important market for landowners, and not allowing them to participate in these markets could serve as a disincentive for permanent farmland protection such as those provided under ACEP. For instance, landowners could undertake management changes that could increase the amount of carbon sequestered above and beyond that amount of carbon that is sequestered simply by preventing conversion of grassland or timberland.

*(53) Definition of acequia*

The Senate amendment defines an acequia in the '85 Act. (Section 2504)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

*(54) Authorization of appropriations for water bank program*

The Senate amendment authorizes appropriations at \$5 million for each of fiscal years 2019 through 2023, to remain available until expended. It strikes a provision that applied through FY 1980. (Section 2505)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

*(55) Report on land access, tenure, and transition*

The Senate amendment authorizes a report on land access, tenure, and transition. (Section 2506)

The House bill contains no comparable provision.

The Conference substitute addressed the Senate amendment in title XII.

*(56) Report on small wetlands*

The Senate amendment authorizes a report on small wetlands. (Section 2507)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with modifications to the report. (Section 2409)

The Managers request that USDA, acting through the Chief of NRCS, conduct a report on small wetlands to be completed within 6 months following enactment. The Managers require that the report include the number of small wetlands that have been delineated in each of the states during fiscal years 2014 through 2018. The Managers request that USDA provide additional reports that look at years prior to 2014 and that those reports be made available by the end of each fiscal year after the enactment of this Act. The Managers intend for this report to provide information on small wetlands and ensure that NRCS is using the same methodology across each of the states identified in determining wetlands that are small in nature.

*(57) State technical committees*

The House bill adds the State 1862 Institution to the State technical committee. (Section 2504)

The Senate amendment directs State technical committees to review technologies and practices and make recommendations to the Secretary. It amends section 1261(b)(2) of the '85 Act to strike "under section 1262(b)". (Sections 2508 & 2604)

The Conference substitute adopts the House provision with an amendment to include section 2604 of the Senate amendment and the addition of the State cooperative extension and the land grant university in the State. (Section 2822)

The Managers recognize the importance of State Technical Committees and how they provide important State input on natural resource concerns and the delivery of USDA conservation programs. The Managers believe that focusing National programs to meet the needs of agricultural producers in each state should be done with input from representatives within the State and include the diversity of production. State technical Committees should balance representation between grower representatives, conservation organizations, Tribal, State, local government agencies, and other interested organizations within the State.

*(58) Farmable wetland reform*

The Senate amendment is a technical correction. (Section 2601)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

*(59) Drought and water conservation agreements*

The Senate amendment amends 1231A of the '85 Act and authorizes the Secretary to enter into agreements that address regional drought concerns. (Section 12612)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

*(60 & 61) Repeal of terminal lakes assistance*

The House bill repeals the authority for terminal lakes assistance. (Section 2802)

The Senate amendment contains no comparable provision.

The Conference substitute strikes the authorization of appropriations and makes a technical change. (Section 2821)

## Title III – Trade

### *(1) Generation and use of currencies by private voluntary organizations and cooperatives*

The House bill allows the generation of proceeds from the sale of commodities by private voluntary organizations to be used as enumerated in this section. (Section 3004)

The Senate amendment allows the Administrator of USAID to permit private voluntary organizations to sell commodities distributed under nonemergency programs under this title to generate proceeds to be used as enumerated in this section. (Section 3102)

The Conference substitute adopts the House provision. (Section 3103)

### *(2) Food aid consultative group*

The House bill reauthorizes the authority for the group through FY 2023. (Section 3006)

The Senate amendment reduces the consultation period for proposed regulations, handbooks, or guidelines concerning this title to 30 days. It reauthorizes the Food Aid Consultative Group through FY 2023. (Section 3104)

The Conference substitute adopts the Senate provision. (Section 3105)

The Managers expect that reducing the Food Aid Consultative Group (FACG) review period from 45 days to 30 days will streamline and expedite the approval of agreements and that efforts will be taken to ensure such change does not reduce the opportunity for FACG members to provide feedback on proposed regulations, handbooks, or guidelines.

Furthermore, the Managers believe food aid transportation efficiency and transparency can be improved and expect the FACG to review and recommend any specific changes needed in regulations and procedures governing food aid transportation to enhance program delivery, maximize program efficiency, and improve transparency, including specifically reviewing the shipment schedules, and terms and conditions of governing contracts and freight solicitations.

### *(3) Oversight, monitoring, and evaluation*

The House bill amends section 207(f) of the Food for Peace Act to allow up to 1.5 percent of the funds made available under this section to pay for program oversight, monitoring, and evaluation. It extends funding authority for the early warning assessments and systems to FY 2023 and eliminates requirement that matching funds come from Chapter 1, Part 1 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.). (Section 3008)

The Senate Amendment amends section 207(f) of the Food for Peace Act to allow the Administrator to use to up 1.5 percent, but not less than \$17,000,000, of appropriated funds made available under this section for program oversight, monitoring, and evaluation. It extends funding authority for the early warning assessments and systems to FY 2023. (Section 3105)

The Conference substitute adopts the Senate provision with an amendment to eliminate the requirement that matching funds come from Chapter 1, Part 1 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.). (Section 3107)

The Managers affirm the importance of the Famine Early Warning Systems

Network (FEWS NET) to effectively and efficiently respond to crises around the world. However, the U.S. Agency for International Development (USAID) should better utilize FEWS NET to provide advance information and inform interventions to mitigate the effects of drought in areas where livestock production is a critical source of food and income.

*(4) Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods*

The House bill extends authority for the appropriation of funding for the program through FY 2023. It changes the name of the section to “International Food Relief Partnership” (Section 3009).

The Senate amendment amends section 208(f) of the Food for Peace Act to reauthorize funding for distribution of shelf-stable prepackaged foods. (Section 3106)

The Conference substitute adopts the House provision. (Section 3108)

*(5) Allowance of distribution costs*

The Senate amendment amends section 406(b)(6) of the Food for Peace Act to clarify allowable distribution costs, including a variety of activities for which costs were paid prior to FY 2017. (Section 3107)

The House bill has no comparable provision.

The Conference substitute incorporates the Senate provision with an amendment clarifying that the costs include distribution and program implementation costs to use the commodities provided under the Food for Peace Act. (Section 3110)

The Managers intend for the allowable uses of internal transportation, storage and handling (ITSH) funds authorized under section 406(b)(6) of the Food for Peace Act to include the types of activities for which costs were paid under such paragraph prior to fiscal year 2017. Such activities must be associated with the use of agricultural commodities. The Managers do not intend for the changes made by this provision to result in increased levels of annual ITSH spending as compared to the average annual ITSH spending levels in recent years by dollar value or as a percentage of overall Food for Peace funding.

*(6) Annual report regarding food aid programs and activities*

The House bill amends section 407(f) of the Food for Peace Act to allow the Administrator and Secretary of Agriculture to file annual reports relating to their respective food aid programs and activities, jointly or separately. It requires the Administrator and Secretary to notify Congress if their reports will be delayed and provide reasons for the delay. The bill requires a detailed account of the funds expended for the purposes of 202(e), 406(b)(6) and 407(c)(1)(B). Additionally, it restructures reporting requirements by moving requirements under section 403(m) of the Food for Peace Act, so they shall be included within the report required under section 407(f). It includes conforming repeal of section 403(m). (Section 3012)

The Senate amendment amends 407(f)(1)(A) of the Food for Peace Act to allow USAID Administrator and Secretary of Agriculture to file annual reports relating to their respective food aid programs and activities, jointly or separately. (Section 3109)

The Conference substitute adopts the House provision with an amendment to remove the provision requiring Congressional notification relating to reasons for delay in

production of the report. (Section 3112)

The Managers acknowledge information provided in the annual report regarding food assistance programs and activities is essential for Congressional and public oversight of these programs. The Managers expect the relevant agencies to cooperate to ensure that annual reporting of food assistance is provided either jointly or separately in a concise, transparent, and timely manner. Agencies should promptly publish data on food aid programs and activities as available, regardless of when full reporting requirements will be met.

*(7) Nonemergency Food Assistance*

The House bill amends section 412(e) of the Food for Peace Act to provide not less than \$365 million of the amounts made available to carry out Title II, nor more than 30% of such amounts to be expended for nonemergency food assistance programs for FY 2019 through FY 2023. It also amends section 412(e) to allow community development funds appropriated to carry out part I of the Foreign Assistance Act of 1961 that are made available through grants or cooperative agreements and that assist in implementing certain activities—income-generating community development, health, nutrition, cooperative development, agriculture, and other development—to be deemed to have been expended on nonemergency food assistance programs for the purposes of this section. (Section 3014)

The Senate amendment amends section 412(e) of the Food for Peace Act to provide not less than \$365 million of the amounts made available to carry out this title for nonemergency food assistance programs for fiscal years through FY 2023. It amends section 412(e) of the Food for Peace Act to allow funds expended under the Farmer-to-Farmer Program (section 501 of the Food for Peace Act) to be considered amounts expended for the nonemergency food assistance programs under section 412. The amendment also amends section 412(e) of the Food for Peace Act to allow funds expended through Part I of the Foreign Assistance Act of 1961 through grants or cooperative agreements and consistent with the goals of Title II, to be considered amounts expended for nonemergency food assistance programs under certain circumstances. (Section 3111)

The Conference substitute adopts the House provision with a modification to amend section 412(e) to allow funds expended under the Farmer-to-Farmer Program (section 501 of the Food for Peace Act) to be considered amounts expended for the nonemergency food assistance programs under section 412. (Section 3114)

The Managers emphasize the importance of nonemergency development assistance to strengthen resiliency and transition countries from food aid recipients to trading partners. The Managers authorize the Administrator to count Community Development Funds (CDF) toward the minimum level of nonemergency food assistance. The Managers support the use of CDF to complement Title II resources and expect that the Administrator will continue to use these funds to provide direct funding to Food for Peace Title II nonemergency programs through the Office of Food for Peace or its successor. The Managers further expect that any reduction in the use of commodities in non-emergency programs that result from the use of the CDF will be offset by additional commodities used in emergency food aid operations.

*(8) John Ognowski and Doug Bereuter Farmer-to-Farmer program*

The House bill amends section 501 of the Food for Peace Act to clarify that assistance provided under the program should be “technical” in nature. The bill amends section 501 of the Food for Peace Act to add retired extension staff of USDA as able to work in conjunction with agricultural producers and farm organizations on a voluntary basis. It also amends section 501 to expand the scope of issues the program can focus on to include selection of seed varieties and plant stocks, knowledge of insecticide and sanitation procedures to prevent crop destruction, use and maintenance of agricultural equipment and irrigation systems, and selection of fertilizers and methods of soils treatment. The bill further amends section 501 to encourage the fostering of investments in institutional capacity-building to allow for longer-term sequenced assignments to provide deeper engagement and greater continuity of projects. It extends authority for appropriations at existing levels for each of FY 2019 through FY 2023. It allows for funds used under this section to be counted toward the minimum level of non-emergency food assistance under 412(e). The bill adds the establishment of geographically defined crop yield metrics system, a public database to assess improvements in crop yields, and creates a new grant program to facilitate new and innovative partnerships and activities. It extends authority for appropriations at existing levels for each fiscal year FY 2019 through FY 2023. (Section 3016)

The Senate amendment amends section 501 of the Food for Peace Act to allow employees or staff of a State cooperative institution as defined by subparagraphs (A) through (D) of section 1404(18) of the National Agricultural Research Extension, and Teaching Policy Act of 1977 to volunteer for the purposes enumerated under section 501. It extends authority for minimum levels of assistance at existing levels for each fiscal year FY 2019 through FY 2023. The amendment extends authority for appropriations at existing levels for each fiscal year FY 2019 through FY 2023. (Section 3113)

The Conference substitute adopts the Senate provision with an amendment that clarifies that the nature of assistance should be “technical,” expands the scope of issues the program can focus on to include selection of seed varieties and plant stocks, knowledge of insecticide and sanitation procedures to prevent crop destruction, use and maintenance of agricultural equipment and irrigation systems, and selection of fertilizers and methods of soils treatment, and creates a new grant program to facilitate new and innovative partnerships and activities. (Section 3116)

The Managers support the United States’ work to advance food security in developing countries and open new markets for agricultural trade through programs that leverage the unique capabilities of Federal departments and agencies and that improve coordination between donors, beneficiaries, and the private sector. The Department of Agriculture (USDA) plays an important role in establishing trade between the United States and other nations and should enhance its role in facilitating the transfer of the knowledge, skills, and experience of American farmers, land grant universities, and extension services through the John Ogonowski and Doug Bereuter Farmer-To-Farmer Program.

The Managers intend for the Farmer-to-Farmer Program to foster appropriate investments in institutional capacity-building and allow longer-term and sequenced assignments and partnerships to provide deeper engagement and greater continuity on such projects.

*(9) Priority trade promotion, development, and assistance*

Section 3102(a) of the House bill amends section 205 of the Agricultural Trade Act of 1978 to create the International Market Development Program, a consolidation of the current Market Access Program (MAP), the Foreign Market Development (FMD), Technical Assistance for Specialty Crops (TASC), and the E Kika de la Garza programs. Section 3102(b) of the House bill amends section 211(c) to provide \$255 million in annual mandatory funding for the International Market Development Program, subject to the allocation of \$253.5 million as follows: MAP not less than \$200 million annually; FMD not less than \$34.5 million annually; E. (Kika) de la Garza Emerging Markets Program (EMP), not more than \$10 million annually; TASC not more than \$9 million annually; and the remaining unallocated balance of \$1.5 million per year will be available for the Secretary to make available for the MAP and/or FMD programs. Section 3102(c) of the bill repeals the current law authorizations for the MAP, FMD, TASC, and de la Garza programs. It also repeals section 1302 of the Omnibus Budget Reconciliation Act of 1993 to eliminate the suggested five-year limitation on promotion of a specific branded product in a single market, and other administrative guidelines. Section 3102(d) of the bill makes conforming amendments. (Section 3102)

The Senate amendment amends Title II of the Agricultural Trade Act of 1978 to add a new Subtitle C — Priority Trade Promotion, Development, and Assistance. It consolidates the MAP, FMD, de la Garza, and TASC programs under subtitle C. The Senate amendment provides a total of \$259.5 million in annual mandatory funding for the Priority Trade Promotion, Development, and Assistance program, subject to the allocation of \$253.5 million as follows: MAP not less than \$200 million annually; FMD not less than \$34.5 million annually; E (Kika) de la Garza Agricultural Fellowship Program not more than \$10 million annually; TASC not less than \$9 million annually; and the remaining balance of \$6 million annually will be available for use among the four programs, as determined by the Secretary under a new Priority Trade Fund. The Senate amendment repeals current law authorizations for the MAP, FMD, TASC and de la Garza programs, and makes several changes, including: clarifies definition of “emerging market” to include a “territory, customs union, or other economic market” in addition to the current law “country” for the de la Garza Fellowship Program; adds section 255(d) to the Agricultural Trade Act of 1978 to authorize the Secretary to provide assistance under TASC to a project for longer than a five-year period if the Secretary determines it would effectively support the purpose of the program; and section 226(d) authorizes the use of funds to carry out MAP and FMD in Cuba, consistent with directives under the National Security Presidential Memorandum of June 16, 2017 entitled “Strengthening the Policy of the United States Toward Cuba”, during the period in which that memorandum is in effect. (Section 3201)

The Conference substitute adopts the Senate provision with an amendment that consolidates the current MAP, FMD, TASC, and EMP programs under one Agricultural Trade Promotion and Facilitation section in the Agricultural Trade Act of 1978. The amendment provides a total of \$255 million in annual mandatory funding subject to allocation as follows: MAP not less than \$200 million annually; FMD not less than \$34.5 million annually; EMP not more than \$8 million annually; TASC at \$9 million annually; and the Priority Trade Fund at \$3.5 million annually to be distributed at the Secretary’s discretion. Further, the substitute repeals section 1302 of the Omnibus Budget Reconciliation Act of 1993 to eliminate the suggested five-year limitation on promotion for specific branded product in a single market. (Section 3201)

The Managers intend for the consolidation of the Market Access Program, the Foreign Market Development Cooperator Program, the Kika de la Garza Emerging Markets Program, and the Technical Assistance for Specialty Crops Program under one Agricultural Trade Promotion and Facilitation Program to establish permanent mandatory funding for agricultural trade promotion activities. The Managers intend to maintain the unique functions of each program.

The Managers recognize that specialty crops are uniquely challenged by sanitary and phytosanitary barriers and other non-tariff barriers to trade, including a lack of international harmonization for maximum residue levels (MRLs). While the Managers affirm the importance of TASC in addressing these barriers, they recognize that the TASC program has been underutilized in recent years. The Managers intend for the Secretary to consider and, as necessary, make reforms to streamline the application, approval, and compliance processes and requirements for eligible organizations, particularly for smaller grants and shorter-term or time-sensitive projects. The Managers direct USDA to have substantial, ongoing engagement with specialty crop stakeholders and the Committees in carrying out the requirements of this section to improve the program, including as USDA reviews program procedures and requirements and makes improvements to streamline and facilitate assistance.

The Managers recognize that expanding trade with Cuba not only represents an opportunity for American farmers and ranchers, but also a chance to improve engagement with the Cuban people in support of democratic ideas and human rights. They note that the June 2017 National Security Presidential Memorandum toward Cuba affirmatively supports the sale of United States agricultural commodities and does not impair or otherwise affect the authority otherwise granted by law to an executive department or agency. The Managers expect that the Secretary will work closely with eligible trade organizations to educate them about allowable activities to improve exports to Cuba under the Market Access and Foreign Market Development Cooperator Programs.

*(10) Food for Progress Act of 1985*

The House bill reauthorizes the section through FY 2023, and adds colleges and universities as defined by Section 1404(4) of the Food and Agriculture Act of 1977 (7 U.S.C. 3103(4)) as eligible entities to furnish commodities or provide financial assistance under this section. (Section 3204)

The Senate amendment reauthorizes the section through FY 2023 and clarifies that the Secretary retains the authority to administer the programs applicable to this section. It adds land grant colleges and universities as defined by Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) as eligible entities to furnish commodities or provide financial assistance under this section and clarifies that when providing humanitarian or developmental aid, "internal" transportation costs may be considered a covered expense. The section adds paragraph (5) at the end of subsection (1) to require a certain amount of assistance be provided in direct funds, in the amount of 30 percent of the funds of the "transportation cap", 30 percent of existing administrative funds, and \$26 million in funds of the Commodity Credit Corporation for each of FY 2019 through FY 2023, specified to be used to pay for any of the costs in paragraph (4). Additionally, the Senate amendment strikes existing "Requirements" and instructs the Secretary to issue regulations and revisions to agency guidance and procedures necessary to implement the amendments made to this section

within 270 days of enactment of this Act. The section instructs the Secretary to consult with the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate relating to agency regulations, guidance and procedures that are to be revised within 270 days of enactment of this Act. (Section 3301)

The Conference substitute adopts the House provision with an amendment requiring the Secretary to include information on the "rate of return" for a commodity in the annual report, and includes a section authorizing pilot agreements for FY 2019 through FY 2023 to directly provide financial assistance to eligible entities to cover the costs of activities consistent with the humanitarian and development purposes listed in (1)(4)(A). (Section 3302)

The Managers affirm the importance of Food for Progress in improving agricultural productivity and strengthening food security in developing countries by providing training and technical assistance to producers, developing extension services, increasing access to quality inputs, improving access to capital, and numerous other activities.

The Managers encourage the Secretary to use the pilot agreement authority to test and evaluate the effectiveness of directly providing funds to eligible entities to implement the same types of development activities that are typically funded by proceeds from monetization under this program.

*(11) Cochran emerging market fellowship program*

The House bill amends section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 to clarify that the purpose of the fellowship includes enhancing trade linkages involving regulatory systems governing sanitary and phytosanitary standards for agricultural products, and permits study in foreign colleges or universities that have met certain criteria including having sufficient scientific and technical facilities, having an established partnership with at least one college or university in the United States, and having substantial participation by U.S. faculty in the design of the fellowship curriculum and classroom instruction under the fellowship. (Section 3206)

The Senate amendment amends section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 to add to the purposes of the program the development of agricultural extension services and regulatory systems governing sanitary and phytosanitary standards for agricultural products. It increases the authorization of appropriations for the 3 country categories, respectively, to (1) \$4 million, (2) \$3 million, and (3) \$6 million. (Section 3304)

The Conference substitute adopts the Senate provision with an amendment that permits study in foreign colleges or universities that have sufficient scientific and technical facilities, have established a partnership with at least one college or university in the United States, and have substantial participation by U.S. faculty in the design of the fellowship curriculum and classroom instruction under the fellowship. (Section 3305)

The Managers intend to provide the Secretary discretion to improve program efficiency by permitting fellowships to occur at a college or university located outside the United States, subject to certain eligibility requirements, where appropriate. The Managers expect the Secretary to work closely with Congress in implementing this provision to ensure the original intent of the program is preserved.

*(12) Borlaug International Agricultural Science and Technology Fellowship Program – Developing country fellowship recipients*

The House bill amends section 1473G to add a new authorization for fellowship recipients from eligible developing countries to receive scientific training or study at a college or university outside of the United States, subject to specific criteria. It authorizes appropriations of \$6 million for the Borlaug fellowship program and requires that not less than \$2.8 million appropriated be used for participants from eligible foreign countries. (Section 3207)

The Senate amendment amends section 1473G to add the development of agricultural extension services in foreign countries to the purpose of the program. It requires the Secretary to encourage the ongoing engagement of prior fellowship recipients to contribute to new or ongoing agricultural development projects, with a priority for capacity-building projects. (Section 3305)

The Conference substitute adopts the Senate provision. (Section 3306)

*(13) Borlaug International Agricultural Science and Technology Fellowship Program – Proposed United States fellowships*

The House bill adds a new subsection (a)(3) to section 1473G of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to establish a new program under which the Secretary shall provide U.S. citizens with fellowships, to assist eligible countries in developing school-based agriculture and youth extension programs. It requires that the new U.S. citizen fellowships develop globally minded U.S. agriculturists with experience living abroad, focus on meeting the food and fiber needs of eligible countries, and strengthen and enhance trade linkages between eligible countries and the U.S. agricultural industry. The section authorizes the Secretary to provide fellowships under subsection (a)(3) to U.S. citizens who hold at least a bachelor's degree in an agricultural related field of study and have an understanding of U.S. school-based agricultural education and youth extension programs. It requires the Secretary to consult with the National FFA Organization, the National 4-H Council, and other entities to identify candidates for fellowships. The section requires the Secretary to manage, coordinate, evaluate, and monitor the fellowship program, either directly or by contract with an outside organization with experience in implementing fellowship programs focused on building capacity for school-based agricultural education and youth extension programs in developing countries. (Section 3207)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment establishing the International Agricultural Education Fellowship Program in the Agriculture Improvement Act of 2018 as a new program separate from the Borlaug Fellowship Program, and authorizing appropriations for the program. (Section 3307)

The Managers recognize the importance of youth engagement in agricultural development and intend for these fellowships to provide valuable opportunities to young agriculturalists in eligible countries as well as international experience for emerging American agricultural leaders.

*(14) International food security technical assistance*

The Senate amendment amends the Food, Agriculture, Conservation, and Trade Act of 1990 by adding at the end of Title XV, a provision directing the Secretary to

compile and make available information on the improvement of international food security. It authorizes the Secretary to provide technical assistance to certain entities to implement programs for the improvement of international food security. (Section 3306)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 3308)

*(15) McGovern-Dole international food for education and child nutrition program*

The House bill amends the section by requiring, to the extent practicable, the assistance provided under this section coincide with the start of the school year and is available when needed throughout the relevant school year. It authorizes appropriations in the existing amount through FY 2023. (Section 3205)

The Senate amendment directs the Secretary of Agriculture to ensure that assistance provided under this section is provided in a timely manner and is made available when needed throughout the applicable school year. It authorizes appropriations in the existing amount through FY 2023. The section allows not more than 10% of available funds to be used for commodities produced in and procured from a developing country that is a recipient country or developing country within the same region of the recipient country and that meet nutritional, quality and labeling standards of the recipient countries, and allows funding to cover the associated costs of transporting those commodities. (Section 3307)

The Conference substitute adopts the Senate provision. (Section 3309)

The McGovern-Dole program has successfully addressed hunger and malnutrition, improved school attendance, and increased literacy and academic achievement for children around the world. The Managers expect the Secretary to use the new authority authorized in this provision to incorporate locally and regionally grown commodities into multi-year McGovern-Dole programs, particularly in the final years of a program, to support the transition to full local ownership and implementation.

The Managers strongly support the graduation of McGovern-Dole feeding programs, while also recognizing less-developed countries may need additional, longer-term assistance and should still be considered for inclusion in the program.

Additionally, the Managers encourage the Secretary to consider extending the length of a project if the Secretary determines that a project needs additional time to sustain the benefits and such an extension would support the overall purposes of the program.

*(16) Global Crop Diversity Trust*

The House bill amends the Food, Conservation, and Energy Act of 2008 to increase the authorized aggregate contribution of U.S. funds to the trust to 33% of the total funds contributed from all sources. It authorizes appropriations at existing levels through FY 2023. (Section 3208)

The Senate amendment reauthorizes section 3202 of the Food, Conservation, and Energy Act of 2008 maintaining the 25% contribution limit. It authorizes appropriations at existing levels through FY 2023. (Section 3308)

The Conference substitute adopts the House provision with an amendment increasing the authorized contribution to 33% of total funds contributed from all sources beginning in fiscal year 2019 and extending appropriations at existing levels through FY 2023, while limiting the annual contribution of funds to \$5,500,000 for each of FY 2019

through FY 2023. (Section 3310)

The Managers affirm the importance of the Global Crop Diversity Trust for ensuring the conservation and availability of genetic resources for food security worldwide, while recognizing the importance of other international agricultural research and development efforts including the Consultative Group for International Agricultural Research (CGIAR) and Feed the Future Innovation Labs.

The Managers applaud the Trust for having raised contributions of over \$367 million and concessional loans of more than \$60 million from sources other than the United States. The Managers expect the Trust to continue to secure substantial new contributions to the endowment from other donors.

*(17) Local and regional food aid procurement projects*

The House bill reauthorizes appropriations at existing levels through FY 2023. (Section 3201)

The Senate amendment amends section 3206(e)(1) of the Food, Conservation, and Energy Act of 2008 to include the "Secretary" as the proper entity to receive appropriations and reauthorizes appropriations at existing levels through FY 2023. (Section 3309)

The Conference substitute adopts the Senate provision. (Section 3311)

*(18) Foreign trade missions*

The Senate amendment directs the Secretary of Agriculture to support greater inclusion of Tribal agricultural and food products in trade-related activities. (Section 3310)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 3312)

*(19) Findings*

The House bill states the United States is the world's largest donor of international food assistance, American farmers are instrumental in providing commodities, and due to the efforts of the maritime industry and private organizations commodities have been delivered to millions of people around the globe. The section provides the United States should continue to use its agricultural productivity to promote foreign policy and enhance food security around the world. (Section 3001)

The Senate amendment contains no comparable provision.

The Conference substitute does not include the House provision.

The Managers recognize that the United States has long been the world's largest donor of international food assistance, and that American farmers have been instrumental in the success of United States international food assistance programs by providing an affordable, safe, and reliable source of nutritious agricultural commodities.

Furthermore, the Managers commend the efforts of the United States maritime industry and private voluntary organizations in delivering U.S. agricultural commodities to millions of people in need around the globe.

*(20) Labeling requirements*

The House bill amends section 202(g) of Food for Peace to require agricultural commodities and other assistance provided under this title, to the extent practicable, to be

clearly identified as being furnished by the people of the United States. The section provides in the case of other assistance, that the identification take place on other printed material accompanying the assistance. (Section 3002)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 3101)

The Managers intend for the Administrator of USAID to continue to use discretion in applying this requirement in situations where labeling assistance furnished by the United States could result in safety or security concerns.

*(21) Issuance of regulations*

The House bill amends section 207(c)(1) of the Food for Peace Act to strike "the Agricultural Act of 2014" and inserts the "Agriculture Improvement Act of 2018" to require regulations be issued within 270 days of enactment. (Section 3007)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 3106)

*(22) Consideration of impact of provision of agricultural commodities and other assistance on local farmers and economy*

The House bill amends section 403 of the Food for Peace Act by adding "food procured outside of the United States, food vouchers, or cash transfers for food" to the list of types of assistance subject to market impact analysis prior to being provided to a recipient country. It amends the section to clarify that consideration of storage facilities is only necessary where the provision of an agricultural commodity is at issue. It amends the section to include the distribution of "agricultural commodity or use of the food procured outside of the United States, food vouchers, or cash transfers of food" as considerations in the calculation of whether a substantial disincentive to, or interference with, domestic production or marketing in that country will take place if that specific type of assistance is provided. The section requires that in addition to commodities, the Secretary or Administrator shall ensure that "food procured outside of the United States, food vouchers, and cash transfers for food" will not have a disruptive impact on the farmers or the local economy within the recipient country. (Section 3010)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 3109)

*(23) Findings*

The House bill states that U.S. export programs increase demand for U.S. agriculture products in foreign markets, acknowledges that, comparatively, global competitors are outspending the U.S. on export programs, and that preservation and streamlining of the U.S. export market programs is consistent with USDA reorganization efforts focusing on increasing U.S. agricultural trade across the globe. (Section 3101)

The Senate amendment contains no comparable provision.

The Conference substitute does not include the House provision.

United States trade promotion programs leverage federal dollars to significantly bolster demand in foreign markets for United States agricultural products, which increases agricultural export volume and overall net farm income. At the same time, our global competitors continue to provide substantially more public support for export promotion than is provided to our own agricultural exporters. Thus, the Managers

underscore the critical importance of maintaining support for U.S. agricultural trade promotion efforts.

Finally, the Managers note the preservation and streamlining of United States international market development programs complements the recent reorganization within USDA by ensuring the newly established Under Secretary for Trade and Foreign Agricultural Affairs has the tools necessary to enhance the competitiveness of the United States agricultural industry on the global stage.

*(24) Growing American Food Exports Act of 2018*

The House bill amends section 1543A of the Food, Agriculture, Conservation, and Trade Act of 1990 to assist with the removal of nontariff and other trade barriers to U.S. agricultural products produced with biotechnology and other agricultural technologies. It removes the restriction of section 102 of such Act relating to the definition of agricultural commodities and states that "policy advocacy and targeted projects" should address issues relating to U.S. Agricultural commodities produced with the use of biotechnology or new agricultural technologies, advocacy for science based regulation in foreign markets of biotechnology or new agricultural production technologies, and quick-response intervention regarding non-tariff barriers to United States exports produced through biotechnology or new agricultural production technologies. (Section 3209)

The Senate amendment contains no comparable provision.

The Conference substitute modifies the House provision by expanding the existing program to cover projects to address quick response interventions involving U.S. agricultural commodities produced through new agricultural production technologies and authorizes appropriations of \$2,000,000 for each of FY 2019 through FY 2023. (Section 3301)

**Additional Report Language**

**Bill Emerson Humanitarian Trust (Sec 3020)**

The Managers affirm the importance of the Bill Emerson Humanitarian Trust as a reserve to meet unanticipated emergency food assistance needs and are concerned that the Trust has not been utilized since 2014 despite unprecedented food assistance needs in recent years and the continued risk of famine in multiple countries. The Managers note that the Trust, which currently holds over \$280 million, can be used to purchase U.S. commodities to assist in averting an emergency, responding to an emergency, and for recovery and rehabilitation after an emergency. They urge USAID and USDA to consider the Trust as a significant resource to meet those objectives.

## Title IV – Nutrition

### *(1) Definition of certification period*

The Senate amendment amends section 3 of the Food and Nutrition Act of 2008 (FNA) to allow a State agency to extend the supplemental nutrition assistance program (SNAP) certification period for elderly and disabled households who have no earned income at the time of certification to up to 36 months. (Section 4101)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

### *(2) Food distribution program on Indian reservations*

The House bill amends section 4(b) of the FNA by reauthorizing the Traditional and Locally-Grown Food Fund in the Food Distribution Program on Indian Reservations (FDPIR), adding the concept of regionally grown food, eliminating the requirement to conduct a survey of traditional foods, and authorizing funds made available to carry out FDPIR to remain available for obligation for a period of 2 fiscal years. (Section 4005)

The Senate amendment authorizes an 80 percent floor for the Federal share of administrative costs and authorizes funds made available to carry out FDPIR to remain available for obligation by the State agency or tribe for 2 fiscal years. The Senate amendment also establishes a demonstration project for one or more tribal organizations to enter into a self-determination contract to purchase agricultural commodities for FDPIR. (Section 4102)

The Conference substitute adopts the House provision with amendments to authorize an 80 percent floor for the Federal share of administrative costs, to specify that funds made available to carry out FDPIR remain available for obligation by the State agency or tribe for 2 fiscal years, and to establish a demonstration project for one or more tribal organizations to enter into a self-determination contract to purchase agricultural commodities for FDPIR. (Section 4003)

The Managers intend for tribal organizations to have an increased role in procuring and distributing more locally, regionally and tribal produced foods under FDPIR. The Managers encourage the Secretary of Agriculture to work with the Secretary of the Interior and with Indian tribes to establish and determine the process and criteria under which tribal organizations may participate in demonstration projects to purchase agricultural commodities under FDPIR. The Managers also encourage the Secretary of Agriculture to consult with the Secretary of the Interior regarding the familiarity with self-determination contracts and with the capacity of tribal organizations to successfully administer a demonstration project.

### *(3) Work requirements for supplemental nutrition assistance program*

The House bill amends the FNA by creating a single work requirement in section 6(d) that requires SNAP household members age 18 to 59 to work, participate in employment and training or a work program, or any combination of work, participation in employment and training or a work program with a minimum of 20 hours per week in fiscal years 2021 through 2025 and 25 hours per week in fiscal year 2026 and each fiscal year thereafter. The House bill strikes the existing general work requirement in section 6(d)(1) and the existing able-bodied adult without dependents (ABAWD) work requirement in section 6(o). The House bill limits the criteria that States may use to

request a geographic waiver of the work requirement, including requiring the approval of the State's chief executive officer, makes changes to the "15-percent" exemption criteria, and decreases the "15-percent" exemption to 12-percent starting in fiscal year 2026.

The House bill amends section 6(d)(4) of the FNA to require States to offer minimum services in employment and training so that every covered individual may meet the new work requirements; adds case management to the definition of an "employment and training program" (E&T program); and includes supervised job search programs, apprenticeships, subsidized employment, family literacy, and financial literacy as allowable components of E&T programs.

Furthermore, the House bill amends section 16(h) of the FNA to provide funds for E&T at \$90 million for fiscal year 2019, \$250 million for fiscal year 2020, and \$1 billion for each fiscal year thereafter. The allocation of E&T funding is based on current law for fiscal year 2019 and 2020, but for fiscal year 2021, and each fiscal year thereafter, the allocation of E&T funds is based on the new work requirements in 6(d)(1)(B). The House bill strikes the reallocation authority and requires the return of unused E&T funds to the Treasury. The House bill also increases the minimum allocation of E&T funds from \$50,000 to \$100,000. (Section 4015)

The Senate amendment retains the SNAP work requirements under current law but consolidates those work requirements in the FNA by moving the ABAWD work requirement from section 6(o) to section 6(d)(2). Section 6(d)(4) is amended to require a State agency consult with the state workforce development board, private employers or organizations in designing its E&T program and to require that its E&T program meet state or local workforce needs. The Senate amendment adds a new requirement that an E&T program containing a job search component contain at least 1 additional component, and expands the definition of an E&T program to include any E&T pilot activities under 16(h)(1)(F) that are determined effective at increasing employment or earnings for participants. The Senate bill also authorizes workforce partnerships, which are programs operated by private employers or non-profits that would provide participants with at least 20 hours per week of training, work, or experience. The Senate amendment requires the State agency to refer individuals determined to be ill-suited for an E&T component to an appropriate E&T component or workforce partnership, to reassess the mental and physical fitness of the individual, or to the maximum extent practicable, to coordinate with other programs to identify work opportunities or assistance for the individual.

The Senate amendment amends section 16(h) to authorize additional funds for E&T pilot projects, \$92.5 million for each of fiscal years 2019 and 2020, to remain available until expended. The Senate bill authorizes 8 or more additional pilot projects, prioritizing projects that target certain individuals, including those over age 50; formerly incarcerated individuals; those in substance abuse treatment; and homeless, disabled, and other individuals with significant barriers to employment; and projects that are integrated and family-focused in providing supportive services. The Senate amendment also adds an option for states to report data from workforce partnerships and includes new reporting requirements to ensure that the E&T components are responsive to State or local workforce needs. (Section 4103)

The Conference substitute adopts the House provision with amendments. The amendments retain the general work requirement and ABAWD work requirement in current law; strike modifications to the criteria that States may use to request a

geographic waiver of the work requirement; specify that the State's request for a geographic waiver have the support of the State's chief executive officer; strike the changes to the "15-percent" exemption criteria; and decrease the "15-percent" exemption to 12-percent starting in fiscal year 2020.

The amendments require State agency consultation with the state workforce development board or private employers or organizations in designing its E&T program and for the E&T program to meet state or local workforce needs. Additionally, the amendments expand the definition of an E&T program to include supervised job search programs, apprenticeships, subsidized employment, and any E&T pilot activities under section 16(h)(1)(F) that are determined effective at increasing employment or earnings for participants. The amendments also authorize workforce partnerships operated by private employers or non-profits that would provide participants with at least 20 hours per week of training, work, or experience. The amendments require the State agency to refer individuals who have been determined to be ill-suited to an E&T component to an appropriate E&T component or workforce partnership, to reassess the mental and physical fitness of the individual, or to coordinate with other programs to identify work opportunities or assistance for the individual. The amendments also add an option for States to report data from workforce partnerships.

The Conference substitute provides for an increase in funding for E&T under section 16(h)(1) of the FNA from \$90 million to \$103.9 million for each fiscal year and prioritizes the reallocation of unused E&T funding in the following manner: not less than 50 percent for E&T programs and activities currently being piloted under section 16(h)(1)(F) that have the most demonstrable impact on the ability of participants to find and retain employment; not less than 30 percent for E&T programs and activities under section 6(d)(4)(B)(i) that have the most demonstrable impact on the ability of participants to find and retain employment and that are targeted to those 50 years of age or over; formerly incarcerated individuals; those in substance abuse treatment; homeless, disabled, and other individuals with significant barriers to employment; and households facing multi-generational poverty; and any remaining funds for E&T programs and activities under section 6(d)(4)(B)(i) that have the most demonstrable impact on the ability of participants to find and retain employment. (Section 4005)

The Managers acknowledge that neither the Department nor Congress can enumerate every ABAWD's situation as it relates to possible exemption from the time limit, and subsequently, the work requirement. States will maintain the ability to exempt up to 12% of their SNAP population subject to ABAWD work requirements, down from 15%, and continue to accrue exemptions and retain any carryover exemptions from previous years, consistent with current law. These exemptions are meant to excuse individuals who need short-term reprieve from requirements or for those specific populations the State determines should be excluded.

The Managers also acknowledge that waivers from the ABAWD time limit are necessary in times of recession and in areas with labor surpluses or higher rates of unemployment. The Managers intend to maintain the practice that bestows authority on the State agency responsible for administering SNAP to determine when and how waiver requests for ABAWDs are submitted. In response to concerns that have been raised by some Members that State agencies have not fully communicated to the chief executive their intent to request a waiver under section 6(o), the Managers have included a provision to encourage communication between the State agency and the chief executive

officer of the State. The Managers agree that State agencies should have the support of these officials in their application for waiver, ensuring maximum State coordination. It is not the Managers' intent that USDA undertake any new rulemaking in order to facilitate support for requests from State agencies, nor should the language result in any additional paperwork or administrative steps under the waiver process.

The Managers recognize the importance of E&T as a means to improve SNAP participants' ability to gain and retain employment and reduce reliance on public assistance. The Managers expect USDA and State agencies to review and bolster the quality and accountability of State E&T programs for SNAP participants.

The Managers revamped current E&T programming to include evidence-based components that have proven to assist individuals in obtaining education credentials, and gaining and retaining employment. Case management, including, but not limited to, comprehensive intake assessments, individualized service plans, progress monitoring, or coordination with service providers, is now a required component of all State E&T programs. This is neither meant to be an impediment to the State nor the individual. States should have options as to how to best serve their participants and ensure there is an increased level of engagement and accountability for both the State and individual. The Managers expect such case management activities by State agencies to be included in State plan reporting requirements under section 11(e) of the FNA. Additionally, the Managers agreed to allow supervised job search programs, subsidized employment, and apprenticeships as additional E&T components. The Managers note that unsupervised job search may be a subsidiary component for the purposes of meeting a work requirement, only as long as such component is less than half the requirement. The Managers also encourage States to establish a process for referral or reassessment of individuals subject to an E&T requirement who were determined to be ill-suited to the E&T component to which they had been referred.

The Managers expect State agencies to engage SNAP households, specifically those without earned income at their point of recertification, to be aware of and promote participation in available E&T options. The Managers acknowledge that earnings have the potential to significantly improve the economic stability of households without earned income, and expect States to leverage every opportunity to provide households with a pathway forward.

The Managers encourage USDA and State agencies to continue pursuing effective methods for SNAP participants to attain sustainable employment. To encourage continued innovation by State agencies and incentivize result-driven activities, the Managers amended the process for reallocation of unused E&T funds to go toward State programs and activities that have demonstrated success in participants finding and retaining employment and reducing reliance on public assistance. The Managers intend for the reallocated funds to fund programs developed by the pilots authorized under the Agricultural Act of 2014, new E&T activities, and programs that build upon effective E&T components. The Managers encourage USDA to continually prioritize projects and activities that focus on certain populations facing employment barriers, such as those older than 50 years old; formerly incarcerated, disabled, or homeless individuals; and those recovering from substance abuse. USDA should also prioritize projects with family-focused approaches. The Managers intend to focus these reallocated resources on programs and activities that are most effective, as measured by independent evaluations, and that demonstrate upfront how these activities are sustainable and can be transitioned

into or adopted as part of currently allowable employment and training components.

The Managers included Department of Labor and Department of Veterans Affairs E&T programs as part of the programs eligible to satisfy the SNAP work requirement, in order to provide additional options to SNAP participants and encourage coordination among federal E&T programs.

The Managers also encourage State E&T programs to increase coordination with State Workforce Innovation and Opportunity Act (WIOA) workforce boards and local employers when establishing and evaluating programs to increase program accountability and maximize the ability for SNAP participants to meet any work requirements. The Managers strongly encourage State agencies to engage and seek input from local employers when designing and selecting E&T programs to ensure the skills being offered are those that are needed and match the local workforce needs.

The Managers expect workforce partnerships (WFPs) to serve as an option for individuals to fulfill work requirements under SNAP. The Managers intend for WFPs to provide a non-government option for E&T programming, through nonprofit or private organizations to supplement—not supplant—Federal and State E&T programs for SNAP participants.

The Managers intend to allow private employers, organizations of private employers, or non-profit organizations that provide quality, work-relevant skills, training, or experience to qualify as a WFP, which will fulfill work or training requirements for SNAP participants.

While enrollment by SNAP participants is voluntary, the Managers expect participation in WFPs to fulfill either mandatory or voluntary work requirements. WFPs are intended to allow businesses to provide more industry-specific training or soft skills workforce preparation for individuals. WFPs are also intended to allow non-profit organizations that provide quality, work-related training to qualify as E&T programs.

The Managers expect that an organization may establish or have an ongoing training program certified as a WFP by a State or USDA if the program:

- (A) provides work-related training or experience of 20 or more hours per week;
- (B) will serve as a reference for the participant fulfilling work requirements or for future employment; and
- (C) is otherwise following applicable employment and labor laws.

Once certified, a WFP's reporting should be limited to notifying a State agency when a SNAP participant enters or leaves the program or is no longer meeting the program's requirements. While State agencies may refer applicants to a WFP, a WFP should be allowed to maintain an independent application and screening process.

The Managers intend for WFP providers to be allowed to receive grants or funding through other sources and partner with non-profit organizations, community or technical colleges, a consortium of private employers, or industry and trade associations.

#### *(4) Improvements to electronic benefit transfer system*

The House bill amends section 7(h)(2) of the FNA to require the Secretary to review and modify regulations related to evolving electronic benefit transfer (EBT) technology and to develop standards using risk-based measures to maximize the security, ease of use, and effectiveness of the technology. (Section 4016)

The House bill amends section 7(h)(14) by requiring that before the Secretary authorizes use of mobile technologies to access SNAP benefits in all States, the Secretary

shall approve no more than five demonstration projects that will pilot the use of mobile technologies, while maintaining recipient protections and access. (Section 4017).

The House bill amends section 7(h)(13) to prohibit States, and agents, contractors, and subcontractors of the State from imposing fees for switching or routing EBT transactions. (Section 4018)

The House bill amends section 7(d) of the FNA to expand the entities over which the Secretary shall implement controls related to the delivery of benefits. Section 9(c) is amended to authorize the Secretary to require that applicant retailers submit contracts for EBT services and equipment and records necessary to validate the FNS authorization number to accept and redeem benefits. (Section 4022)

The House bill amends section 7(h)(8) of the FNA to require the head of household to review program rights and responsibilities after two or more lost cards in a 12-month period. (Section 4019)

Finally, the House bill amends section 7(h)(12) to: (1) require a State to establish a procedure for the recovery of benefits due to the death of all members of the household; (2) modify the time period for benefit storage from 6 months to 3 months for inactivity; and (3) modify the time period for expunging benefits from 12 months to 6 months or upon verification all members of the household are deceased. (Section 4020)

The Senate amendment: (1) amends section 7(h) by inserting a new authority regarding prohibited fees, effective through fiscal year 2022; (2) adds a new authority to section 7(f) to allow a farmers market or direct marketing farmer to operate a point of sale device at more than one location if certain requirements are met; (3) directs GAO to study the state EBT systems and evaluate fees, outages, emerging entities and technologies, and entities that participate in the EBT system, and submit findings to Congress; (4) requires the Secretary to conduct a review of EBT systems and issue guidance or regulation based on the findings of the GAO study and the Secretary's review; and (5) allows the Secretary to require applicant retailers to submit EBT equipment information and requires that the Secretary also consider information about the ability of an applicant retailer's EBT equipment and service provider to provide sufficient EBT data to minimize fraudulent transactions. (Section 4104)

The Conference substitute adopts the House provision with amendments (1) prohibiting the imposition of fees for switching and routing EBT transactions through fiscal year 2023; (2) striking the House expansion of the parties for which the Secretary shall implement controls over related to the delivery of benefits; (3) striking the House requirement that the head of household review program rights and responsibilities after two or more lost cards in a 12-month period; (4) allowing a farmers market or direct marketing farmer to operate a point of sale device at more than one location if certain requirements are met; (5) allowing the Secretary to require applicant retailers to submit EBT equipment information; (6) requiring that the Secretary consider information about the ability of an applicant retailer's EBT equipment and service provider to provide sufficient EBT data to minimize fraudulent transactions; and (7) making other technical changes. (Section 4006)

The Managers recognize that the acceptance of SNAP benefits at farmers markets has increased participants' access to fresh, healthy food while improving sales for local farmers. In 2017, over \$22.4 million in SNAP benefits were redeemed by farmers markets or direct marketing farmers. While this represents a significant expansion over previous years, these transactions remain a small percentage of total SNAP transactions.

A persistent challenge to increasing SNAP acceptance at farmers markets has been the cost and availability of wireless EBT point-of-sale equipment. This barrier has been compounded by the recent announcement that a major provider of mobile EBT technology plans to discontinue service. The Managers direct the Secretary to take appropriate action to ensure that EBT service is not disrupted and SNAP customers maintain the ability to use their benefits at farmers markets.

Another challenge is the requirement for each farmers market location to obtain its own EBT authorization and equipment, even if the locations are operated and managed by a single organization. The Managers intend for the Secretary to allow a farmers market or direct-marketing farmer to operate an individual point-of-sale device at more than one location under the same SNAP authorization, while maintaining appropriate safeguards to ensure program integrity.

The Managers are aware that some State-contracted EBT processors are charging switching or routing fees in connection with the routing of SNAP benefits. These fees require retailers and/or those routing transactions on behalf of retailers (often referred to as third party processors) to pay for switching or routing EBT transactions to the State EBT processor that handles the client EBT account. These fees may seek to offset artificially low cost-per-case-month fees that are bid as part of State contracts, and therefore, adversely affect competition among existing or new EBT processors. So, for the next five years, in the interest of maintaining competitiveness for EBT transaction routing, the Managers extend existing statutory prohibitions against the charging of fees by State-contracted EBT processors in connection with the redemption of SNAP benefits to include the charging of gateway switching or routing fees to SNAP authorized retailers or their third party processors. This five-year prohibition will provide interim certainty while allowing stakeholders to coordinate and find practical compromise.

The Managers recognize USDA has existing authority to review State EBT systems, as well as fees, outages, emerging entities and technologies, and the participating entities within the EBT system. The Managers also understand the Secretary has begun a feasibility study related to a potential national gateway system. In addition to the gateway study, the Managers strongly encourage the Secretary to review other components within the EBT system, including, but not limited to, security, use of innovative technology, and improved monitoring.

The marketplace continues to develop innovative technologies, such as third-party mobile applications, which can assist SNAP participants with managing their benefits. The Managers encourage USDA to use existing authority to review the effectiveness of third-party mobile applications for SNAP EBT cards and to inform States on how to ensure these new technologies have a secure system in place to protect personal account information; do not sell, distribute or make available personal account information for commercial marketing purposes; and that participants have consistent access to information that would otherwise be made available to that household member.

Although the Managers agreed to reduce the time limit before benefits are stored and expunged, the intent is for SNAP participants to be provided appropriate opportunity to restore benefits after they have been stored and before they are expunged. Further, when determining whether clients have used their benefits within the required timeframes, the Managers direct States to track account activity using the “first in, first out” method.

*(5) Requirements for online acceptance of benefits*

The House bill amends section 3(o)(1) of the FNA to include online entities within the definition of retail food store. It also amends section 7(k) to strike the required report to Congress and require the nationwide implementation of the online acceptance of benefits post-pilot. (Section 4021)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4001)

The Managers recognize the importance of modernizing SNAP to improve the efficiency of the program through online redemption of benefits. While the online pilots at USDA have yet to begin, in spite of the deadline established by the Agricultural Act of 2014, the Managers encourage the Secretary to promptly implement those pilots and adopt online acceptance nationwide following completion of such pilots. In order to expedite nationwide implementation, the Managers agreed to remove the reporting requirement from the online pilots. The Managers expect USDA to continue to incorporate appropriate protections and monitoring to ensure program integrity.

*(6) National gateway*

The House bill requires the Secretary to create a national gateway through which to route all SNAP EBT transactions. Prior to implementing the national gateway in all States, the Secretary is required to conduct a feasibility study. The House bill authorizes \$10.5 million for fiscal year 2019 and \$9.5 million for each of fiscal years 2020 through 2023, and requires benefit issuers and third-party processors to pay fees, proportionate to the number of transactions and operating costs, to the gateway operator. (Section 4022)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(7) Supplemental nutrition assistance program benefit transfer transaction data report*

The House bill amends section 9 of the FNA by authorizing the Secretary to collect a statistically significant sample of SNAP retailer transaction data, including the cost and description of food purchased with SNAP, to the extent practicable. The House bill also exempts certain transaction data from the Freedom of Information Act disclosure requirements. (Section 4026)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(8) Required action on data match information*

The Senate amendment requires State agencies to contact the household to clarify or verify, if applicable, certain information relating to household circumstances received from data matches for the purpose of ensuring an accurate eligibility and benefit determination. (Section 4106)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4009)

Procedures for required action on data matches have been established through regulation at 7 CFR 273.12(c)(3). The Managers do not intend for the Department to change or reconsider this regulation. Rather, this provision is intended to codify existing regulation and make a conforming change to address the establishment of the National Accuracy Clearinghouse.

*(9) Transitional benefits*

The House bill requires State agencies to provide transitional SNAP benefits to households that cease to receive cash assistance through TANF or to households with children that cease to receive cash assistance through a State-funded public assistance program, for 5 months after the date on which cash assistance is terminated. (Section 4024)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(10) Incentivizing technology modernization*

The House bill modifies the eligibility for grants under section 11(t) to limit grants to projects to develop and implement SNAP simplified application and eligibility determination systems. (Section 4025)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment making technical changes. (Section 4010)

*(11) Interstate data matching to prevent multiple issuances*

The House bill requires an interstate database or system of databases to prevent participants from receiving duplicative benefits in multiple States, and includes state data collection and requirements to submit uniform data to USDA, including for each member of a participating household: social security number, employment status, amount of income, the member's portion of the household monthly allotment, and portion of household assets attributed to that member. (Section 4001)

The Senate amendment requires data matching through an interstate data system to prevent simultaneous issuance of benefits to an individual by more than one State. (Section 4109)

The Conference substitute adopts the House provision with amendments that include parts of the Senate amendment to protect participant privacy and that make technical changes. (Section 4011)

The amendments also modify the House provision that requires state data collection by instead requiring the Secretary to approve the establishment of longitudinal databases for research purposes that include, if available, household demographic characteristics, income and financial resources, employment status, household circumstances such as deductible expenses, and the monthly SNAP allotment amount, while protecting participant privacy. To award grants to States to establish and maintain the longitudinal databases, the Secretary is provided \$20 million for fiscal year 2019 to remain available through fiscal year 2021 and \$5 million for fiscal year 2022 and each fiscal year thereafter. (Section 4015)

The Managers intend to build upon the successful pilot program authorized under the Agricultural Act of 2014 to prevent duplicate, simultaneous receipt of SNAP benefits in two or more States. The Managers recognize that certification in more than one State is frequently due to a household moving between States and the State failing to properly close or adjust benefits as a result of household relocation, not a household committing fraud. The Managers expect the expansion of the National Accuracy Clearinghouse will create efficiencies in the process by which States address this issue. However, the

Managers do not intend for this data matching to impede access to SNAP or delay certification of eligible households. The Managers provide discretion to the Secretary to determine the most effective system and vendor(s) to carry out this section. The Managers expect State agencies to participate in and take action on data matching that indicates multiple benefit issuances, consistent with required action on data match information (Section 4009) in the conference substitute agreement.

The Managers intend for longitudinal databases to better assess households' participation in SNAP and SNAP program operations, and to improve SNAP program design and effectiveness. The Managers intend for the creation of State-based longitudinal databases to improve research on participation in the program, including duration of participation in SNAP. Longitudinal data can serve as an important measurement of program impact and success, and can be used by States and the Secretary to improve program administration. This provision directs the Secretary to establish a database framework to maximize potential consistency among States and, in addition to administrative cost share, incentivize States to develop and maintain databases through grant allocation. The Managers recognize that State computer systems and certification processes may vary between States and some variations will need to be accommodated.

The Managers also ask that, to the maximum extent practicable, States strive to include all households in the datasets. While ensuring minimal burden on States and program participants is paramount, robust sets of data are important in informing future policy. However, this is not intended to preclude the funding of longitudinal databases in States that are not able to include all households or participants within the State. The Managers expect that all States that have an interest in creating a database will be given an opportunity to participate, even if the State is not able to include all SNAP households or faces higher data management costs due to population size. The Managers intend for longitudinal databases to be established on the initiative of the State, and encourage States that establish longitudinal databases to do so in a thoughtful, deliberate manner, with adequate consideration of potential data uses and needed security practices.

The Managers expect the Secretary to direct and States to ensure personally identifiable information is not used or stored in longitudinal databases of SNAP participants. Further, the Managers urge the Secretary to adopt the highest practical privacy and data security standards for any approved data to be used in any longitudinal database storage systems operated by States or using Department funds. The Managers encourage the Department to consult with other Federal agencies, such as the Census Bureau and the Treasury Department about how those agencies have protected the identity of individuals whose information is contained in Federal databases.

The Secretary should allow for the sharing of aggregated information not including personally identifiable information by States from a longitudinal database to researchers who are qualified and have the capacity to protect such data. However, the Managers intend for the data stored in longitudinal databases to be subject to neither Federal nor State Freedom of Information Act requests.

The Managers do not intend for this section to restrict States that have already or will in the future establish their own longitudinal databases in accordance with other provisions of the Food and Nutrition Act of 2008. Further, the Managers encourage the Secretary and States establishing new longitudinal databases to utilize the lessons learned by States that have already established longitudinal databases.

*(12) Income verification*

The Senate amendment requires pilot projects in up to 8 states to test strategies to improve the accuracy or efficiency of the income verification process, and fund projects at \$10 million total. (Section 4107)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

*(13) Retail incentives*

The House bill amends the FNA to establish a pilot project through which authorized retail food stores may provide bonuses to participating SNAP households based on household purchases of fruits, vegetables, and fluid milk. Retail food stores participating in the pilot project may be reimbursed in an amount not to exceed 25 percent of the dollar value of bonuses earned by households and used to purchase SNAP-eligible foods. The House bill provides the Secretary with not more than \$120 million each fiscal year for such reimbursements. (Section 4002)

The Senate amendment amends section 9 of the FNA to direct the Secretary to promulgate regulations to clarify the process by which retailers may seek a waiver to offer an incentive for the purchase of certain foods recommended for increased consumption by the Dietary Guidelines for Americans. (Section 4105)

The Senate amendment also amends section 17 of the FNA to establish pilot projects to increase the purchase of fluid milk in a manner consistent with the Dietary Guidelines for Americans, and authorizes appropriations of \$20 million to remain available until expended. (Section 4108)

The Conference substitute adopts the House provision with amendments to strike (1) the reimbursement to retail food stores participating in pilot projects for not more than 25 percent of the dollar value of bonuses earned by household and used to purchase SNAP-eligible food and (2) the \$120 million funding authority. The amendments authorize fluid milk incentive projects to increase the purchase of fluid milk; specify that the Secretary shall issue guidance to clarify the process by which retail food stores may seek waivers to offer an incentive for the purchase of fruits, vegetables, whole grains, or dairy (or products thereof) that are staple foods identified for increased consumption consistent with the most recent dietary recommendations; and make other technical changes. (Sections 4008 and 4208)

The Managers recognize the necessity of the public-private partnership between USDA and retail food stores to implement SNAP, and encourage retailers to offer incentives for the purchase of fruits, vegetables, whole grains, and dairy staple foods with SNAP benefits. While the Managers understand that USDA currently allows retail food stores to offer incentives under a waiver, the waiver requests are not widely understood or utilized. The Managers encourage USDA to develop a more formal process to engage a variety of retailers, and provide incentive options to a broader SNAP population. This provision is not intended to permit retailers to waive any other aspects of SNAP equal treatment.

*(14) Adjustment to percentage of recovered funds retained by states*

The House bill amends section 16(a) of the FNA to allow States to retain 50 percent of recovered funds, instead of 35 percent, and limits the use of such funds to

carrying out SNAP, including technology investments, improvements in administration and distribution, and fraud prevention. (Section 4027)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(15) Quality control*

The House bill amends section 11(a)(3) of the FNA to require that State agencies provide the Secretary with access to entire state information systems containing SNAP-related records for inspection and audit, subject to data and security protocols agreed to by the State agency and Secretary. The provision amends section 16(c) to require State agencies to provide the Secretary with the records and access to the entire information systems in which such records are contained necessary to determine the State's payment error rate. The House bill also amends section 16(g) to add to the list of criteria for receiving federal administrative cost-share for the planning, design, development, installation, and operation of state information systems, a requirement that the Secretary be provided with access to the entirety of such system. (Section 4023)

The Senate amendment is substantially similar to the House bill, but without the requirement that data and security protocols be agreed to by the State agency and Secretary, without the amendment to section 16(c) to require access to entire information systems necessary to determine the State's payment error rate, and with technical differences. (Section 4110)

The Conference substitute adopts the House provision with amendments making technical changes. (Section 4013(a), (c), and (e))

The Managers recognize the oversight and administration problems with the quality control (QC) process identified over the last several years, both at the Federal and State level, which resulted in a multi-year gap in publication of SNAP error rates. The Managers acknowledge the Office of Inspector General audit of the Food and Nutrition Service (FNS) and State QC processes for fiscal year 2011 and fiscal year 2012, as well as the subsequent Department of Justice investigation of the use of a third-party contractor in 20 States.

The Managers recognize the updates and improvements to the QC process made by FNS through clarified guidance, corrective action plans with States, and the publication of a fiscal year 2017 error rate. The Managers intend to reinforce these efforts to obtain statistically-valid data, and intend for States to cooperate in the QC process by making data available to FNS when requested.

The federal government has a responsibility to evaluate SNAP for program improvement, program access and program integrity. In order to do so, USDA needs sufficient access, in accordance with agreements with States, to State systems and records. In particular, this allows for more transparency and a greater ability to detect and reduce errors and fraud. The Managers direct USDA to access records and information systems and, as appropriate, to better manage the program in this regard.

*(16) Quality control*

The House bill amends section 16(c) of the FNA by reducing the tolerance level for payment errors from \$37 to \$0 and by changing the criteria for when the State is held liable for its payment error rates. (Section 4028)

The House bill amends section 16(d) by eliminating the \$48 million performance bonuses beginning in fiscal year 2019 while retaining requirements regarding performance criteria including actions taken to correct payment errors, reduce error rates, and improve eligibility determinations. (Section 4029)

The Senate amendment amends section 16(c) by providing authority regarding quality control system integrity, including directing the Secretary to issue interim final regulations within 180 days and requiring the Secretary to debar any person who knowingly submits or causes to be submitted false information to the Secretary. The Senate amendment also requires that starting for fiscal year 2018 performance, \$48 million in performance bonuses be reduced to \$6 million for each fiscal year for application processing timeliness. (Section 4110)

The Conference substitute adopts the House provision with amendments that strike the changes to the tolerance level for payment error, that strike the changes to when States are held liable for payment error rates, that include authority regarding quality control system integrity, that specifies performance bonuses are eliminated starting for fiscal year 2018 performance, and that make other technical changes. (Section 4013(b) and (d))

The Managers also recognize the role that performance bonuses have historically played in motivating States to pursue low error rates, but acknowledge that some States have implemented problematic practices in recent years. As a result, the Managers chose to eliminate bonuses awarded based on error rates. States will continue to be held responsible for administering SNAP, and legally bound to processing applications in a timely manner, ensuring households receive the accurate amount of SNAP benefits, and making certain the program is administered in the most effective and efficient manner. The Managers intend State performance indicators to include case and procedural error rates (CAPERs) and metrics on timeliness of application processing and program access.

*(17) Requirement of live-production environments for certain pilot projects relating to cost sharing for computerization*

The Senate amendment amends section 16 of the FNA to require that State agencies test the automatic data processing and information retrieval systems in a live production environment prior to implementation. (Section 4111)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4012)

The Managers intend to provide cost-sharing funds for State agencies to test changes to state SNAP systems through the use of “live” pilots and receive approval from the Secretary prior to fully implementing changes to state SNAP systems. The Managers intend for this testing and approval to address concerns with recent cases of State agencies adopting changes or implementing integrated eligibility systems that have resulted in errors in benefits issuances.

*(18) Public-private partnerships*

The House bill amends section 17 of the FNA to allow the Secretary to conduct pilot projects to support public-private partnerships that address food insecurity and poverty, and authorizes appropriations of \$5 million to carry out such projects (Section 4030)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with amendments to require an independent evaluation of the public-private partnership pilot projects and to make other technical changes. (Section 4021)

SNAP, by design, is a partnership between public and private entities, with the goal of reducing food insecurity. The Secretary may permit not more than 10 eligible entities to carry out pilot projects that support these necessary cooperative arrangements. The Managers agree that any and all of these pilots must address food insecurity and poverty by improving the coordination of programs that promote independence, develop contextualized solutions to poverty, and strengthen the capacity for regions/communities to address and mitigate food insecurity and poverty. Additionally, the Managers expect independent evaluations of these projects to ensure a robust and impartial assessment of activities, best practices, and overall effectiveness of the pilots.

*(19) Assistance for community food projects*

The Senate amendment provides \$5 million for fiscal year 2019 and each fiscal year thereafter for Community Food Projects. (Section 4113)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4017)

*(20) Nutrition education state plans*

The House bill amends section 28 of the FNA: (1) to require that the Secretary, acting through the Director of the National Institute of Food and Agriculture (NIFA), in consultation with the FNS Administrator, implement a nutrition education and obesity prevention program; (2) to provide annual funding to 1862 and 1890 institutions to deliver nutrition education services that, to the extent practicable, provide for the employment and training of professional and paraprofessional aides to engage in direct nutrition education, and to partner with other public and private entities to optimize program delivery; (3) to allow State agencies to use SNAP 50/50 administrative funds to prepare state plans on nutrition education and to notify eligible participants about the availability of the program; (4) to increase mandatory funding for the program to \$485 million beginning in fiscal year 2019, indexed to inflation; (5) to allow for reallocation of unexpended funds to other eligible institutions during the fiscal year or subsequent fiscal year; (6) to authorize additional appropriations for the program of \$65 million for each of fiscal years 2019 through 2023; (7) to update the allocation of funds so that, beginning in fiscal year 2019, funds are allocated based solely on States' SNAP populations; and (8) to limit administrative costs for eligible institutions to 10 percent.

The House provision also amends section 18 to reflect the repeal of the Expanded Food and Nutrition Education Program (EFNEP) by section 7110 of the House bill. (Section 4033)

The Senate amendment: (1) requires that the state plan describe how the State agency will use an electronic reporting system to evaluate SNAP-Ed projects; (2) requires increased coordination with the expanded food and nutrition education program and additional consultation with the Director of NIFA; and (3) requires the State agency to submit an annual evaluation report. (Section 4114)

The Conference substitute adopts the Senate provision with amendments to (1) require that the electronic reporting system used to evaluate SNAP-Ed projects also be

used to account for State agency administrative costs; (2) establish an information clearinghouse to share best practices ensuring that SNAP-Education projects are appropriate for the target population; (3) require the Secretary to provide technical assistance to State agencies in developing and implementing a SNAP-Education state plan; (4) require an annual State report to the Secretary; (5) require an annual federal report to Congress that includes an evaluation of the level of coordination between SNAP-Education, EFNEP, and other USDA nutrition education programs; and (6) make other technical changes. (Section 4019)

The Managers recognize the importance of offering nutrition education, especially in conjunction with SNAP benefits. The Managers also recognize the role of partner organizations who implement nutrition education programs. The Managers note that SNAP-Education programs are not evaluated in a standardized manner across States or partner organizations. However, the Managers expect both States and partner organizations to make improvements to the evaluation process of their SNAP-Education programs and to leverage evaluation results to deliver nutrition education in the most effective manner. When appropriate, partners are encouraged to share longitudinal data, especially for multiyear projects. The Managers intend for States to use the Information Clearinghouse to share best practices in planning, implementing, and evaluating SNAP-Education programs. The Managers encourage nonprofit partners to work with research-capable organizations to improve program evaluations.

The Managers recognize the role of land grant colleges and universities in implementing, evaluating, and improving nutrition education, whether through SNAP-Education or EFNEP. The Managers expect those implementing SNAP-Education and EFNEP to coordinate programming, as appropriate, to efficiently serve target populations without duplicating efforts.

The Managers also expect that States provide an accounting of allowable State agency administrative costs. This is necessary to ensure all program funds are used in the most appropriate manner and that beneficiaries of nutrition education receive the most effective programming and services. The Managers expect USDA to work with States to provide appropriate aggregated data in a way that does not increase the administrative burden related to reporting.

#### *(21) Emergency food assistance*

The House bill amends section 27 of the FNA by increasing the Emergency Food Assistance Program (TEFAP) entitlement commodity funding. The House bill extends funding authority at \$250 million per year, adjusted for Thrifty Food Plan (TFP) changes, through fiscal year 2023, in addition to \$60 million in funds starting in fiscal year 2019, the total of which is adjusted by changes from the June 2018 TFP in subsequent fiscal years. The House bill also establishes a Farm-to-Food-Bank fund, which authorizes \$20 million to be distributed to States to procure, or to enter into agreements with food banks to procure, excess fresh fruits and vegetables grown in the State or surrounding region to be provided to eligible recipient agencies under section 201A(3) of the Emergency Food Assistance Act of 1983. (Section 4032)

The Senate amendment increases the TEFAP entitlement commodity funding by extending funding authority at \$250 million per year, adjusted for TFP changes, through fiscal year 2023, added to the following: for fiscal year 2019, \$23 million and for each of

fiscal years 2020 through 2023, \$35 million. Funding for fiscal year 2024 and each subsequent fiscal year will be indexed from the fiscal year 2023 funding level.

The Senate amendment amends the Emergency Food Assistance Act of 1983 to provide \$4 million per year in mandatory funding through fiscal year 2023 for State agencies to partner with emergency feeding organizations to establish projects to harvest, process, or package unharvested, unprocessed, or unpackaged commodities that are donated by agricultural producers, processors, or distributors and to pay for up to 50 percent of the cost of such projects. It also provides emergency feeding organizations and eligible recipient agencies the opportunity to provide input on the commodity needs and preferences of those entities. Additionally, the Senate amendment requires the Secretary to issue guidance outlining best practices to minimize food waste of donated commodities and reauthorizes TEFAP infrastructure funding through fiscal year 2023. (Section 4115)

The Conference substitute adopts the Senate provision with an amendment specifying that projects to harvest, process, or package unharvested, unprocessed, or unpackaged donated commodities also include the transportation of such commodities. (Section 4018)

The Managers support State efforts to channel unused, raw agricultural commodities or food from commercial sources into food donations and to minimize food waste in the food donation process. The Managers intend for funding provided for such efforts to be used to convert raw commodities, unprocessed foods, or other foods that are not in a consumable or shelf-stable form to be used or stored by emergency feeding organizations. The funds for such projects are not intended to be used for food or commodity purchases, since such funds are already provided through separate funding for TEFAP. The Managers intend for any funds provided for transportation under subsection (d) to be used to support a project under this subsection, not for transportation related to other activities within TEFAP.

The Managers expect the guidance to include best practices to minimize food waste within the procurement, processing, and distribution of food donations to State agencies and emergency feeding organizations.

The Managers encourage State agencies to engage stakeholders, including emergency feeding organizations and eligible recipient agencies, in the development of the State plan, especially when determining selection of USDA commodities, in order to best meet State and local needs.

#### *(22) Retail food store and recipient trafficking*

The House bill amends section 29 of the FNA by extending to fiscal year 2023 the authorization of appropriations for tracking and preventing SNAP trafficking using data mining technologies. (Section 4034)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4020)

#### *(23) Technical and conforming amendments*

The House bill provides technical corrections. (Section 4035)

The Senate amendment provides technical corrections. (Section 4116)

The Conference substitute adopts the House provision. (Section 4022)

#### *(24) Re-evaluation of thrifty food plan*

The House bill amends section 3(u) of the FNA to, by 2022, and at five-year intervals, require a re-evaluation and publication of the TFP based on current food prices, food composition data, and consumption patterns. (Section 4004)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment specifying that the re-evaluation of the TFP also be based on dietary guidance. (Section 4002)

SNAP benefits are based on USDA calculations of the cost of food. However, SNAP benefits can become out-of-date based on inconsistent review of the TFP. The Managers require that the TFP be re-evaluated every five years to ensure it reflects current eating habits of Americans, including patterns of food preparation, and the items most often purchased by consumers.

*(25) Update to categorical eligibility*

The House bill amends section 5(a) and 5(j) of the FNA such that categorical eligibility may only be used in instances where a beneficiary is receiving either cash assistance or ongoing and substantial services such as transportation, childcare, counseling, or other services funded under part A of title IV of the Social Security Act with an income eligibility limit of not more than 130 percent (200 percent for elderly or disabled) of the poverty line. (Section 4006)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(26) Basic allowance for housing*

The House bill amends section 5(d) of the FNA to exclude up to \$500 of a housing allowance received under section 403 of title 37 of the United States Code from the calculation of income when determining SNAP eligibility, and amends section 5(e)(6)(A) of the FNA so a household that receives an allowance under section 403 of title 37 of the United States Code can only claim expenses in excess of that allowance when determining the household's expenses for the excess shelter deduction. (Section 4007)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(27) Earned income deduction*

The House bill amends section 5(e)(2)(B) of the FNA to increase from 20 to 22, the percentage of a household's earned income that may be deducted for purposes of calculating income when determining SNAP eligibility. (Section 4008)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(28) Simplified homeless housing costs*

The House bill amends section 5(e)(6)(D) of the FNA to require that States provide a simplified homeless housing deduction of \$143, adjusted for inflation, for homeless households who are not receiving free housing during the month and not claiming an excess shelter expense deduction under section 5(e)(6)(A). (Section 4009)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4004)

In order to ensure equal treatment across States, the Managers agree that homeless households that are not receiving free shelter throughout the month should receive a standardized deduction of \$143.

*(29) Availability of standard utility allowances based on receipt of energy assistance*

The House bill amends section 5(e)(6)(C) of the FNA by limiting the availability of the standard utility allowance for heating and cooling costs to those households consisting of an elderly or disabled member and amends section 5(k)(4) of the FNA so that third party energy assistance payments are considered money payable directly to households without an elderly or disabled member for purposes of calculating exclusions to income, and are no longer considered out-of-pocket expenses for such households for determination of the excess shelter expense deduction. (Section 4010)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(30) Child support; cooperation with child support agencies*

The House bill amends section 5(e) of the FNA by striking the State option to provide a deduction from income for child support payments, therefore requiring all States to provide an exclusion for child support payments. It amends sections 6(l) and 6(m) of the FNA, striking the State option to require child support cooperation for custodial and noncustodial parents, thus requiring cooperation. The House bill also strikes section 6(n), eliminating the State option to disqualify SNAP participants for child support arrears, thus not allowing States the option to disqualify SNAP participants for child support arrears. (Section 4011)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with amendments to strike the changes to the State options in section 5(e) and sections 6(l) through 6(n) and to require that the Secretary conduct an independent evaluation that includes, among other things: (1) an assessment of the impact of the eligibility requirements in sections 6(l) through (n) in States that have formerly implemented or continue to implement those requirements, and of the feasibility of implementing those requirements in other States; (2) an assessment of the factors that contributed to the decision of States that formerly implemented those requirements to cease such implementation; and (3) a review of alternatives to those requirements that are used by other States to assist SNAP participants to make or receive child support payments and the effectiveness of such alternatives. (Section 4014)

The Managers agreed to include an evaluation of child support enforcement cooperation requirements. The Managers intend for this study to evaluate a representative sample of States of the types indicated in subparagraph (A), including those that have implemented, those that formerly implemented, and those that have not implemented State options on eligibility related to child support enforcement. The Managers also intend for USDA to assess the impact of mandatory child support cooperation on food security, including reviewing relevant data about individuals who choose not to participate in SNAP due to mandated child support cooperation.

*(31) Adjustment to asset limitations*

The House bill amends section 5(g)(1) of the FNA by increasing from \$2,000 to \$7,000 the maximum allowable value of assets for participating households, and from \$3,000 to \$12,000 for households including an elderly or disabled member, and adjusts such values for inflation for each fiscal year starting on October 1, 2019. (Section 4012)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(32) Updated vehicle allowance*

The House bill amends section 5(g) of the FNA to require all States to exclude \$12,000 (adjusted annually for inflation) of the value of one vehicle per licensed driver from household asset calculations, and strikes the alternative vehicle allowance. (Section 4013)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

*(33) Savings excluded from assets*

The House bill amends section 5(g) of the FNA to exclude up to \$2,000 (adjusted annually for inflation) in savings from household assets in determining SNAP eligibility. (Section 4014)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(34) Implementation funds*

The House bill provides \$150 million under section 18(a) of the FNA for fiscal year 2019 to remain available until expended to implement the amendments made by subtitle A of Title IV of the House bill. (Section 4036)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(35) Multivitamin-mineral dietary supplements eligible for purchase with supplemental nutrition assistance benefits*

The House bill amends section 3(k) of the FNA to allow certain “multivitamin-mineral dietary supplements” to qualify as a food item that may be purchased with SNAP benefits. (Section 4037)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(36) Review of supplemental nutrition assistance program operations*

The House bill amends section 9 of the FNA by adding a new subsection to require the Secretary to review and report on a representative sample of certain types of authorized group-living facilities to determine whether SNAP benefits are properly being used by households residing in such facilities and requiring reports to Congress within 3 years. The House bill also specifies that nothing in section 9 authorizes the Secretary to deny an application for authorization, including continued authorization, or a request to withdraw the authorization of such group-living facilities based on a determination that the residents of those facilities are residents of an institution prior to the submission of the report or 3 years after the date of enactment, whichever is earlier. (Section 4038)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with amendments that make technical changes and specify that nothing in the new subsection authorizes the Secretary to deny an application for authorization, including continued authorization, or a request to withdraw the authorization of such group-living facilities based on a determination that the residents of those facilities are residents of an institution prior to 18 months after the date of enactment. (Section 4007)

The Managers expect the Secretary to review and conduct oversight of authorized facilities to prevent the issuance of duplicative benefits for food and ensure program integrity of SNAP. In addition, the Managers intend for the Secretary to review the procurement of benefits on behalf of SNAP eligible individuals by residential drug and alcohol treatment facilities, and conduct oversight as necessary.

*(37) Disqualification of certain convicted felons*

The House bill amends section 6 of the FNA to disqualify certain convicted felons from participating in SNAP. (Section 4039)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(38) Determination of amount of block grant payable to Puerto Rico*

The House bill requires the Secretary to study the feasibility and impact of using a TFP exclusive to Puerto Rico in calculating the amount of the block grant for Puerto Rico, and authorizes such sums as necessary to be appropriated to carry out the study. (Section 4040)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(39) Service of traditional foods in public facilities*

The House bill amends section 4033 of the Agricultural Act of 2014 to expand the public facilities eligible for the service of traditional foods under that section. (Section 4041)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to amend 4033(d)(1) of the Agricultural Act of 2014 to limit the liability of States, counties or county equivalents, local education agencies, and other entities authorized to facilitate the donation, storage, preparation, or serving of traditional food. (Section 4203)

The Managers intend to update the liability protection for the donation or serving of traditional foods to include States, counties or county equivalents, local educational agencies, entities, and persons authorized by the operator of a food service program.

*(40) Extension of study on comparable access to supplemental nutrition assistance for Puerto Rico*

The House bill amends section 4142 of the Food, Conservation, and Energy Act of 2008 to renew an authorization for a study on the feasibility of including the Commonwealth of Puerto Rico in the SNAP program, in lieu of providing Puerto Rico with a block grant. (Section 4042)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(41) Administrative flexibility for States*

The House bill amends section 11(e)(6)(B) of the FNA to allow, at the option of the State agency, non-State agency employees to undertake certification or carry out any other function of the State agency under SNAP. (Section 4043)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

The Managers determined, after reviewing USDA's December 2017 guidance, that certification and eligibility functions must be performed by public, merit system employees. The Managers encourage the Secretary to consult with States about the efficiency and effectiveness of SNAP certification systems and believe States should continue to improve customer service through methods that neither affect privacy nor eligibility determinations. The Managers determined a statutory change to this system was unwarranted. However, the Managers encourage the Secretary to continue to work with States to find the appropriate balance to protect SNAP integrity and access and address requests for flexibility through the existing process in a timely fashion.

*(42) Commodity supplemental food program*

The House bill authorizes a minimum certification period of one year, which at the request of the State, can be extended based on certain criteria. (Section 4103)

The Senate amendment authorizes a certification period of not less than one year, and subject to the approval of the Secretary, a certification period of more than 1 year, but not more than 3 years, and temporary certification. (Section 4202)

The Conference substitute adopts the Senate provision with an amendment making technical changes. (Section 4102)

The Managers understand the importance of providing nutritious food to low-income seniors. The Managers intend to extend the certification period to up to three years for seniors, with an annual contact to confirm continued eligibility information and interest in the program. The Managers also intend to allow temporary certification of an individual for the Commodity Supplemental Food Program. The Managers made these changes to reduce administrative burden for participants and implementers, and to make the most efficient use of program funds.

*(43) Health food financing initiative*

The House bill amends the authorization of appropriations by striking "until expended" and instead authorizing the funds to remain available until Oct. 1, 2023. (Section 4203)

The Senate amendment authorizes "enterprises" for program loans, grants and funding projects and limits eligibility to projects that accept SNAP benefits, as applicable. (Section 12409)

The Conference substitute adopts the Senate provision. (Section 4204)

The Managers recognize that access to healthy food may require a variety of retail settings in some areas, particularly in rural areas and Tribal communities. To encompass a broader variety of Healthy Food Financing Initiative (HFFI) projects that will increase the supply of and demand for healthy foods in underserved communities, the bill expands eligible projects to include healthy food enterprises. These enterprises could include food

hubs, mobile markets, direct to consumer markets, or food business incubators. As healthy food enterprises do not necessarily involve the direct sale of food to low-income consumers, the Managers intend to clarify that direct acceptance of SNAP benefits should be required if applicable to the project's structure. The Managers also seek to clarify that HFFI should provide equal consideration to projects regardless of whether they intend to serve an urban or a rural community.

*(44) The Gus Schumacher food insecurity nutrition incentive*

The House bill amends section 4405 of the Food, Conservation, and Energy Act of 2008 by (1) renaming the program the Gus Schumacher Food Insecurity Nutrition Incentive Program; (2) limiting program incentives to financial incentives; (3) striking the independent evaluation requirement and requiring instead that projects have adequate plans to collect data for reporting and agree to participate in a program evaluation; (4) updating program priorities to include, among other priorities, prioritizing projects that coordinate with multiple stakeholders; and (5) requiring the Secretary to consult with the Director of NIFA to establish a training, evaluation, and information center for use by program grantees and for generating an annual report to Congress on grant outcomes based on program data from grantees.

The House bill authorizes mandatory funds at \$45 million for fiscal year 2019, \$50 million for fiscal year 2020, \$55 million for fiscal year 2021, \$60 million for fiscal year 2022, and \$65 million for fiscal year 2023 and each fiscal year thereafter. Of the mandatory funds made available, the House provision provides the training, evaluation, and information center \$2 million for each of fiscal years 2019 and 2020, and \$1 million each fiscal year thereafter. (Section 4003)

The Senate amendment amends section 4405 by (1) renaming the program the Gus Schumacher Food Insecurity Nutrition Incentive; (2) making certain definition changes, including amending the definition of "supplemental nutrition assistance program" to include programs for nutrition assistance under section 19 of the FNA; (3) specifying that grantees may partner with or make subgrants to public, private, nonprofit, or for-profit entities; (4) providing authority to the Secretary to allow a tribal agency to use certain types of federal funds for the non-federal program match; (5) requiring that projects must increase the purchase of fruits and vegetables by SNAP participants by providing an incentive for the purchase of fruits and vegetables at the point of purchase to a household purchasing food with SNAP benefits, and that projects (excepting those receiving \$100,000 or less) measure the purchase of fruits and vegetables by SNAP participants; (6) striking the independent evaluation requirement and requiring projects have adequate plans to collect data for reporting and share information with the Training and Technical Assistance Centers and Information and Evaluation Centers; (7) updating program priorities; (8) authorizing Training and Technical Assistance Centers to assist grantees and subgrantees, including entities applying for a grant or subgrant; and (9) authorizing Information and Evaluation Centers to collect program data and prepare an annual report with project outcomes to submit to the Secretary.

The Senate amendment authorizes \$50 million of mandatory funds for fiscal year 2019 and each fiscal year thereafter. Of the mandatory funds made available, the Senate provision authorizes a cost cap of 15 percent for carrying out the Training and Technical Assistance Centers and the Information and Evaluation Centers and program administrative costs. (Section 4303)

The Conference substitute adopts the House provision with amendments that (1) rename the program “The Gus Schumacher Nutrition Incentive Program”; (2) make certain definition changes, including amending the definition of “supplemental nutrition assistance program” to include programs for nutrition assistance under section 19 of the FNA; (3) specify that grantees may partner with or make subgrants to public, private, nonprofit, or for-profit entities; (4) provide authority to the Secretary to allow a tribal agency to use certain types of federal funds for the non-federal program match; (5) strike the limitation of program incentives to financial incentives, and require instead that projects must increase purchase of fruits and vegetables by SNAP participants by providing an incentive for the purchase of fruits and vegetables at point of purchase to a household purchasing food with SNAP benefits, and that projects (excepting those receiving \$100,000 or less over 1 year) measure the purchase of fruits and vegetables by SNAP participants; (6) strike the independent evaluation requirement and require that projects have adequate plans to collect data for reporting and share information with the Nutrition Incentive Program Training, Technical Assistance, Evaluation, and Information Centers; (7) require the Secretary to consult with the Director of NIFA to establish 1 or more Nutrition Incentive Program Training, Technical Assistance, Evaluation, and Information Centers to assist grantees and applicants, and to collect project data and generate an annual report with grant outcomes to submit to Congress; (8) establish a produce prescription program to improve dietary health through increased consumption of fruits and vegetables; (9) provide mandatory funding of \$45,000,000 for fiscal year 2019, \$48,000,000 for each of fiscal years 2020 and 2021, \$53,000,000 for fiscal year 2022, and \$56,000,000 for fiscal year 2023 and each fiscal year thereafter; (10) set a cost cap of \$17,000,000 total for fiscal years 2019 and 2020 and \$7,000,000 for fiscal years 2021 through 2023 for the Nutrition Incentive Program Training, Technical Assistance, Evaluation, and Information Centers; and (11) of the annual funding provided for fiscal years 2019 through 2023, limit funds to not more than 10 percent for produce prescriptions and 8 percent for administration. (Section 4205)

The Managers note the success of the Food Insecurity Nutrition Incentive (FINI) program established by the Agricultural Act of 2014. Building on that success, the Managers establish permanent funding and authority for FINI. This section also establishes one or more training, evaluation, and information centers to provide information and support as FINI continues to expand.

The Managers believe it is important that information and results of FINI-funded programs be made available to Congress, USDA agencies, researchers, grantees and the public. Collecting information should not, however, be duplicative or place such an administrative burden on grantees that it interferes with their ability to effectively implement SNAP produce incentive programs. The Managers intend for the Information and Evaluation Center/s to collect standard data from FINI grantees, facilitate grantees' production of NIFA annual reports, and create a website on which program information is easily searchable. This should be done in a manner that also protects the privacy of SNAP participants and retail food stores. The Managers encourage the Secretary to consult with past FINI program managers on the data to collect, collection instruments, and website design.

The Managers also intend for the Training and Technical Assistance (T&TA) Center/s to develop best practices and ensure that information and supportive services are available to all regions and types of communities, including areas that are geographically

remote or lack strong public or private institutional infrastructure upon which grantees can rely for technical support.

The Managers are aware that software and point of sale equipment to facilitate incentive transactions can be costly. The Managers encourage T&TA Center/s to cooperate with FNS and grocery, farm, and electronic payment groups to develop or adapt existing systems/technology and make options available to current and future FINI grantees.

The Managers also agree the FINI and Produce Prescription should be renamed the Gus Schumacher Nutrition Incentive Program, in recognition of Mr. Schumacher's role in the establishment of nutrition incentives nationwide. Mr. Schumacher was a magnificent advocate for farmers and families and saw the importance in building access and affordability through incentive programs.

*(45) Harvesting health pilot projects*

The Senate amendment provides \$4 million of mandatory funds for each fiscal year 2019 through 2023 to establish a pilot project for nonprofit organizations or State or local agencies to partner with healthcare providers to prescribe fresh fruits and vegetables or provide to certain low-income individuals that suffer from, or are at-risk of developing a diet-related health conditions. (Section 4304)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments to (1) establish a produce prescription program instead of a pilot project; (2) require eligible entities participating in the produce prescription program to agree to share information with the Nutrition Incentive Program Training, Technical Assistance, Evaluation, and Information Centers; (3) allow not more than 10 percent of funds made available for the Gus Schumacher Nutrition Incentive Program to carry out the produce prescription program; (4) make technical changes; and (5) incorporate language for this provision into a single section as part of the Gus Schumacher Nutrition Incentive Program. (Section 4205)

Previously, produce prescription projects have been eligible for funding through the FINI program. While similar in concept, these programs are often different in implementation and goals. The Managers chose to establish a separate produce prescription program with dedicated funding to increase coordination with the healthcare community and better evaluate the impact of these types of projects on dietary health, food security, and health care use and costs. Because produce prescription programs do not always require a purchase, the Managers do not intend that the procedure established by the Secretary to screen and verify eligibility for members to participate in a prescription project will require that a healthcare partner verify that an individual has an active SNAP balance.

*(46) Amendments to the fruit and vegetable program*

The House bill amends section 19 of the Richard B. Russell National School Lunch Act to provide grants to purchase all forms (fresh, canned, dried, frozen, or pureed) of fruit and vegetable snacks. (Section 4204)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(47) Review and revision of certain nutrition regulations*

The House bill requires the Secretary to review certain nutrition final regulations published by the Department of Agriculture, and revise and finalize new regulations that are based on research specific to school-age children, do not have additional costs beyond reimbursements required by current law, and maintain healthy meals for students. (Section 4205)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(48) Study of marketplace fraud of traditional foods and tribal seeds*

The Senate amendment requires the Comptroller General of the United States to conduct a study on the impact of fraudulent foods that mimic traditional foods or Tribal seeds that are available in the commercial marketplace. (Section 12518)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

*(49) Food donation standards*

The Senate amendment amends the Emergency Food Assistance Act of 1983 to require the Secretary to issue guidance to promote awareness of food donations protected under section 22(c) of the Child Nutrition Act of 1966. (Section 12615)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4104)

The Managers expect the Secretary to provide guidance and stakeholder outreach to increase donations of unused food from retail food stores, restaurants, caterers, and foodservice facilities who may need additional guidance regarding the types of foods that may be donated and covered under liability protections provided under the Bill Emerson Good Samaritan Food Donation Act.

*(50) Micro-grants for food security*

The Senate amendment amends the Food, Conservation, and Energy Act of 2008 to require the Secretary to distribute funds to Alaska, Hawaii, American Samoa, Northern Mariana Islands, Puerto Rico, Micronesia, Guam, Marshall Islands, Palau, and U.S. Virgin Islands for the purpose of providing subgrants to eligible entities to promote small-scale gardening, herding, and livestock operations. (Section 12616)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making technical changes. (Section 4206)

The Managers intend for this program to operate as a funding-match program, but provide discretion on the level of matching to the Secretary for eligible entities who may not be financially capable of providing such matching requirements.

*(51) Buy American requirements*

The Senate Amendment requires the Secretary to enforce compliance of the Buy American provisions applicable to domestic food assistance programs administered by FNS, including for the purchase of fish or fish products. (Section 12622)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment

specifying that the Secretary shall enforce full compliance with the requirements of section 12(n) of the Richard B. Russell National School Lunch Act for purchases of agricultural commodities including fish, meats, vegetables, and fruits, and the products thereof, and making technical changes. (Section 4207)

The Managers encourage USDA to ensure State agencies and school food authorities are fully aware of their respective responsibilities to enforce Buy American requirements in accordance with section 12(n) of the Richard B. Russell National School Lunch Act, 42 U.S.C. 1760(n), and to submit to Congress a report that demonstrates the actions the Secretary has taken to increase awareness of and compliance with Buy American requirements.

## Title V – Credit

### *(1) Modification of the 3-Year Experience Requirement for Purposes of Eligibility for Farm Ownership Loans*

The House bill amends section 302(b) of the Consolidated Farm and Rural Development Act to authorize the reduction of the 3-year experience requirement for qualified beginning farmers or ranchers to: (1) 2 years if the farmer has certain educational, management, or mentor-based experience, or was honorably discharged from the armed forces of the United States; (2) 1 year if the farmer or rancher has military leadership or management experience from having completed an acceptable military leadership course; and (3) waive the requirement with certain combinations of experiences in items (1) and (2). (Section 5101)

The Senate amendment amends section 302(b) to authorize the Secretary to: (1) reduce the 3-year experience requirement to 2 years or less if the farmer or rancher has certain farm labor or mentor-based experience; and (2) waive the requirement if the farmer or rancher has 1 year of management responsibilities as a hired farm laborer and has a mentor relationship with a farmer in an approved program. (Section 5101)

The Conference substitute adopts the House provision with an amendment. The conference substitute amends section 302(b) to provide the Secretary of Agriculture with authority to reduce the 3-year experience requirement for qualified beginning farmers or ranchers to 1 or 2 years if the farmer or rancher has met specified education, business, management, loan repayment, or experience requirements; or to waive the 3-year requirement altogether if the farmer or rancher has at least 1 year of experience as hired farm labor with substantial management responsibilities and a specified established mentee relationship. (Section 5101)

### *(2) Conservation Loan and Loan Guarantee*

The House bill amends section 304(h) of the Consolidated Farm and Rural Development Act to: (1) extend the authorization of appropriations for the program to 2023; and (2) reduce the authorization level from \$150,000,000 to \$75,000,000. (Section 5102)

The Senate amendment amends section 304(h) to extend the authorization of appropriations to 2023. (Section 5102)

The Conference substitute adopts the Senate provision. (Section 5102)

### *(3) Farm Ownership Loan Limits*

The House bill amends section 305(a) of the Consolidated Farm and Rural Development Act to: (1) increase the indebtedness limit for guaranteed ownership loans from \$700,000 to \$1,750,000; and (2) change the baseline date for the inflation adjuster from 2000 to 2019. (Section 5103)

The Senate amendment amends section 305 to increase the indebtedness limit for: (1) direct ownership loans from \$300,000 to \$600,000 for FYs 2019 through 2023; and (2) guaranteed ownership loans from \$700,000 to \$1,750,000 for FYs 2019 through 2023. The Senate amendment bill also strikes the increase in the guaranteed ownership loan limit based on an inflation adjuster. (Section 5103)

The Conference substitute adopts the Senate provision with an amendment to continue and clarify the application of the inflation adjuster. (Section 5103)

*(4) Limitations on Amounts of Operating Loans*

The House bill amends section 313(a)(1) of the Consolidated Farm and Rural Development Act to increase the indebtedness limit for guaranteed operating loans from \$700,000 to \$1,750,000 and to change the baseline date for the inflation adjuster from 2000 to 2019. (Section 5201)

The Senate amendment amends section 313(a)(1) to increase the indebtedness limit for direct operating loans from \$300,000 to \$400,000 for FYs 2019 through 2023 and for guaranteed operating loans from \$700,000 to \$1,750,000 for FYs 2010 through 2023. The Senate amendment strikes the increase in the guaranteed operating loan limit based on an inflation adjuster. (Section 5201)

The Conference substitute adopts the Senate provision with an amendment to continue and clarify the application of the inflation adjuster. (Section 5201)

*(5) Microloans; Limitations*

The House bill amends section 313(c)(2) of the Consolidated Farm and Rural Development Act to strike the reference to “title” and insert “subsection”, thus limiting the total principal microloan indebtedness outstanding to any 1 borrower to \$50,000, only for the purposes of section 313(c). (Section 5202)

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision. (Section 5202)

*(6) Microloans; Cooperative Pilot*

The Senate amendment amends section 313(c)(4)(A) of the Consolidated Farm and Rural Development Act to extend the microloan cooperative lending pilot project until 2023. (Section 5202)

The House bill has no comparable provision.

The Conference substitute adopts the Senate provision. (Section 5203)

*(7) Loans to purchasers of Land with Undivided Interest and No Administrative Authority*

The Senate amendment extends the authorization of the pilot in section 333B of the Consolidated Farm and Rural Development Act pilot for one additional year (through FY2024). The amendment enacts a new section 333E authorizing the Secretary to conduct pilot projects under the real estate, operating, emergency, and rural development authorities of the Consolidated Farm and Rural Development Act that may improve the efficiency and effectiveness of those programs. It also enacts a new section 3101 that authorized the Secretary to make or guarantee loans to cooperatives, credit unions and nonprofit organizations to relend to individuals and entities to assist heirs with undivided ownership interests to resolve ownership and succession on farmland that has multiple owners. Furthermore, it establishes loan terms and conditions, and preferences for certain eligible entities. (Section 12624)

The House bill has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The substitute amends the Consolidated Farm and Rural Development Act by adding a new section 3101 that authorizes the Secretary to make loans to cooperatives, credit unions and nonprofit organizations to relend for projects that assist heirs with undivided ownership interests to resolve ownership and succession on farmland that has multiple owners. The substitute establishes loan terms and conditions, preferences for certain eligible entities, and requires a report to Congress describing the operation and outcomes of the program and providing recommendations on how to strengthen the program. The substitute authorizes appropriations of \$10 million annually for each of fiscal years 2019 through 2023. (Section 5104)

The Managers encourage USDA to conduct pilot projects of limited scope and duration consistent with subtitles A, B, C and D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) to evaluate processes and techniques that may improve the efficiency and effectiveness of the programs carried out under these subtitles. It is the intent of the Managers that the Department consult with stakeholder groups when determining regulations and procedures to define entities eligible for loans provided under section 5104 of this Act.

*(8) Loan Authorization Levels*

The House bill amends section 346(b)(1) of the Consolidated Farm and Rural Development Act to extend the authorization for subtitle A (ownership) and B (operating) Farm Loan Program loans through 2023. (Section 5302)

The Senate amendment amends section 346(b)(1) by increasing the overall loan authorization level for subtitles A and B Farm Loan Program loans from \$4.226 billion to \$12 billion for each of FYs 2019 through 2023. The provision also increases the specific loan limits for direct loans from \$1.2 billion to \$4 billion, with \$2 billion for farm ownership loans and \$2 billion for farm operating loans. The provision also increases the specific loan limitations for guaranteed loans from \$3.026 billion to \$8 billion, with \$4 billion for farm ownership loan guarantees and \$4 billion for farm operating loan guarantees. (Section 5302)

The Conference substitute adopts the Senate amendment with an amendment to increase the overall loan authorization level for subtitles A and B Farm Loan Program loans from \$4.226 billion to \$10 billion for each of FYs 2019 through 2023; to increase the specific loan limits for direct loans from \$1.2 billion to \$3 billion, with \$1.5 billion for farm ownership loans and \$1.5 billion for farm operating loans; and to increase the specific loan limitations for guaranteed loans from \$3.026 billion to \$7 billion, with \$3.5 billion for farm ownership loan guarantees and \$3.5 billion for farm operating loan guarantees. (Section 5302)

*(9) Use of Additional Funds for Direct Operating Microloans Under Certain Conditions*

The Senate Amendment amends section 346(b) of the Consolidated Farm and Rural Development Act to add a new paragraph (5) requiring the Secretary to make available up to \$5 million in Commodity Credit Corporation (CCC) funds for farm operating microloans if the Secretary determines the amount of funds otherwise available

for operating loans for the fiscal year is insufficient. The Secretary must notify Congress not later than 15 days before using this authority. (Section 12617)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to strike the provision of mandatory funding and to authorize appropriations of \$5 million each year to carry out new section 346(b)(5). (Section 5304)

*(10) Equitable Relief*

The Senate amendment amends the Consolidated Farm and Rural Development Act by adding a new section 366 that authorizes the Secretary to provide equitable relief to farm loan program borrowers based on good faith actions of a borrower who relied on the actions or advice of an authorized representative of the Secretary. The amendment provides that administrative determinations are final and not subject to administrative appeal or judicial review. (Section 5304)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 5305)

*(11) Socially Disadvantaged Farmers and Ranchers; Qualified Beginning Farmers and Ranchers*

The Senate amendment amends the Consolidated Farm and Rural Development Act by adding a new section 367 that requires the Secretary to waive the guarantee fee of 1.5% and provide a 95% guarantee for guaranteed loans to a socially disadvantaged farmer or rancher or a qualified beginning farmer or rancher. (Section 5305)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to authorize the Secretary to provide a 95% guarantee for guaranteed loans to a socially disadvantaged farmer or rancher or a qualified beginning farmer or rancher. (Section 5306)

*(12) Emergency Loan Eligibility*

The Senate amendment amends section 373(b)(2)(B) to exempt write-downs and restructurings under section 353 from what is considered “debt forgiveness” for the purposes of applying the debt forgiveness loan eligibility limitations. (Section 5306)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 5307)

*(13) Technical Corrections*

The House bill includes a series of technical corrections to correct errors to provisions in sections 310E(d)(3), 321(a), 331D(e), 333A(f)(1)(A), 339(d)(3), 343(a)(11)(C), 343(b), and 346(a) of the Consolidated Farm and Rural Development Act. (Section 5401)

The Senate amendment contains no comparable provisions.

The Conference substitute adopts the House provision with an amendment to

exclude the amendment to paragraph (3) of section 310E(d) as this paragraph is substantively amended in section 12306, obviating the need for this correction. (Section 5401)

*(14) State Agricultural Mediation Programs*

The House bill amends section 506 of the Agricultural Credit Act of 1987 to extend the authorization of appropriations for the State Mediation Programs through 2023. (Section 5601)

The Senate amendment amends section 506 to extend the authorization of appropriations to 2023. The Senate amendment also amends Section 501 of the Agricultural Credit Act of 1987 to: (1) eliminate the requirement that issues that may be mediated be tied to the jurisdiction of USDA; (2) include issues under the national organics program (Organic Foods Production Act of 1990), land & equipment lease issues, family farm transition issues, and farmer-neighbor disputes; (3) authorize the use of Program funds for credit counseling either prior to any mediation involving USDA or for issues unrelated to any dispute or mediation involving USDA; (4) expand the participants in mediation to include other parties to issues addressed in the mediation; and (5) ensure USDA receives adequate notice of issues in mediation. The Senate Amendment amends section 505 to require a report to Congress from the Secretary regarding State mediation programs within 2 years. (Section 5401)

The Conference substitute adopts the Senate provision with an amendment to clarify that the list of persons eligible for mediation is expanded to include any other persons involved in an issue for which mediation services are provided by a mediation program described under section 501(c)(1)(B) of the Agricultural Credit Act of 1987. (Section 5402)

The Conference substitute allow state mediation programs to cover additional agriculture mediation services, including: organic disputes, land and equipment lease issues, family farm transition, farmer to neighbor disputes and provides credit counseling, through State mediation programs. The Managers recognize the importance of agriculture mediation services provided to farmers and support these efforts to mitigate potential financial and legal disputes.

*(15) Socially Disadvantaged Farmers and Ranchers*

The Senate amendment amends section 4.19 of the Farm Credit Act of 1971 by adding socially disadvantaged farmers and ranchers to the Farm Credit System's Young, Beginning, and Small Farmers Program, and makes a conforming amendment to section 5.17. (Section 5402)

The House bill contains no comparable provisions.

The Conference substitute requires the Comptroller General of the United States to conduct a study to assess the credit and related services provided by agricultural credit providers to socially disadvantaged farmers and ranchers; review the overall participation of socially disadvantaged farmers and ranchers in such services; and identify barriers that limit the availability of agricultural credit to socially disadvantaged farmers and ranchers.

The Conference substitute also requires the Comptroller General to provide recommendations on how agricultural credit providers may improve outreach to socially disadvantaged farmers and ranchers relating to the availability of credit and related services. The Comptroller General must report to Congress within 120 days on the findings and recommendations of the study. (Section 5416)

*(16) Quarters and Facilities for the Farm Credit Administration*

The House bill amends section 5.16 of the Farm Credit Act of 1971 to require the headquarters of the Farm Credit Administration to be the Washington DC metro area. (Section 5503)

The Senate amendment amends section 5.16 of the Farm Credit Act of 1971 to the same effect. (Section 5407(28))

The Conference substitute adopts the House provision. (Section 5405)

*(17) Removal and Prohibition Authority; Industry-Wide Prohibition*

The Senate amendment adds section 5.29A to the Farm Credit Act of 1971 to require that a person removed or suspended at a Farm Credit System Institution, or prohibited from serving at a System institution for a period of time, shall not serve at FCA or any other Federal financial regulator or the institutions that they regulate, with limited exception authority. (Section 5404)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 5406)

*(18) Expansion of Acreage Exception to Loan Amount Limitations*

The House bill amends section 8.8(c)(2) of the Farm Credit Act of 1971 to increase the acreage exception to the loan amount limitation under section 8.8(c)(1) from 1,000 to 2,000 acres. The effective date of this provision is one year after the submission to the Committees on Agriculture of the Congress of the study required to be conducted by the Farm Credit Administration pursuant to section 5602 of the House bill. (Section 5507)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with a conforming amendment to reflect the updated section number of the study required under Section 5414 of the conference substitute. (Section 5410)

*(19) Compensation of Bank Directors*

The House bill repeals section 4.21 of the Farm Credit Act of 1971 placing a below market limitation on compensation of System Bank directors. (Section 5508)

The Senate amendment contains no comparable provisions.

The Conference substitute adopts the House provision. (Section 5403)

The Managers intent for repealing section 4.21 of the Farm Credit Act of 1971 is to remove the statutory limitation on the compensation of the members of the boards of

directors of Farm Credit System Banks. However, it is not the intent of the Managers to prevent the Farm Credit Administration (FCA) from examining, and taking actions regarding, the reasonableness of the compensation of directors of Farm Credit System Banks in carrying out FCA's obligations to regulate and supervise Farm Credit System Banks.

*(20) Prohibition on Use of Funds*

The House bill amends section 5.65 of the Farm Credit Act of 1971 to prohibit the use of funds of the Farm Credit System Insurance Fund or administrative funds to provide assistance to the Federal Agricultural Mortgage Corporation. (Section 5509)

The Senate amendment contains no comparable provision

The Conference substitute adopts the House provision. (Section 5409)

*(21) Elimination or Repeal of Obsolete References; Technical Corrections & Conforming Repeals*

The House bill makes a number of corrections to the Farm Credit Act of 1971 to remove references to entities that no longer exist and authorities that have expired, and makes conforming repeals. The House bill repeals Subtitle A of Title VI of the 1971 Act, which established the Farm Credit System Financial Assistance Board. (Sections 5501 & 5502)

The Senate amendment makes nearly all of the same corrections and repeals as found in the House provisions, and more. The Senate Amendment repeals Title VI of the 1971 Act in its entirety, including (1) Subtitle A, which established the Farm Credit System Financial Assistance Board; and (2) Subtitle B, which established the Farm Credit System Financial Assistance Corporation. (Section 5407)

The Conference substitute adopts the Senate provision with a few minor conforming amendments to reflect amendments made elsewhere in the bill, including the adoption of section 5503 of the House bill as described in item (16) above. (Section 5411)

*(22) Corporation as Conservator or Receiver; Certain Other Powers*

The Senate amendment adds a new section 5.61C to the Farm Credit Act of 1971 that clarifies and establishes updated authorities for the Farm Credit System Insurance Corporation (FCSIC) and the handling of claims in the event that FCSIC is appointed as a conservator or receiver of a System Institution pursuant to section 4.12 of the Act. The amendment provides express statutory receivership and conservatorship authorities comparable to those of other Federal financial regulators, including the Federal Deposit Insurance Corporation, National Credit Union Administration, and the Federal Housing Finance Agency. The provision clarifies FCSIC's treatment of "qualified financial contracts" (including securities contracts, commodity contracts, swap agreements, and derivatives) in its role as receiver, and authorizes FCSIC and the Farm Credit Administration to create a bridge bank to assist in addressing a situation where one or more System banks are in default or are anticipated to go into default. (Section 5408)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 5412)

The Farm Credit Act of 1971 is amended by adding a new section that clarifies and establishes statutory authorities for the Farm Credit System Insurance Corporation and the handling of claims in the case of the Corporation being appointed as a conservator or receiver of a System institution. The Managers intend for the authorities of the Corporation to be functionally equivalent to the parallel authorities of the Federal Deposit Insurance Corporation.

*(23) Reporting*

The Senate amendment requires the Secretary of Agriculture to prepare an annual report to Congress that identifies certain characteristics with respect to borrowers of farm loans made and guaranteed, the borrowers' operations, and other data, for each State and county in the United States. It also requires that the Secretary prepare a comprehensive review of these annual reports to Congress every 5 years. (Section 5409)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 5413)

*(24) Sense of the Senate*

The Senate amendment declares that it is the Sense of the Senate that all participants of the Farm Service Agency loan programs should strive to encourage beginning farmers and ranchers and socially disadvantaged farmers to use Farm Service Agency loans. (Section 5410)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

It is the sense of the Managers that all participants of the Farm Service Agency loan programs should strive to encourage beginning farmers and ranchers and socially disadvantaged farmers to use Farm Service Agency loans.

*(25) Study on Loan Risk*

The House bill requires the Farm Credit Administration to conduct a study that: (1) analyzes and compares the financial risks of Farm Credit banks, associations, and the Federal Agricultural Mortgage Corporation, and how these risks are required to be capitalized; and (2) assesses the feasibility of increasing the acreage exception in section 8.8(c)(2) of the Farm Credit Act of 1971 to 2,000 acres. The report is due 180 days after the date of enactment. (Section 5602)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 5414)

As a part of its study, the Managers are interested in the opinion of the FCA on alternatives—other than the current acreage limitation—to adequately address any safety and soundness issues.

*(26) GAO Report on Ability of the Farm Credit System to Meet the Agricultural Credit Needs of Indian Tribes and Their Members*

The House bill requires the GAO to study the agricultural credit needs of farms, ranches, and related businesses owned or operated by Indian tribes or tribal members, and whether the Farm Credit System has the authority and resources to meet such needs. The report is due within 90 days after the date of enactment. If the Comptroller General finds that the System lacks the authority or resources to meet the stated needs, the report shall include recommendations to meet the needs. (Section 5603)

The Senate amendment contains no comparable provisions.

The Conference substitute adopts the House provision. (Section 5415)

## Title VI – Rural Development

*(1) Prioritizing Projects to Meet Health Crises in Rural America/Distance Learning and Telemedicine; Community Facilities Direct Loans and Grants for Substance Use Disorder Treatment Services; Rural Health and Safety Education Programs*

The House bill amends Title VI of the Rural Development Act of 1972 to include a new section which provides the Secretary with the authority to announce a renewable, one-year, temporary reprioritization for certain USDA Rural Development (“RD”) loan and grant applications to assist rural communities in responding to a specific rural health emergency. It requires the Secretary of Agriculture (“Secretary”) to issue an announcement that specifies the emergency, and to provide notice to the relevant Congressional committees and the Secretary of Health and Human services. The bill also amends Section 2333(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 to provide that, pursuant to an announcement under subsection (a), at least 10% of Distance Learning and Telemedicine Programs funds are reserved for projects that address the rural health emergency.

The House bill amends Section 306(a) of the Consolidated Farm and Rural Development Act to provide that, pursuant to an announcement under subsection (a), Community Facilities Program funds may be prioritized for projects that address the rural health emergency, including facilities that provide prevention, treatment, and recovery services.

The House bill also amends Section 502(i) of the Rural Development Act to provide that, pursuant to an announcement under subsection (a), Rural Health and Safety Education Program funds may be prioritized for projects that address the rural health emergency. (Section 6001)

The Senate amendment amends section 2333(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 to set aside 20% of Distance Learning and Telemedicine grant funding for applications related to substance use disorder treatment services.

The Senate amendment amends section 306(a) of the Consolidated Farm and Rural Development Act to provide that in selecting recipients of loans or grants for the development of essential community facilities, the Secretary shall give priority to entities to develop facilities to provide substance use disorder (including opioids) prevention, treatment, and recovery services; and that employ staff trained to identify and treat individuals with substance use disorders.

The Senate amendment amends section 502(i) of the Rural Development Act to require the Secretary, in making grants under the Rural Health and Safety Education Program, to give priority to an applicant that will use the grant for substance use disorder education, prevention, or treatment. (Sections 6301(a), 6105, and 6303)

The Conference substitute adopts the House provision with an amendment that prioritizes funding through the year 2025 for Community Facility, Distance Learning and Telemedicine and Rural Health and Safety Education Programs that provide substance abuse prevention, treatment, and recovery services. The substitute also authorizes the Secretary to make temporary prioritizations for certain Rural Development programs on a regional or state basis for other public health disruptions. (Section 6101)

*(2) Distance Learning and Telemedicine*

The House bill reauthorizes the program through FY2023; and increases the authorization of appropriations to \$82,000,000 per fiscal year. (Section 6002)

The Senate amendment reauthorizes the program through 2023. (Section 6301(b)-(c))

The Conference substitute adopts the House provision. (Section 6102)

*(3) Supporting Agricultural Association Health Plans*

The House bill establishes a new loan and grant program to assist in the establishment of agricultural association health plans. The House bill provides the Secretary with the authority to make not more than 10 loans for the purposes of establishing agricultural association health plans and provides for the terms of such loans. The House bill provides the Secretary with the authority to make grants for the purposes of providing technical assistance in establishing agricultural association health plans. The House bill authorizes a one-time appropriation of \$65 million to be available until expended during FYs 2019 through 2022. (Section 6004)

The Senate amendment contains no comparable provision.

The Conference substitute does not include the House provision.

*(4) Refinancing of Certain Rural Hospital Debt*

The House bill authorizes assistance for a community facility under section 306(a) for a business, non-profit or any other entity under section 310B to include the refinancing of a debt obligation of a rural hospital as an eligible loan or loan guarantee purpose if the assistance would help preserve access to health service in a rural community and meaningfully improve the financial position of the hospital. (Section 6005)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that requires hospitals seeking refinancing to meet USDA's financial feasibility and adequacy of security requirements. (Section 6103)

The Managers emphasize the necessity that USDA work with rural hospitals to improve their financial health as a part of a refinancing agreement. The Managers also encourage USDA to build on its current technical assistance efforts to improve the long-term operations of rural hospitals in order to continue providing vital services to rural communities.

*(5) Requiring Loans, Guaranteed Loans, and Grants for Rural Broadband*

The House bill amends section 601(c)(1) of the Rural Electrification Act of 1936 to require that the Secretary "shall make loans and shall guarantee loans" to finance rural broadband projects. (Section 6103)

The Senate amendment amends subsections (a) and (c) of section 601 to require that the Secretary "shall make grants and make or guarantee loans" to finance rural broadband projects and makes several conforming amendments throughout section 601. (Section 6206(1)-(2))

The Conference substitute adopts the Senate provision with an amendment to clarify that the Secretary is required to make grants, make loans, and guarantee loans to finance rural broadband projects. (Section 6201)

In implementing the Guaranteed Loan Program to help expand broadband access in rural areas, the Managers encourage RUS to consider development of a certified lender program that will encourage public-private partnerships and expedite investment into rural broadband infrastructure.

*(6) Simplified Application Window*

The House bill amends section 601(c)(2)(A) of the Rural Electrification Act of 1936 to require the Secretary to establish 1 evaluation period per year for broadband loan program applications. (Section 6108)

The Senate amendment rewrites section 601(c)(2) in its entirety and deletes any requirement regarding the number of application evaluation periods each year. (Section 6206(2))

The Conference substitute adopts the Senate provision. (Section 6201)

*(7) Elimination of Requirement to Give Priority to Certain Applicants*

The House bill amends section 601(c)(2) of the Rural Electrification Act of 1936 to strike the subparagraph (D) priority category. (Section 6109)

The Senate amendment rewrites section 601(c)(2) in its entirety and deletes the same subparagraph (D) priority category. (Section 6206(2))

The Conference substitute adopts the Senate provision with an amendment clarifying that the most unserved communities are those without residential broadband service of at least 10 Mbps downstream transmission capacity and 1 Mbps upstream transmission capacity. (Section 6201)

*(8) Fees for Guaranteed Broadband Loans*

The House bill amends section 601(c) of the Rural Electrification Act of 1936 to require the Secretary to collect fees on loan guarantees in amounts that when combined with any appropriated funds equal the subsidy on such guarantees. (Section 6203(b))

The Senate amendment is substantially similar to the House bill. The Senate amendment amends section 601(c) to require the Secretary to charge lenders of guaranteed loans a fee to offset subsidy costs. (Section 6117(b))

The Conference substitute adopts the Senate provision with an amendment to require the Secretary to charge and collect fees from lenders in such amounts as to bring down the cost of subsidies for guaranteed loans, but that do not act as a bar to participation in the program. (Section 6201)

*(9) Access to Broadband Telecommunications Services in Rural Areas; Broadband Standards; Grants*

The House bill amends section 601(d)(1)(A)(i) to require broadband loan or loan guarantee applicants to demonstrate the ability to furnish or improve service in order to meet the new broadband service standards established under section 6101 of the House Bill in all or part of an unserved or underserved rural area. (Section 6101(a)(1))

The Senate amendment amends section 601(d)(1)(A) to make it applicable to grants as well as loans and loan guarantees; conforming amendments to section 601 run throughout section 6206. (Section 6206(3)(A)(i) & (3)(C) through (G))

The Conference substitute adopts the House provision. (Section 6201)

*(10) Modification of Buildout Requirement*

The House bill amends section 601(d)(1)(A)(iii) of the Rural Electrification Act of 1936 to provide 5 years for applicants to complete the buildout of broadband infrastructure financed under this section. (Section 6110)

The Senate amendment is the same as the House bill, with a conforming amendment to clarify that it applies to grants as well as loans. (Section 6206(3)(A)(i))

The Conference substitute adopts the House provision with technical amendments. (Section 6201)

*(11) Access to Broadband Telecommunications Services in Rural Areas; Unserved Area, Incumbent Service Providers*

The Senate amendment amends section 601(d)(2)(A) of the Rural Electrification Act of 1936 to: (1) increase from 15 percent to 90 percent the share of households in a proposed service area that must be unserved or have service levels below the minimum acceptable service level of fixed broadband service, whether terrestrial or wireless; and (2) reduce from 3 to 2 the number of incumbent service providers in any part of the proposed service area that would make the area ineligible for financing. (Section 6206(3)(B))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment increasing from 15 percent to 90 percent the share of households in a proposed service area that must be unserved for broadband projects funded by grants, loan/grant combinations, loans with subsidized interest rates, and payment assistance loans. The amendment increases from 15 percent to 50 percent the share of households in a proposed service area that must be unserved for broadband projects funded by loans or loan guarantees. The amendment does not adopt the Senate provision decreasing the number of incumbent service providers. (Section 6201)

*(12) Access to Broadband Telecommunications Services in Rural Areas; Application Process*

The Senate amendment amends section 601(d)(7) to: (1) require the Secretary to provide feedback and decisions on funding to an applicant of a grant, loan, or loan guarantee in a timely manner; (2) clarify that in addition to a determination of area eligibility prior to preparing a loan application, a prospective applicant may also submit to the Secretary a proposal for a project on which the Secretary shall provide feedback regarding how the proposal could be changed to improve the likelihood that the Secretary would approve the application. (Section 6206(3)(H)-(I))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that specifies that only applicants proposing to serve communities without residential broadband service of at least 10 Mbps downstream transmission capacity and 1 Mbps upstream transmission capacity are eligible for technical assistance and training. (Section 6201)

*(13) Elimination of Unnecessary Reporting Requirements*

The House bill: amends section 601(d)(8)(A)(ii) to eliminate reporting requirements with respect to: (1) the location of residences and businesses that will

receive broadband service; and (2) changes in broadband service adoption rates. (Section 6112)

The Senate amendment contains no comparable provisions.

The Conference substitute adopts the House provision with an amendment creating new reporting requirements for all USDA broadband projects. (Section 6207)

*(14) Establishing Forward-Looking Broadband Standards/Access to Broadband Telecommunications Services in Rural Areas*

The House bill amends Section 601(e) of the Rural Electrification Act of 1936 to require the Secretary to establish broadband service standards for rural areas that provide for: (1) speed to be at least 25 megabits per second (Mbps) downstream transmission capacity and 3 Mbps upstream transmission capacity; and (2) projections of minimum acceptable standards of service for 5, 10, 15, 20, and 30 years into the future. The amendment further prohibits the Secretary from making any loan to finance a project that the Secretary determines cannot meet the projected minimum acceptable standard of service at any time while the loan or loan guarantee is outstanding. The amendment allows the Secretary and the applicant to agree to substitute standards if the standards are cost-prohibitive to meet.

The House bill also provides that, to the extent possible, the loan terms and conditions require for the lifetime of the loan that the project will be capable of meeting either the minimum standard currently in effect or the projected standard in place at the time the loan was agreed to. (Section 6101(a)(2)-(3))

The Senate amendment amends Section 601(e) of the Rural Electrification Act of 1936 to codify USDA's current definition of minimum acceptable broadband service of 25 Mbps downstream transmission capacity and 3Mbps upstream transmission capacity. (Section 6206(4))

The Conference substitute adopts the House provision with an amendment modifying the broadband buildout requirements that the Secretary shall establish for projects with agreement lengths of 5 to 10 years, 11 to 15 years, 16 to 20 years, and more than 20 years. (Section 6201)

The Managers are acutely aware of the challenges created by the ever-increasing bandwidth needs of applications running over the Internet. These bandwidth needs mean that the expectation for "broadband-quality service" in urban, suburban, and rural communities increases over time. While protecting project areas provided assistance from a competing USDA-assisted project is essential for program integrity, such protections can result in a lack of further investment in rural broadband systems and rural residents receiving levels of service which degrade relative to expectations over time.

In establishing the broadband buildout speeds, the Managers intend the Secretary establish requirements for applicants to build systems capable of providing higher quality broadband service as the term of assistance lengthens, to help to ensure that USDA-financed broadband systems are able to meet the connectivity needs of rural residents for the entirety of the length of time such system is protected from overbuilding under USDA's broadband programs.

*(15) Improving Access by Providing Certainty to Broadband Borrowers*

The House bill amends title II of the Rural Electrification Act of 1936 to permit the Secretary to obligate, but not disperse, funds under section 601 to approved

applications while conditioning the disbursement of funds on the successful completion of environmental, historic, or other reviews. Further, it permits the Secretary to de-obligate funds if the reviews cannot be completed in a reasonable amount of time.

The House bill amends section 601(d) of the Rural Electrification Act of 1936 to permit the Secretary to obligate, but not disperse, funds under section 601 to approved applications while conditioning the disbursement of funds on the successful completion of environmental, historic, or other reviews. Further, it permits the Secretary to de-obligate funds if the reviews cannot be completed in a reasonable amount of time. (Section 6107)

The Senate amendment amends section 601 of the Rural Electrification Act of 1936 to authorize the Secretary to obligate, but not disperse, funds under this Act before the completion of otherwise required environmental, historical, or other types of reviews if the Secretary determines that a subsequent site-specific review shall be adequate and easily accomplished for the location of towers, poles, or other broadband facilities in the service area of the borrower without compromising the project or the required reviews.

The Senate Amendment also amends section 601 of the Rural Electrification Act of 1936 to require, as a condition of receiving a grant, loan, or loan guarantee, a recipient of assistance to provide to the Secretary complete, reliable, and precise geolocation that indicates the location of new broadband service that is being provided or upgraded within the service territory supported by the grant, loan, or loan guarantee at specified times. (Section 6206(8))

The Conference substitute adopts the Senate provision with an amendment that moves the language dealing with geolocation data to the new section requiring public notice, assessments, and reporting. (Sections 6207 and 6208)

#### *(16) Improving Borrower Refinancing Options/Refinancing of Broadband*

The House bill amends section 601(i) of the Rural Electrification Act of 1936 to permit the Broadband Loan Program to refinance telecommunications loans other than those made under the Act. (Section 6111(b))

The Senate amendment amends section 601(i) of the rural Electrification Act of 1936 to provide RUS the authority to refinance telephone and broadband loans other than those made under the Act. (Section 6209(b))

The Conference substitute adopts the Senate provision as a new section 703 of the Rural Electrification Act of 1936. (Section 6209)

#### *(17) Unified Broadband Reporting Requirements*

The House bill amends section 601(j) and (k)(2) of the Rural Electrification Act of 1936 to require the Secretary to submit a single report to Congress describing all the broadband financing activities administered by the Secretary including the loans, loan guarantees, and grants applied for and provided under the programs. (Section 6106)

The Senate amendment amends section 601(j) of the Rural Electrification Act of 1936 to add grants to the reporting requirements (Section 6206(6))

The Conference substitute adopts the House provision (Section 6207).

In adopting a substitute amendment, the Managers have established a single process for reporting across multiple USDA broadband programs. The amendment will ensure that applicants will be reporting similar, comparable data to the Secretary. The amendment similarly requires the Secretary to combine that data into a single report to

Congress which covers the entirety of the Department's broadband assistance activities.

In addition, the substitute amendment combines in a single section these reporting requirements with the amended notice and assessment requirements. The Managers recognize that these two processes – one pre-application and one post-application – are interrelated and each are essential to promoting program integrity. The Managers intend for the Secretary to establish requirements which are complementary, wherever possible, both to facilitate implementation and to ease compliance for applicants and existing providers.

Finally, the Managers recognize the importance of oversight and integrity within the broadband programs, as well as the significant work entailed in verifying the eligibility of unserved communities. To that end, the Conference report provides significant resources to the Secretary to carry out oversight of the broadband programs. These funds shall be utilized without distinction to provide oversight across all of the broadband programs that the Secretary administers.

#### *(18) Access to Broadband Telecommunications Services in Rural Areas*

The House bill amends section 601(k) of the Rural Electrification Act of 1936 by increasing the authorization of appropriations to \$150 million for each of fiscal years 2019 through 2023 and reauthorizing the program through fiscal year 2023.

The House bill also amends section 601(l) of the Rural Electrification Act of 1936 to extend the termination of authority to make loans and loan guarantees until September 30, 2023. (Section 6113)

The Senate amendment amends section 601(m) of the Rural Electrification Act of 1936 (as redesignated) to: (1) increase the authorization of appropriations to \$150,000,000 for each of the fiscal years 2019 through 2023 and reauthorizing the program through fiscal year 2023 (same as the House Bill); and (2) require the Secretary, from amounts made available each fiscal year, to set aside at least 1 percent to be used for conducting oversight and implementing accountability measures.

The Senate amendment also amends section 601(n) of the Rural Electrification Act of 1936 as redesignated) to extend the termination of authority to make grants, loans, and loan guarantees until September 30, 2023. (Section 6206(9)-(10))

The Conference substitute provides an amendment increasing the authorization of appropriations to \$350 million for each of fiscal years 2019 through 2023 and sets aside between 3 and 5 percent of program level amounts for conducting oversight and implementing accountability measures for the Farm Bill Broadband Program and Community Connect projects. (Sections 6201 and 6207)

#### *(19) Middle Mile Broadband Infrastructure*

The House bill amends section 601 of the Rural Electrification Act of 1936 to authorize loans to eligible entities for the development of "middle-mile" broadband infrastructure, defined as infrastructure that does not directly connect to end user locations, including interoffice transport, backhaul, Internet connectivity, data centers, or special access transport to rural areas. Loans and loan guarantees for middle-mile infrastructure are limited to no more than 20% of the amounts made available under section 601. (Section 6114)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to amend

section 602 of the Rural Electrification Act of 1936 to require the Secretary to use grant funding as well as loans and loan guarantees to provide funds for the construction, improvement, or acquisition of middle-mile infrastructure to serve rural areas, and to require that at least 75 percent of the interconnection points of a project serve eligible rural areas. The amendment also authorizes appropriations of \$10 million for each of fiscal years 2019 through 2023. (Section 6202)

*(20) Establishing Forward-Looking Broadband Standards: Report to Congress*

The House bill requires the Administrator of the Rural Utilities Service, within 12 months after the date of the enactment, to submit to the House and Senate Agriculture Committees a report on the effectiveness of RUS loan and loan guarantee programs at expanding broadband to rural areas, including administrative and legislative options for incentivizing private investment. (Section 6101(b))

The Senate amendment contains no comparable provision.

The Conference substitute does not adopt the House provision.

*(21) Smart Utility Authority/Single Application for Broadband*

The House bill amends section 331 of the Consolidated Farm and Rural Development Act to allow a recipient of certain grants, loans, or loan guarantees to use not more than 10 percent of the amount for rural broadband infrastructure projects, including both retail and non-retail activities, except for a recipient who is seeking to provide retail broadband service in any area where retail broadband service is available at the minimum broadband speeds.

The House bill also amends Title I of the Rural Electrification Act of 1936 to allow a recipient of certain grants, loans or loan guarantees to set aside not more than 10 percent of the amount for retail broadband service, for use only in an area that is not being provided with the minimum acceptable level of broadband service. (Section 6104)

The Senate amendment amends section 331 of the Consolidated Farm and Rural Development Act to allow for no more than 10% of any Rural Development grant, loan, or loan guarantee to be used to fund broadband facilities and service, provided that the funding will not result in competitive harm to any existing grant, loan, or loan guarantee. (Section 6116)

The Conference substitute adopts the House provision with an amendment requiring that the funding not result in competitive harm to any existing grant, loan, or loan guarantee under the Rural Electrification Act of 1936, under certain circumstances. (Section 6210)

The Managers intend that USDA not authorize funding for the construction of any retail broadband project that would result in competitive harm to any USDA grant, loan, or loan guarantee.

*(22) Modifications to the Rural Gigabit Program*

The House bill amends section 603 of the Rural Electrification Act of 1936 to amend the Rural Gigabit Network Pilot Program and replace it with the Innovative Broadband Advancement Program to provide grants, loans or both to eligible entities for the purpose of demonstrating innovative broadband technologies or methods of

broadband technologies or methods of broadband deployment that significantly reduce the cost of broadband deployment and substantially increase broadband service to not less than the 20-year broadband speed established by the Rural Utilities Service (Section 6105)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment requiring projects to provide broadband speeds of at least the maximum broadband buildout requirements established under section 601(e)(4) of the Rural Electrification Act of 1936, as amended. (Section 6203)

*(23) Incentives for Hard to Reach Communities*

The House bill amends Title VI of the Rural Electrification Act of 1936 to add a new section 604 of the Rural Electrification Act to create a grant program for borrowers under Title I, II, or VI of the Rural Electrification Act who are financing rural broadband projects that provide retail service.

The House bill also establishes a method for calculating service points per road mile as a density measure. Eligible applicants are those areas with a density of 12 or fewer homes, businesses, or institutions per mile of road in a proposed service area. The bill also authorizes appropriations of \$350 million for each of fiscal years 2019 through 2023. (Section 6102)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to apply the new density requirements to grants authorized under Section 6201 and modifies the number of persons per square mile when determining what percent of a project's development costs may be funded using grant money. The substitute does not adopt the House provision's authorization of appropriations. (Section 6201)

The Conference report includes significant new authority for the Secretary to provide grants to applicants to extend broadband service deeper into rural communities. The Managers are mindful of past broadband grant programs which have occasionally resulted in grants to providers who fail to meet their obligations under their grant agreements. The Managers recognize the work that the Department has undertaken in an attempt to recover taxpayer dollars in those instances and to continue to improve the ability for the department to hold grantees accountable for the entirety of their obligations. To further this work, the Managers intend that any agreements the Secretary executes with grant applicants include terms which:

1. Require that the project meet all statutory and regulatory service requirements agreed to as part of the application process, including the broadband buildout requirements, if applicable;
2. Require the repayment of the grant if the project is sold or transferred without agency approval during the term of the grant; and
3. Provide the government a first lien on the grant assets during the term of the grant and thereafter comply with the applicable federal regulations under the Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards, codified in 2 C.F.R. 200.

*(24) Community Connect Program*

The Senate amendment amends title VI of the Rural Electrification Act of 1936 to codify the existing Community Connect Program, while authorizing the program at \$50,000,000 for each of fiscal years 2019 through 2023. (Section 6207)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6204)

*(25) Outdated Broadband Systems*

The House bill adds a new section 605 to the Rural Electrification Act of 1936 to provide that beginning October 1, 2020, the Secretary shall consider as unserved for the purposes of all broadband loan programs under this Act any portion of a service territory subject to an outstanding grant agreement with a broadband provider if the broadband service provided is not at least 10 megabits per second download and at least 1 megabit per second upload, unless the broadband provider has constructed or begun to construct broadband facilities in the service territory that meet the minimum acceptable standard of service established under section 601(e)(1). (Section 6115)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision as a new section 604 of the Rural Electrification Act of 1936. (Section 6204)

*(26) Refinancing of Broadband and Telephone Loans*

The House bill amends section 201 of the Rural Electrification Act of 1936 to clarify that the Secretary, through the RUS telephone loan program, may refinance broadband loans made under section 601 of the Act. (Section 6111(a))

The Senate amendment amends Section 201 of the Rural Electrification Act of 1936 to clarify that the Secretary, through the RUS telephone loan program, may refinance loans of persons furnishing telephone service in rural areas, including indebtedness of recipients on another telecommunications loan made under the Act.

The Senate amendment also strikes the current law limitation that the refinancing may not constitute more than 40% of a loan made under Title II of the Act. (Section 6209(a))

The Conference substitute adopts the Senate provision. (Section 6211)

The Managers intend for Section 6211, refinancing of loans, that an existing loan may be refinanced using the Substantially Underserved Trust Area program when it is determined to be appropriate. The recipients of these loans are serving the most difficult, and highest cost areas of the country, and allowing for the refinancing of higher interest loans will provide the ability for these telecommunications carriers to continue to build high-speed broadband networks.

The Managers expect that the new refinancing authority gives the Department the ability to issue a new loan with new terms with the proceeds being used to repay or pre-pay an existing loan. These transactions should be not be considered loan modifications.

Within 90 days of enactment, USDA should publish a notice detailing implementation of the re-financing provisions in Section 6211.

*(27) Federal Broadband Program Coordination*

The House bill directs the Secretary of Agriculture to coordinate with the Assistant Secretary of the National Telecommunications and Information Administration

for assessment and mapping capabilities. The Secretary will consult with the Federal Communications Commission (FCC) before making a broadband loan or grant for a project to serve an area in which another entity is receiving Connect America Fund or Mobility Fund support under the federal universal service support mechanism. The Chairman of the FCC shall consult with the Secretary before providing support in an area where an entity has received assistance from USDA. The Secretary, FCC, and the Assistant Secretary shall submit a report to the Congressional committees assessing its abilities to meet various objectives regarding long-term broadband service needs of rural residents. (Section 6116)

The Senate amendment amends section 601(d)(1) of the Rural Electrification Act of 1936 to require the Secretary to coordinate with the Federal Communications Commission to ensure that any grants, loans, or loan guarantees made under this section complement and do not conflict with universal service high-cost support. (Section 6206 (3)(A)(ii))

The Conference substitute adopts the House provision. (Section 6212)

#### *(28) Effective Date*

The House bill provides that amendments made by subtitle B of the House Bill shall not take effect until the Secretary of Agriculture has issued final regulations to implement the amendments.

The House bill also requires that within 90 days of the enactment the Secretary shall prescribe final regulations to implement the amendments made by sections 6101 (broadband standards) and 6102 (incentives for hard to reach communities). (Section 6117)

The Senate Amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment giving the Secretary one year to issue a final rule implementing the amendments made to Section 601 of the Rural Electrification Act of 1936. (Section 6213)

#### *(29) Strategic Economic and Community Development*

The House bill amends section 379H in its entirety to require the Secretary to: (1) give priority to applications for programs that support implementation of a strategic community investment plan; (2) reserve a portion of funds for projects that support the implementation of a strategic community investment plan; and (3) set forth the requirements for such plans. The bill requires the Secretary to provide technical assistance to communities in developing strategic community investment plans and authorizes appropriations of \$5 million for each of fiscal years 2018 through 2023 to provide the technical assistance. (Section 6201)

The Senate amendment amends section 379H in its entirety to require the Secretary to: (1) give priority to applications for programs that support implementation of a strategic community investment plan; (2) reserve not more than 10 percent of funds for projects that support the implementation of a strategic community investment plan; and (3) set forth the requirements for such plans. The amendment also requires the Secretary to provide technical assistance to communities in developing strategic community investment plans and authorizes appropriations of \$5 million for each of fiscal years 2019 through 2023 to provide the technical assistance. (Section 6123)

The Conference substitute adopts the Senate provision with an amendment increasing the reserve to not more than 15 percent of funds for projects. (Section 6401)

*(30) Expanding Access to Credit for Rural Communities*

The House bill amends the definition of “rural and “rural area” under section 343(a)(13) of the Consolidated Farm and Rural Development Act to provide that a city or town that has a population of up to 50,000 inhabitants is eligible for loan guarantees for water, wastewater, and essential community facilities.

The bill also amends the definition of “rural area” in section 601(b)(3)(A)(ii) of the Rural Electrification Act of 1936 to provide that a city or town that has a population of up to 50,000 inhabitants is eligible for guaranteed loans in the rural broadband program. (Section 6202)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to reserve funding for Community Facilities applications for projects in communities with populations of 20,000 people or less, and to prioritize Water and Wastewater Facility applications for projects in communities with populations of 10,000 people or less. (Section 6402)

The Conference report expands the size of rural communities eligible to seek assistance under the guaranteed lending authorities of the Community Facilities and Water and Waste Disposal programs. In order to meet the needs of the enlarged class of borrowers under these programs, the Managers believe it is important to make commensurate increases in the program levels of these programs, where appropriate.

The Secretary should utilize the authority provided under Section 6418 to charge fees to lenders to reduce the subsidy cost of operating these programs in order to provide additional assistance to rural communities at a reduced cost to the taxpayer. The Managers encourage the Secretary to work closely with rural communities, rural lenders, and the relevant committees in Congress as the Department utilizes the new guaranteed lending authorities provided in this bill.

In addition, as the volume of lending increases under the guaranteed lending programs, the Managers recognize the need for the Department to streamline the approval process. The Managers encourage the Secretary to find ways to make application reviews more efficient and more standardized. In addition to technology, process, and regionalization improvements that can be made, the Managers also believe that utilizing the authorities of Sec 364 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) to develop certified lender programs will encourage public-private partnerships and expedite investment into rural infrastructure.

*(31) Guaranteed Loan Fees*

The House bill amends section 333 of the Consolidated Farm and Rural Development Act to require the Secretary to collect fees on insured or guaranteed loans in amounts that when combined with any appropriated funds equal the subsidy on such loans. (Section 6203(a))

The Senate amendment amends section 333 of the Consolidated Farm and Rural Development Act to require the Secretary to charge lenders of guaranteed loans a fee to offset subsidy costs. (Section 6117(a))

The Conference substitute adopts the House provision with an amendment to provide that the Secretary charge and collect from the lender fees in such amounts as to bring down the costs of subsidies for the insured or guaranteed loan, except that the fees shall not act as a bar to participation in the programs nor be inconsistent with current practices in the marketplace. (Section 6418)

Guaranteed lending programs are important to meeting credit needs of rural borrowers who are unable to qualify for conventional credit. The Managers believe a modest increase in fees in the Community Facilities and Water and Waste Disposal programs can achieve a zero-subsidy rate and potentially minimize or eliminate the need for future appropriations while increasing the volume of loans extended to rural communities. However, the Managers are also mindful that guaranteed lending under these programs serves a public policy purpose and encourages the Secretary to work with the Committees on Appropriations to establish a fee structure, annual appropriations amount, and program level appropriate to achieve that purpose.

To assist in determining the appropriate fee structure and to examine the potential to reduce subsidy rates under other guaranteed lending programs, the Managers direct the Secretary to conduct a study of several guaranteed lending programs to clarify the extent of necessary fee increases; the impact on loan volume; whether fee increases could be structured to minimize impact on smaller lenders and borrowers; and how to better enhance credit terms for future borrowers, lenders and secondary market participants. In conducting the study, the Secretary shall consult with a range of stakeholders utilizing each program from across the rural lending community, including: rural community leaders, borrowers, rural banking institutions, rural credit unions, Farm Credit institutions, secondary market participants, and other interested stakeholders.

No later than September 30, 2019, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate a report analyzing guaranteed lending under the Community Facilities, Water and Waste Disposal, Broadband Access, Business and Industry, and Rural Energy for America programs to determine:

1. The level to which the origination fee and annual renewal fees would need to be raised in order to:
  - a. achieve a zero-subsidy level
  - b. reduce the subsidy rate to a level which will not act as a bar to participation in the programs nor be inconsistent with current practices in the marketplace;
2. The projected loan volume and the projected appropriations amount necessary to support that program level for each program under the fee structures described in 1.
3. Whether such fees would prevent participation by smaller lenders and borrowers.
4. Whether participation under a zero-subsidy structure could be increased by charging higher fees for larger loans and lower fees for smaller loans and, if so, what level of fees and loan sizes would achieve higher participation.
5. How subsidy rates are formulated for individual guaranteed lending programs and how to enhance subsidy rate formulation to reflect performance of each program.
6. Differences between USDA and SBA loan processes and whether USDA could expedite loan processing and ensure consistency between area service centers, states and national offices.

7. Whether a transition period is necessary to shift USDA's guaranteed programs to a zero-subsidy structure without diminishing existing loan volume.
8. Other actions the department could take to reduce the subsidy cost of running guaranteed lending programs, besides increasing fees, including a quantification of the estimated effects of such changes.

*(32) Water, Waste Disposal, and Wastewater Facility Grants*

The House bill amends section 306(a)(2)(B) to increase the maximum amount of financing an eligible entity can receive from a revolving fund from \$100,000 to \$200,000. The bill reauthorizes the program for fiscal years 2019 through 2023. The bill also decreases the authorization of appropriations from \$30 million to \$15 million per fiscal year. (Section 6204)

The Senate amendment is similar to the House bill and reauthorizes the program through fiscal year 2023. (Section 6101)

The Conference substitute adopts the House provision. (Section 6403)

*(33) Rural Water and Wastewater Technical Assistance and Training Programs*

The House bill amends section 306(a)(14)(A) to permit the Secretary to provide grants to entities which assist eligible rural water systems with long term sustainability planning. The bill also amends section 306(a)(14)(C) to increase the set-aside of funds for technical assistance to 3 to 5 percent of funds appropriated for rural water and waste grants under section 306(a)(2), unless applications qualifying for grants received by the Secretary from eligible nonprofit organizations for the fiscal year total less than 1% of those funds. (Section 6205)

The Senate amendment is the same as the House bill. The amendment also amends Section 306(a)(14)(B) to add a priority for rural water technical assistance and training to communities affected by emerging contaminants detected in drinking water and surface water supplies.

The Senate amendment amends section 306(a)(14)(C) to increase the set-aside of funds for technical assistance up to 3-to-5 percent of funds appropriated for rural water and waste grants under section 306(a)(2), unless applications qualifying for grants received by the Secretary from eligible nonprofit organizations for the fiscal year total less than 3% of those funds. (Section 6102)

The Conference substitute adopts the Senate provision with an amendment to change the priority to an eligible activity under the technical assistance program. (Section 6404)

The Managers encourage the Secretary to allow for national applications without restrictions or award caps for funding under the Essential Community Facilities Technical Assistance and Training Program from qualified national non-profit organizations for the sole purpose of providing on-site training and technical assistance on a national or multi-State regional basis. The Managers note there are no restrictions on funding awards prescribed in the authorizing statute of the program (Sec. 6006 of the Agricultural Act of 2014) (P.L. 113-79). The Managers modeled the program after the Water and Waste Disposal Technical Assistance and Training Program (306(a)(14) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(14)), which does not prescribe any caps or restrictions on funding. The Managers intend that applications not be limited to \$150,000 for national and multi-state non-profit applications, but rather

be considered for an amount of no less than \$500,000 to provide community facilities technical assistance and training on a national or multi-state basis.

The Managers recognize that the scientific understanding of the wide variety of emerging contaminants, including the broad category of substances identified as per- and polyfluoroalkyl substances (PFAS), is continuing to develop and not yet mature. The Department and technical assistance providers should utilize the best available science and rely on the determinations produced by the Environmental Protection Agency when advising eligible water systems about emerging contaminants under this section.

*(34) Rural Water and Wastewater Circuit Rider Program*

The House bill amends section 306(a)(22)(B) to increase the authorization of appropriations to \$25 million for FY2018 and each FY thereafter. (Section 6206)

The Senate bill amends section 306(a)(22)(B) to increase the authorization of appropriations to \$25 million for each of fiscal years 2019 through 2023. (Section 6103)

The Conference substitute adopts the Senate provision. (Section 6405)

*(35) Tribal college and University Essential Community Facilities*

The House bill amends section 306(a)(25)(C) to decrease the authorization of appropriations to \$5,000,000 for each of fiscal years 2019 through 2023. (Section 6207)

The Senate Amendment reauthorizes the Tribal College and University Essential Community Facilities Program through fiscal year 2023. (Section 6104)

The Conference substitute adopts the Senate provision. (Section 6406)

*(36) Business Innovation Services Essential Community Facilities*

The Senate amendment amends section 306(a) to authorize the Secretary to make grants and loans for essential community facilities for business and innovation services, such as incubators, co-working spaces, makerspaces, and residential entrepreneur and innovation centers. (Section 12618)

The House bill contains no comparable provision.

The Conference substitute does not adopt the Senate provision.

The Managers recognize the need for additional financial support for community facilities that support rural businesses and innovation, and make clear that the Secretary may use programs authorized under 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) to make loans, loan guarantees, and grants for essential community facilities for business and innovation services, such as incubators, co-working spaces, makerspaces, and residential entrepreneur and innovation centers.

*(37) Emergency and Imminent Community Water Assistance Grant Program (ECWAG)*

The House bill amends section 306A to (1) authorize the Secretary to extend the reservation of funds for an additional 120 days in order to provide potable water to protect public health, in the event of a natural disaster (including drought); and (2) authorize appropriations of \$27 million for each of fiscal years 2019 through 2023. (Section 6208)

The Senate amendment amends Section 306A of the Consolidated Farm and Rural Development Act to: (1) increase the amount of funds reserved for ECWAG grants to between 5 percent and 7 percent of the funds provided for water and wastewater grants under section 306(a)(2); (2) authorize appropriations of \$50 million for each of fiscal

years 2019 through 2023; (3) prioritize funding of projects that address water contamination posing a threat to human health of the environment; (4) increase the maximum amount of a grant to address water quality or quantity decline from \$500,000 to \$1 million, and: (5) create an interagency task force to study drinking water and surface water contamination in rural communities and submit its findings to Congress. (Section 6106)

The Conference substitute adopts the Senate provision with an amendment to authorize the Secretary to extend the reservation of funds for an additional 120 days in order to provide potable water to protect public health. (Section 6407)

In implementing the amendment made by this section, the Managers remind the Department that the Environmental Protection Agency is the lead federal agency charged with the scientific assessment of potential drinking water contaminants and regulating treated drinking water. In making awards under (b)(1)(A), the Department should continue to utilize the Agency's determinations, or those of relevant state and local regulators, of what poses a threat to human health or the environment, as required by Sections 306(a)(9) and (10) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)).

Additionally, the Department should provide in its regulations implementing this program that any entities responsible for fouling a drinking water supply are not eligible to be the recipients of an award under this program.

#### *(38) Water Systems for Rural and Native Villages in Alaska*

The House bill reauthorizes the program through FY 2023. (Section 6209)

The Senate amendment amends section 306D to reauthorize the program through FY 2023, and to: (1) clarify that a consortium of Alaska Native Villages are eligible recipients of these grants; and (2) provide that up to 2% of the funds appropriated for a fiscal year may be used by a consortium for training and technical assistance programs. (Section 6107)

The Conference substitute adopts the Senate provision. (Section 6408)

#### *(39) Household Water Well Systems*

The House bill reauthorizes the program through FY 2023 (Section 6210)

The Senate amendment reauthorizes the program through FY 2023, increases the authorization of appropriations to \$40 million annually, reduces the eligibility threshold for households to those whose income is not more than 60 percent of the median nonmetropolitan household income for the State, allows for individually owned household decentralized water and wastewater systems to qualify, and provides that loans made with grants\ funds shall have an interest rate of 1 percent with a term not to exceed 20 years and cannot exceed \$15,000.

The Conference substitute adopts the Senate provision, with an amendment to increase the authorization of appropriations from \$5 million to \$20 million for each of fiscal years 2019 through 2023. (Section 6409)

The Managers intend that the Secretary give priority and work closely with non-profits having substantial experience in providing direct technical assistance to low-income homeowners dealing with decentralized water system issues.

In implementing the amendment made by this section, the Managers remind the Department that the Environmental Protection Agency is the lead federal agency charged

with the scientific assessment of potential drinking water contaminants and regulating treated drinking water. In making awards under (4) for ground water well contamination, the Department should continue to utilize the Agency's determinations, or those of relevant state and local regulators, of what substances are considered contaminants and pose a threat to human health or the environment, as required by Sections 306(a)(9) and (10) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)).

Additionally, the Department should provide in its regulations implementing this program that any entities responsible for fouling a drinking water supply are not eligible to be the recipients of an award under this program.

*(40) Rural Cooperative Development Grants*

The House bill amends section 310B to reauthorize the program through fiscal year 2023. (Section 6213)

The Senate amendment amends section 310B to: (1) reauthorize the program through fiscal year 2023; and (2) clarify that research conducted under the cooperative research program may include that based on data from the latest available Economic Census conducted by the Bureau of the Census. (Section 6111)

The Conference substitute adopts the Senate provision. (Section 6412)

*(41) Intermediary Relending Program*

The House bill amends section 310H to: (1) reauthorize the program through FY2023; and (2) reduce the authorization of appropriations to \$10 million per year. (Section 6217)

The Senate amendment amends section 310H to: (1) reauthorize the program through FY 2023; (2) increase to \$400,000 the maximum loan amount an intermediary may lend to a qualified project; (3) reduce the matching amounts for preferred lenders; and (4) allow for return of equity to an intermediary consistent with loan amortization schedules. (Section 6115)

The Conference substitute adopts the Senate provision. (Section 6416)

*(42) Exclusion of Prison Populations from Definition of Rural Area*

The House bill amends section 343(a)(13) of the Consolidated Farm and Rural Development Act by excluding incarcerated prison populations from inclusion in the determination of whether an area is "rural" or a "rural area." (Section 6218)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment clarifying that the exemption applies to populations incarcerated on a long-term or regional basis. (Section 6301)

*(43) Rural Business-Cooperative Service Programs Technical Assistance and Training*

The Senate amendment adds a new section 368 to the Consolidated Farm and Rural Development Act authorizing the Secretary to make grants for technical assistance and training to assist rural communities in accessing programs offered through Rural Business and Cooperative Services, with a priority for grants serving persistent poverty counties and high poverty communities. (Section 6118)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that any amounts authorized to be appropriated for any fiscal year that are not appropriated for that fiscal year may be appropriated for the immediately succeeding fiscal year. (Section 6419)

*(44) Establishment of Technical Assistance Program*

The Senate amendment requires the Secretary to establish a technical assistance program to improve access by Tribal entities to rural development programs. (Section 12514)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6302)

*(45) Rural Microentrepreneur*

The House bill reauthorizes appropriations for the program of \$4 million for each of fiscal years 2019 through 2023. (Section 6221)

The Senate amendment reauthorizes appropriations for the program of \$20 million for each of fiscal years 2019 through 2023.

The Senate amendment establishes the minimum funding level an eligible microenterprise development organization can receive in technical assistance grants in an amount equal to not less than 20% of the total outstanding balance of microloans made by the microenterprise development organization, subject to satisfactory performance and the availability of funding. (Section 6121)

The Conference substitute adopts the Senate provision with an amendment capping the maximum funding level an eligible microenterprise development organization can receive in technical assistance grants to not more than 25 percent of the total outstanding balance of microloans made. (Section 6422)

*(46) Rural Innovation Stronger Economy Grant Program*

The Senate amendment amends Subtitle D of the Consolidated Farm and Rural Development Act to establish a competitive grant program to establish job accelerators to improve the ability of distressed rural communities to create high-wage jobs, accelerate the formation of new businesses, and help rural communities identify and maximize local assets. Grants for job accelerators will be provided in not fewer than 25 states. (Section 12619)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. (Section 6424)

The Managers recognize the importance of a broad coalition of stakeholders for implementation of a rural jobs accelerator partnership funded through this program. For this reason, beyond the criteria already described in the Conference substitute for the working group that makes up a rural jobs accelerator partnership, the Managers intend an applicant may consider including one or more representatives of an economic development or other community or labor organization; a financial institution, including a community development financial institution (as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C.

4702); a philanthropic organization; or a rural cooperative, if the cooperative is organized as a nonprofit organization.

The Managers intend that in addition to the selection criteria stipulated in the Conference substitute, an applicant may also be asked to indicate the speed of available broadband service or how the jobs accelerator plans to improve access to high-speed broadband service, if necessary, and leverage that broadband service for programs of the jobs accelerator. To be selected for a grant through this program, an applicant should provide details on the identified industry cluster in their application, including a description of data showing the existence of emergence of an industry cluster; the importance of the industry cluster to economic growth in the identified region; the unique assets the identified region has to support the industry cluster and to have a competitive advantage in that industry cluster; evidence of a concentration of firms or concentration of employees in the industry cluster; and available industry-specific infrastructure that supports the industry cluster. The applicant should also provide a description of how the rural jobs accelerator partnership would improve the competitiveness of the identified region, the ability to repatriate United States jobs, the fostering of high-wage job creation, the support of innovation and entrepreneurship, and the promotion of private investment in the identified regional economy.

The Managers believe the flexible use of funds through this program is important to successful rural jobs accelerator partnerships. The innovation center that may be funded through this program may function as or be used for housing for business owners or workers; co-working space, which may include space for remote work; space for businesses to utilize with a focus on entrepreneurs and small and disadvantaged businesses but that may include collaboration with companies of all sizes; job training programs; and efforts to utilize the innovation center as part of the development of a community downtown, among other uses deemed appropriate by the Secretary. Support programs that may be funded through this program may include integrating small businesses into a supply chain; creating or expanding commercialization activities for new business formation; identifying and building assets in rural communities that are crucial to supporting regional economies; facilitating the repatriation of high-wage jobs to the United States; supporting the development of innovative processes, technologies, and products; enhancing the capacity of small businesses in regional industry clusters, including small and disadvantaged business; and increasing United States exports and business interaction with international buyers and suppliers.

The Managers recognize the need for federal interagency support of rural jobs accelerator partnerships. Beyond the Secretary of Commerce (or a designee) and the Secretary of Agriculture (or a designee) co-chairing the task force to oversee this program, this task force should also include the Secretary of Education (or a designee); the Secretary of Energy (or a designee); the Secretary of Health and Human Services (or a designee); the Secretary of Housing and Urban Development (or a designee); the Secretary of Labor (or a designee); the Secretary of Transportation (or a designee); the Secretary of the Treasury (or a designee); the Administrator of the Environmental Protection Agency (or a designee); the Administrator of the Small Business Administration (or a designee); the Federal Co-Chair of the Appalachian Regional Commission (or a designee); the Federal Co-Chairman of the Board of the Delta Regional Authority (or a designee); the Federal Co-Chair of the Northern Border Regional Commission (or a designee); national and local organizations that have relevant

programs and interests that could serve the needs of the jobs accelerators; representatives of State and local governments or State and local economic development agencies; representatives of institutions of higher education, including land-grant universities; and such other heads of Federal agencies and non-Federal partners as determined appropriate by the co-chairs of the task force.

*(47) Northern Great Plains Regional Authority*

The House bill amends section 383N(a) of the Consolidated Farm and Rural Development Act by extending and reducing the authorization of appropriations to \$2 million for each of fiscal years 2019 through 2023. (Section 6224)

The Senate amendment contains no comparable provision.

The Conference substitute does not adopt the House provision.

*(48) Rural Business Investment Program*

The Senate amendment amends Subtitle H of the Consolidated Farm and Rural Development Act to: (1) change the definition of capital for purposes of the program from “venture capital” to “equity capital”; (2) remove the \$500 cap on guarantee fees the Secretary may charge; (3) increase the limitation on rural business investment companies controlled by Farm Credit System institutions from 25% to 50% before the rural business investment company is prohibited from providing equity investments to companies that are not otherwise eligible to receive financing from the Farm Credit System; and (4) prohibit the Secretary from requiring an entity applying to become a certified rural business investment company provide investment or capital that is not required of other companies eligible to apply to operate as a rural business investment company. (Section 12626)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6426)

*(49) Electric Loan Refinancing*

The Senate amendment amends section 2(a) of the Rural Electrification Act of 1936 to authorize the Secretary refinance electric and telephone loans made by the Rural Utilities Service. (Section 6201)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6501)

The Managers expect that all affected federal agencies will work together to expeditiously implement the new authority to refinance Rural Utilities Service and Federal Financing Bank loans. Within 90 days USDA should publish a notice detailing implementation of the re-financing provisions.

The Managers expect that the new refinancing authority gives the agency the ability to issue a new loan with new terms with the proceeds being used to repay or pre-pay an existing loan. These transactions should not be considered loan modifications. The Managers do not expect any additional budget authority to be necessary to implement these provisions.

*(50) Technical Assistance for Rural Electrification Loans*

The Senate amendment amends section 2 to require the Secretary to enter into an MOU with the Department of Energy under which the Secretary of Energy shall provide

technical assistance to the Rural Utilities Service on loans to be made for electrification loans. (Section 6202)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment clarifying that the Department of Energy provides technical assistance to Rural Utilities Service and not individual borrowers. (Section 6501(b))

*(51) Loans for Telephone Service*

The Senate amendment amends Section 201 of the Rural Electrification Act of 1936 by making technical changes to remove obsolete provisions. (Section 6203)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6502)

*(52) Cushion of Credit Payments Program/Extension*

The House bill amends the Rural Electrification Act of 1936 to: (1) authorize appropriations of \$10 million for each of fiscal years 2019 through 2023 for the Rural Economic Development Loan and Grant Program; and (2) add a new section 313B to consolidate and specifically authorize the statutory provisions governing the Rural Economic Development Loan and Grant Program. (Section 6304)

The Senate amendment amends the Rural Electrification Act of 1936 to: (1) authorize appropriations of \$5 million for each of fiscal years 2022 and 2023 for the Rural Economic Development Loan and Grant Program; (2) provide mandatory CCC funding of \$5 million for each of fiscal years 2022 and 2023; (3) provide for the continuation of the Rural Economic Development Loan and Grant Program beyond the current expected cessation of the Program with the expiration of the final certificate of beneficial ownership in FY2021; (4) cease additional deposits into the Cushion of Credit beginning October 1, 2018; and (5) modify the fixed interest rate and 5 percent paid on Cushion of Credit deposits to the rate used to make payments on the 5-year Treasury note, not to exceed 5%. (Section 6204)

The Conference substitute adopts the Senate provision with an amendment to cease additional deposits into the Cushion of Credit beginning on the date of enactment of the Agriculture Improvement Act of 2018; and to modify the interest paid on Cushion of Credit deposits from a fixed interest rate of 5 percent currently paid on Cushion of Credit deposits to 4 percent in fiscal year 2021, and to an amount equal to the 1-year Treasury rate thereafter. In addition, beginning on the date of enactment through September 30, 2020, a borrower may reduce the balance of its Cushion of Credit account if the amount obtained from the reduction is used to prepay loans made or guaranteed under the Rural Electrification Act of 1936. No prepayment premium will be imposed or collected with respect to that portion of a loan that is prepaid by a borrower under this limited prepayment authority. (Section 6503 & 6504)

The managers expect that all affected federal agencies will work together to expeditiously implement the new authority to prepay Rural Utilities Service and Federal Financing Bank loans without penalty under this section. Within 90 days of enactment, USDA should publish a notice detailing implementation of the Cushion of Credit provisions. The Managers do not expect any additional budget authority to be necessary to implement these provisions.

In providing the authority for depositors to prepay loans with balances in the Cushion of Credit account, it is the Managers' intention that each depositor be able to apply funds to individual loans of the depositor's choosing.

*(53) Guarantees for Bonds and Notes Issued for Electrification for Telephone Purposes*

The House bill amends section 313A of the Rural Electrification Act of 1936 to: (1) strike the requirement that loans be made solely for the purpose of electrification or telephone purposes under the Act, and instead allow that utility infrastructure loans be made to, or refinanced for, eligible borrowers under the Rural Electrification Act; (2) prescribe terms of the guarantees, including to require that the term of each guarantee must be 35 years; and (3) require that the Secretary carry out section 313A, as amended, under a notice of Solicitation of Applications until all necessary regulations are fully implemented. (Section 6301 & 6303)

The Senate amendment amends section 313A of the Rural Electrification Act of 1936 to: (1) same as House bill; (2) prescribe terms of the guarantees, including to provide that the term of a guarantee, by agreement between the Secretary and the borrower, may be for a term of 30 years (or another term of years that the Secretary determines is appropriate); (3) substantially similar to the House bill; (4) extend the termination date until September 30, 2023; and (5) strikes the prohibition against the Secretary guaranteeing payment on a bond or note issued by a lender, the proceeds of which are used for the generation of electricity. (Section 6205)

The Conference substitute adopts the Senate provision. (Section 6505)

The Managers have included language to streamline the Guaranteed Underwriter Program. The Managers intend that this program will continue to guarantee loans or refinance bonds or notes issued by cooperative lenders for the purposes of assisting utilities in improving their infrastructure. These electric and telecommunications utilities include any former RUS borrower that has repaid or prepaid an insured, direct or guaranteed loan under the Rural Electrification Act of 1936, or any utility that is eligible to receive an insured or direct loan under such Act.

*(54) Expansion of 911 Access*

The House bill reauthorizes section 315 of the Rural Electrification Act of 1936 through 2023. (Section 6302)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6506)

*(55) Transparency in the Telecommunications Infrastructure Loan Program*

The Senate amendment amends Title VI of the Rural Electrification Act of 1936 to require the Secretary to publish and make available to the public a fully searchable database related to the Telecommunications Infrastructure Loan and Loan Guarantee Program, including: (1) a notice and specified details of each application; (2) a notice and specified details of each borrower receiving assistance; and (3) other information sufficient to allow the public to understand the assistance provided.

The Senate amendment also requires the Secretary to provide an opportunity for the public to submit information concerning the service the borrower is offering in the census blocks proposed in an application. (Section 6208)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to expand the transparency and reporting requirements to all broadband infrastructure programs administered by USDA, remove references to census blocks, and moves some existing reporting language from Section 601 of the Rural Electrification Act of 1936 to a new Section 701. (Section 6207)

In adopting a substitute amendment, the Managers have established a single process for providing notice and assessments of proposed service territories across multiple USDA broadband programs. The amendment will ensure that the Secretary will be required to follow the same process for making information about applicants for retail broadband assistance publicly available, regardless of which program the assistance is provided through. Similarly, existing broadband providers will have a single source of information about proposed projects in which they might be considered incumbent providers.

The amendment also seeks to move the Department away from the inaccurate, census-block approach to determining the existing service within a proposed service territory. Census-block level data has long been identified as a significant stumbling block to gaining an accurate map of broadband deployment in rural areas. The amendment requires existing service providers to provide data on their operations only within the borders of the proposed service territory. The Managers intend that the Secretary implement this section by requiring applicants and existing providers to each provide service point-level data when submitting data under this section, as appropriate.

#### *(56) Cybersecurity and Grid Security Improvements*

The Senate amendment amends Title III of the Rural Electrification Act of 1936 by adding at the end a new section authorizing the Secretary to make or guarantee electric loans for cybersecurity and grid security improvements. (Section 6210)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6507)

#### *(57) Rural Energy Savings Program*

The House bill amends section 6407 of the Farm Security and Rural Investment Act of 2002 to: (1) require the Secretary to not include any debt incurred under the Rural Energy Savings Program incurred in the calculation of a borrower's debt equity ratio for the purposes of determining eligibility for loans under the Rural Electrification Act; (2) require the Secretary to streamline accounting requirements imposed on borrowers while maintaining adequate assurances of loan repayment; (3) increase the interest rate that a borrower may charge when relending program funds from 3% to 5%; (4) require the Secretary to submit a report to Congressional authorizing committees on program administration; and (5) reauthorize the program through 2023. (Section 6401)

The Senate amendment amends Section 6407 of the Farm Security and Rural Investment Act of 2002 to: (1) very similar provision; (2) very similar provision; (3) increase the interest rate that a borrower may charge when relending program funds from 3% to 6%; (4) very similar provision; (5) reauthorized the program through 2023; and (6) amend the definition of "energy efficiency measures" eligible for financing to specifically include cost-effective on- or off- grid renewable energy or energy storage systems. (Section 6302)

The Conference substitute adopts the Senate provision with an amendment to

increase the interest rate a borrower may charge when relending program funds from 3 percent to 5 percent. (Section 6303)

*(58) Regional Economic and Infrastructure Development Commissions/Northern Border Regional Commission*

The House bill amends 40 U.S.C. 15751 to reauthorize the Commissions through fiscal year 2023. (Section 6503)

The Senate amendment amends Section 15751(a) of title 40, United States Code, to reauthorize the Northern Border Regional Commission, the Southwest Border Regional Commission, and Southeast Crescent Regional Commission through 2023.

The Senate amendment also establishes a State capacity building grant program to provide grants to Commission States to carry out several stated purposes, including to better support business retention and expansion in eligible counties and to implement new or innovative economic development practices. The amendment also adds 2 counties in New Hampshire and 8 in Vermont to region of the Northern Border Regional Commission. It provides several administrative provisions governing the grant program and authorizes such sums as may be necessary to provide up to \$5 million per fiscal year to carry out the grant program. (Section 6304)

The Conference substitute adopts the Senate provision with an amendment adding additional New York counties and authorizes appropriations of \$33 million for each of fiscal years 2019 through 2023. (Section 6304)

*(59) Definition of Rural Area for Purposes of the Housing Act of 1949*

The House bill amends section 520 of the Housing Act of 1949 to update the census years for the purposes of defining “rural” and “rural area.” The provision maintains the 35,000 population threshold for areas rural in character and with a serious lack of mortgage credit for lower and moderate-income families. (Section 6504)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6305)

*(60) Limited Exclusion of Military Base Populations from Definition of Rural Area*

The House bill amends section 313(a)(13) of the Consolidated Farm and Rural Development Act to provide that the first 1,500 individuals who reside in housing located on a military base shall not be included in determining whether an area is “rural” or a “rural area.”

The House bill amends section 601(b) to provide that the first 1,500 individuals who reside in housing located on a military base shall not be included in determining whether an area is a “rural area.”

The House bill also amends section 2332 of the Food, Agriculture, Conservation, and Trade Act of 1990 to define “rural area” for purposes of the Distance Learning and Telemedicine program. (Section 6505)

The Senate Amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6301)

*(61) Council on Rural Community Innovation and Economic Development*

The Senate Amendment establishes a Council on Rural Community Innovation and Economic Development to enhance the efforts of the Federal Government to address

the needs of rural areas through enhanced use of coordination, innovation, and investment to promote rural economic prosperity. (Section 6305)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6306)

Sec. 6306(h)(3)(A)(ii)(I): *Report by the Rural Smart Communities Working Group* - The report to be submitted to Congress not later than one year after the establishment of the Rural Smart Communities Working Group shall describe efforts that communities in rural areas can undertake to integrate 'smart' technology into their communities to solve challenges relating to governance, economic development, quality of life, or other relevant issues, as determined by the Secretary. Other such issues the Working Group shall describe when considering challenges faced by rural communities should include, but are not limited to, energy delivery and reliability, transportation, public health, healthcare, law enforcement and public safety, housing, and other vital public functions.

In addressing the aforementioned challenges, the report shall include a description of efforts of rural communities to apply innovative and advanced technologies and related mechanisms, to increase the efficiency and cost effectiveness of related civic operations and services, and to create a more sustainable and resilient community. Furthermore, the report shall include an analysis on efforts to integrate 'smart' technology into rural communities, the barriers and challenges faced by rural areas to integrate such technology into their communities, what Federal resources can be utilized to assist rural communities in this regard, as well as including recommendations on how best to deploy Federal resources to assist rural areas in integrating such technologies and resources in their communities and how rural communities can better leverage private sector resources to integrate such technologies and resources

Sec. 6306(h)(3)(A)(ii)(II): *Rural Smart Community Resource Guide*- The resource guide to be created, published, and maintained for rural communities to develop and implement rural smart community programs may include a compilation of existing related Federal and non-Federal programs available for rural communities to provide such resources that may include technical assistance, education and training, funding opportunities, or other programs. The resource guide may also include examples of rural community engagement with private-sector entities to implement smart community solutions, examples of best practices and successful methods rural communities have undertaken to facilitate integration of smart technologies, and other such relevant topics that further assist rural communities obtain necessary information when developing and implementing rural smart community programs.

In creating the Rural Smart Community Resource Guide, the Rural Smart Communities Working Group shall seek appropriate information from States and local governments in the creation and maintenance of the resource guide, and shall conduct outreach to States, counties, communities, and other relevant entities to provide interested stakeholders with the published Rural Smart Community Resource Guide, and subsequent iterations.

The Working Group shall periodically update and distribute the Rural Smart Community Resource Guide, as relevant and necessary.

Separately, the Managers recognize that existing programs within the Rural Development Title may be used to support outdoor recreation investments that meet the applicable program requirements. To increase the impact of these programs on the outdoor recreation economy, the Managers expect the Secretary to identify and support opportunities for outdoor recreation-related investments that result in rural economic growth, including outdoor recreation businesses, facilities, infrastructure, planning, and marketing. The Managers also expect the Secretary to encourage coordination between Rural Development and U.S. Forest Service staff to identify opportunities to cooperate and leverage resources and investments.

*(62) Elimination of Unfunded Programs*

The House bill repeals sections 306(a)(23), 310B(f), 379, 379A, 379C, 379D, 379F, and Subtitle I of the Consolidated Farm and Rural Development Act, and makes conforming amendments.

The House bill also repeals sections 314 and 602 of the Rural Electrification Act of 1936 and makes conforming amendments. (Section 6601)

The Senate Amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6601)

*(63) Repeal of Rural Telephone Bank*

The House bill repeals Title IV of the Rural Electrification Act of 1936 and makes conforming amendments. (Section 6602)

The Senate Amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6602)

*(64) Amendments to the Local TV Act*

The House bill amends the Launching Our Communities' Access to Local Television Act of 2000 by retitling it and repealing sections 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1009, 1010, 1011, and 1012. (Section 6603)

The Senate Amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6603)

*(65) Corrections Relating to the Consolidated Farm and Rural Development Act*

The House bill provides technical corrections to the Consolidated Farm and Rural Development Act. (Section 6701)

The Senate Amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6701)

*(66) Corrections Relating to the Rural Electrification Act of 1936*

The House bill provides technical corrections to the Rural Electrification Act of 1936. (Section 6702)

The Senate Amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6702)

## Title VII – Research

The Managers recognize that Federal investment in public agricultural research has been trending downward in real dollars since 2003. This comes at a time when farmers are struggling to make ends meet and are in desperate need of new tools to cut costs, combat crop disease, and protect against flood and drought. Furthermore, the demands of a growing and hungry world population require that American agricultural research again take the lead in advancing innovation in food production.

The Managers recognize that the U.S. has been second to China in total public agricultural research funding since 2008, and China’s spending on public agricultural research and development is now nearly double that of the United States. We are at a critical juncture and must reverse this trend to reassert our nation’s global leadership in agricultural research.

### *(1) Purposes of agricultural research, extension, and education; International agriculture research*

The House bill amends section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (“NARETPA”) to add the purpose of supporting international scientific collaboration that leverages resources and advances the food and agricultural interests of the United States. (Section 7101)

The Senate amendment is substantially identical to the House bill, except that it also provides a list of illustrative examples. (Section 7101)

The Conference substitute adopts the Senate provision. (Section 7101)

### *(2) Matters relating to certain school designations and declarations*

The House bill amends the definition of “NLGCA Institution” and “non-land-grant college of agriculture” in section 1404(14) of NARETPA to mean a public college or university offering a baccalaureate or higher degree in the study of agricultural sciences, forestry, or both, which is any of the 32 specified areas of study. The House provision establishes a process of review within 90 days of enactment of each NLGCA to ensure compliance with the revised definition and to propose revocation of the designated NLGCA for noncompliance. The House provision also extends until fiscal year 2023 the current law authority for cooperating forestry schools and Hispanic-serving agricultural colleges to no longer be designated as such institutions. (Section 7102)

The Senate amendment amends the section 1404(14) definition of an NLGCA to mean a public college or university offering a baccalaureate or higher degree in the study of agricultural sciences, forestry, or both, which may include any of same 32 specific areas of study specified in the House bill and any other area determined appropriate by the Secretary. Similar to the House bill, the Senate amendment establishes a process of review within 90 days of enactment of each NLGCA to ensure compliance with the revised definition and to propose revocation of the designated NLGCA for noncompliance. (Section 7102)

The Conference substitute adopts the Senate provision, with an amendment that specifies in the definition of NLGCA that the study of agricultural sciences, forestry, or both is any of the 32 specified areas of study or any other area determined appropriate by

the Secretary. (Section 7102)

The Managers expect the Secretary to rigorously scrutinize any other area of study beyond those specifically enumerated in statute before determining such area of study to be appropriate for the purposes of designating an NLGCA institution. Such area of study should be closely related to the core areas of agricultural sciences and forestry that are listed in the definition.

*(3) National agricultural research, extension, education, and economics advisory board*

The House bill amends section 1408 of NARETPA to reauthorize the National Agricultural Research, Extension, Education, and Economics Advisory Board. It amends the membership composition of the Advisory Board and directs the Advisory Board to make recommendations and to address long- and short-term national priorities consistent with various priorities of the Agriculture and Food Research Initiative and NARETPA. (Section 7103)

The Senate amendment amends section 1408 to reauthorize the Advisory Board. (Section 7103)

The Conference substitute adopts the House provision with an amendment to the membership composition of the Advisory Board to include a national association of agricultural economists. (Section 7103)

*(4) Specialty crop committee; Citrus disease subcommittee*

The House bill amends section 1408A of NARETPA to extend the citrus disease subcommittee of the specialty crops committee through September 30, 2023. It increases the membership of the citrus disease subcommittee from 9 to 11 members and increases from 3 to 5 the number of members who represent Arizona or California. (Section 7104)

The Senate amendment extends the citrus disease subcommittee of the specialty crops committee through September 30, 2023. (Section 7104)

The Conference substitute adopts the House provision. (Section 7104)

*(5) Renewable energy committee*

The House bill discontinues the Renewable Energy Committee by repealing section 1408B of NARETPA. (Section 7105)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7105)

*(6) Veterinary services grant program*

The Senate amendment amends section 1415B of NARETPA to sunset the authorization for the Veterinary Services Grant Program in fiscal year 2023, to require that not less than two-thirds of the funds made available under section 1415B be awarded to qualified entities with a focus on food animal medicine, and to add to the preference for selecting grant recipients, qualified entities exposing students in grades 11 and 12 to education and career opportunities in food animal medicine. (Section 7105)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments to remove the authorization sunset, to require the Secretary to prioritize grant awards for

programs or activities focused on the practice of food animal medicine, and to specify that a qualified entity may use grant funds to expose students in grades 11 and 12 to education and career opportunities in food animal medicine. (Section 7106)

The Managers intend to enhance the Veterinary Services Grant Program (VSGP), which was developed to relieve veterinary shortage situations and support veterinary services. To increase the number of food animal veterinarians, the Managers intend to recruit high school students and provide work experience to expose them to veterinary career opportunities. According to data from the Department of Agriculture (USDA), approximately 15 percent of veterinarians specialize in food animal or mixed animal practice while two-thirds practice exclusively on companion animals. Prioritizing food animal medicine in the VSGP will allow for additional grants to develop, implement, and sustain food animal veterinary services through education, training, recruitment, placement, and retention of veterinarians, veterinary technicians, and students of veterinary medicine and technology, and to establish or expand veterinary practices in rural areas.

*(7) Research equipment grants*

The House bill adds a new section 1462A of NARETPA to establish a competitive grants program for the acquisition of research equipment for use in food and agricultural sciences programs. Further, it stipulates grant amounts may not exceed \$500,000 to an eligible institution and authorizes \$5 million for each of fiscal years 2019 through 2023. Additionally, the House bill defines “eligible institution” to mean a “college or university” or a State cooperative institution. (Section 7121)

The Senate amendment adds a new section 1419 to establish a competitive grants program that is substantially similar to the House bill, with the exception that the Senate amendment defines “eligible institution” to mean “an institution of higher education as defined in section 101(a) of the Higher Education Act of 1965” or a State cooperative institution. (Section 7107)

The Conference substitute adopts the House provision. (Section 7125)

*(8) Next generation agriculture technology challenge*

The Senate amendment adds a new section 1419C to NARETPA to establish a next generation agriculture technology challenge competition to incentivize the development of innovative mobile technology that removes barriers to entry in the marketplace for beginning farmers and ranchers. The Senate amendment provides that the Secretary may award not more than \$1,000,000 in the aggregate to 1 or more winners of the competition. (Section 7110)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7110)

The Managers recognize that there are many barriers to entry for new and beginning farmers and ranchers. One of the major challenges includes the lack of innovative mobile technology to help new and beginning farmers and ranchers start farming. The Managers intend that this authority be used to stimulate new advancements to bridge gaps in technology and better serve new and beginning farmers and ranchers.

*(9) Nutrition education program*

The House bill strikes section 1425 in NARETPA to discontinue the nutrition education program and to strike funding for the expanded food and nutrition education program. (Section 7110)

The Senate amendment amends section 1425 to extend the authorization of appropriations for the nutrition education program and the expanded food and nutrition education program through fiscal year 2023. (Section 7111)

The Conference substitute adopts the Senate provision with an amendment to allow the expanded food and nutrition education program to coordinate with the nutrition education and obesity prevention grant program under section 28 of the Food and Nutrition Act or another health promotion or nutrition improvement strategy. (Section 7112)

*(10) Extension carryover at 1890 land-grant colleges, including Tuskegee University*

The House bill amends section 1444(a) of NARETPA to allow 1890 colleges to carry forward to the succeeding fiscal year more than 20 percent of the funds they receive in a given fiscal year, effective October 1, 2018. (Section 7112)

The Senate amendment is substantially similar to the House bill but does not specify an effective date of October 1, 2018. It also requires an annual report to Congress describing allocations made to, and matching funds received by, 1890 colleges and 1862 land-grant colleges for extension. (Section 7114)

The Conference substitute adopts the Senate provision with an amendment striking the annual report requirement and moves it to section 7116. (Section 7114)

The Managers encourage USDA to allow extension funding to carry over at 1890 institutions in a similar manner to 1862 institutions.

*(11) Report on allocations and matching funds for 1890 Institutions*

The House bill directs the Secretary to transmit to Congress annually a report on the allocations made to, and matching funds received by, institutions pursuant to sections 1444 and 1445 of NARETPA. (Section 7106)

The Senate amendment amends section 1445 to require an annual report to Congress describing allocations made to, and matching funds received by, institutions under section 1445 and institutions designated under the Act of July 2, 1862. (Section 7115)

The Conference substitute adopts the Senate provision with amendments to include allocations and matching funds received by institutions under section 1444 of NARETPA, subsections (b) and (c) of section 3 of the Smith-Lever Act, and the Hatch Act of 1887. (Section 7116)

The Managers recognize the important role that land-grant colleges have throughout the country, particularly in agricultural research and extension. It will benefit farmers, producers, and other community stakeholders if state governments match the federal government's funding level commitments at both 1890 and 1862 land-grant colleges. The Managers expect that the Secretary's annual report on the efforts made by States to match dollar-for-dollar federal funding will provide additional information to Congress for future policy decisions, help land-grant colleges better serve their communities, and encourage States to provide additional support for agricultural research.

*(12) New beginning for tribal students*

The House bill amends section 309(b) of the Department of Agriculture Reorganization Act of 1994 to require the Secretary, within a year of the date of enactment, to establish a "New Beginnings Initiative" in consultation with the Office of Tribal Relations, under which the Secretary shall provide funds to a land-grant college or university in an amount equal to the funds such college or university expends for providing Indians educational programs and services, or tuition at such college or university. (Section 11204)

The Senate amendment adds a new section, 1450, to NARETPA authorizing the Secretary to award competitive grants to land-grant colleges or universities to provide identifiable support specifically targeted for Tribal students. A land-grant college or university that receives a grant under this section shall provide matching funds toward the cost of carrying out the support in an amount equal to not less than 100 percent of the grant award. The Senate amendment provides that no State shall receive more than \$500,000 per year through grants under this program. Additionally, it requires that the Secretary provide a report on the type of grants awarded, the amounts awarded, and the graduation rate of student awardees and authorizes appropriations in the amount of \$5 million for each of fiscal years 2019 through 2023. (Section 7118)

The Conference substitute adopts the Senate provision with amendments specifying that the term "land-grant college or university" includes a 1994 Institution and other technical changes. (Section 7120)

*(13) Binational agricultural research and development (BARD)*

The Senate amendment amends section 1458 of NARETPA to provide that activities under the BARD Fund to promote and support agricultural research and development that are of mutual benefit to the United States and Israel shall be carried out in a manner consistent with the section and to accelerate the demonstration, development, and application of agricultural solutions resulting from or relating to BARD Fund programs. (Section 7120)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment striking that the activities be carried out in a manner consistent with the section. (Section 7122)

The Managers acknowledge the strong research and development partnership between the United States of America and the Government of Israel, carried out through activities under the Binational Agricultural Research and Development (BARD) Fund. The Managers encourage the Secretary to promote, support, and expand agricultural research and development that are of mutual benefit to the United States and Israel.

In addition, the Managers intend for USDA, in coordination with the Government of Israel, to pursue the expansion of activities under BARD to accelerate the demonstration, development, and application of agricultural solutions resulting from or relating to BARD Fund programs. The broader BARD areas of interest for collaborative priorities include:

(A) increased efficiency of agricultural production including sustainable development, efficient use of resources, economic evaluation of policies and regulatory issues, and crops that yield higher value per unit;

- (B) protection of plants and animals against biotic stress, including pest genetics in biological environments, invasive species, and emerging diseases;
- (C) agricultural production challenges in increasing marginal conditions, such as tolerance to drought, salinity, high temperature and nutrient stresses;
- (D) food quality, safety and security including improved assessment and detection methods, food nutritive value in relation to human health, functional foods, reliable supply, and postharvest treatments;
- (E) water quality and quantity including efficient use of low quality water, improved economic return for water in agriculture, crop response to soil and water quality and its constituents, impact of nutrients on water quality;
- (F) functional genomics and proteomics that deal with important agricultural issues including production and protection traits, genetic optimization, and increased yield;
- (G) sensors and robotics linking biological phenomena with sensors or otherwise bridging into the field of bioengineering, nano-technology, precision agriculture, and labor reduction; and
- (H) sustainable bio-energy systems, including biofuel production systems, and those that reduce energy costs, leverage renewable resources, reduce greenhouse gases, and help to diversify the farm economy.

*(14) Partnerships to build capacity in international agricultural research, extension, and teaching*

The Senate amendment adds a new section 1458A to NARETPA to promote building capacity and improving performance among 1862, 1890, 1994, NLGCA, Hispanic-serving agricultural colleges, and cooperating forestry schools, and similar institutions in developing countries, to strengthen agricultural research, teaching, and extension institutions. The section authorizes \$10 million for each of fiscal years 2019 through 2023. (Section 7121)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments defining “developing country” and “international partner institutions” and other technical changes. (Section 7123)

The Managers understand that global food production must continue to increase to meet the world’s growing population. The Managers intent is to build capacity and improve the performance of covered institutions and agricultural higher education institutions in developing countries performing, or desiring to perform, activities substantially similar to agricultural research, extension, and teaching activities in order to solve food, health, nutrition, rural income, and environmental challenges, especially among chronically food insecure populations.

*(15) Limitation on indirect costs for agricultural research, education, and extension*

The House bill amends section 1462 of NARETPA to allow indirect cost recovery charged against any agricultural research, education, or extension grant awarded to increase from 22 percent to 30 percent of total federal funds received, unless otherwise provided in law. It clarifies that the limitation on indirect costs applies to both the initial grant award and any subgrant, so that the total of all indirect costs charged against the

total of the Federal funds provided does not exceed the 30 percent limitation. (Section 7120)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7125)

*(16) Supplemental and alternative crops*

The House bill amends section 1473D of NARETPA to reauthorize appropriations through fiscal year 2023 for the competitive grants program to develop supplemental and alternative crops. It amends the program to include canola and alternative crops “for agronomic rotational purposes and for use as a habitat for honey bees and other pollinators”. (Section 7124)

The Senate amendment is substantially similar to the House bill and also provides that the Secretary may award grants and enter into agreement or other arrangements to conduct research related to the development of industrial hemp as well as the development of new and emerging commercial products derived from hemp. (Section 7125)

The Conference substitute adopts the Senate provision with an amendment to increase the authorization of appropriations to \$2 million for each of fiscal years 2019 through 2023. (Section 7129)

*(17) New era rural technology program*

The Senate amendment amends section 1473E of NARETPA to reauthorize the New Era Rural Technology Program for fiscal years 2019 through 2023 and adds precision agriculture to the areas of technology development, applied research, and training supported under the program. (Section 7126)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7130)

*(18) Agriculture advanced research and development authority pilot (AGARDA)*

The Senate amendment adds a new section 1473H to NARETPA to establish the Agriculture Advanced Research and Development Authority (AGARDA) under the Office of Chief Scientist. “Advanced research and development” is defined as activities to overcome long-term and high-risk research challenges in agriculture and food through acceleration of innovative agricultural research or the development of qualified products and projects or agricultural technologies. The Senate amendment directs the Secretary to develop a strategic plan for AGARDA and disseminate the information in the plan to those who can best contribute to the activities described in the strategic plan. It permits the Secretary to use “other transaction authority” to expedite awarding grants and entering into contracts. The provision permits the Secretary to appoint highly qualified individuals without regard to certain sections of the U.S. Code governing appointments in the competitive service and without regard to the General Schedule pay rates and authorizes establishment of the AGARDA Fund in the U.S. Treasury administered by the Chief Scientist to carry out this section. The provision permits the Secretary to accept and deposit monies received from cost recovery or contribution into the AGARDA Fund. The authority under this new section terminates on September 30, 2023. (Section 7128)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments that (1)

broaden the definition of “advanced research and development”, (2) specify that one of the goals of AGARDA is to undertake advanced research and development in areas that industry is unlikely to undertake because of technological or financial uncertainty; (3) add royalty payments as monies that the Secretary may accept and deposit into the AGARDA Fund and allow amounts deposited into the Fund to remain available until expended; and (4) modify the termination of effectiveness to 5 years after the date of enactment and provide exceptions to such termination for certain provisions of the section. (Section 7132)

The Managers recognize the need to address high risk and long-term challenges that threaten the stability and economic viability of agriculture in the United States. To do this effectively, the Managers intend to complement existing research efforts by providing new authority to spur innovation. As such, the conference substitute establishes the Agriculture Advanced Research and Development Authority pilot program to carry out advanced research and development of qualified products and projects, agricultural technologies, and research tools.

The Managers encourage the Secretary to establish a robust strategic plan for AGARDA that implements a new approach to problem solving that considers and learns from the successes and experiences of other advanced research and development authorities, such as the Defense Advanced Research Projects Agency (DARPA), the Biomedical Advanced Research and Development Authority (BARDA), and the Advanced Research Projects Agency–Energy (ARPA–E).

The Managers intend that the Secretary of Agriculture use the other transaction authority, when appropriate, in a creative manner and subject to the same terms and conditions as afforded to the Secretary of Defense under DARPA, including that the other transaction authority may be used when a standard contract, grant, or cooperative agreement is not feasible or appropriate.

The Managers expect the Secretary to prioritize projects during the pilot program to meet challenges related to the discovery of solutions to plant and animal disease threats, including those with the highest risk of emerging or moving transboundary, and the discovery of mechanization solutions that will provide viable alternatives for labor intensive aspects of specialty crop production.

The projects funded through this pilot program should address barriers in research and development that support transformative advances that industry by itself is not likely to undertake because of technological or financial uncertainty.

The Managers encourage USDA to partner and collaborate with agencies, relevant industries, academia, and other stakeholders to conduct advanced research and development. The Managers do not intend for USDA to change how other authorized agricultural research programs are funded and implemented due to the establishment of AGARDA.

#### *(19) Rangeland research programs*

The House bill amends section 1483 of NARETPA to reauthorize appropriations for rangeland research through fiscal year 2023 (Section 7127)

The Senate amendment repeals subtitle M of NARETPA to eliminate the rangeland research program. (Section 7130)

The Conference substitute adopts the House provision. (Section 7134)

*(20) Special authorization for biosecurity planning and response*

The House bill amends section 1484 of NARETPA to increase authorization of appropriations to \$30 million for each fiscal year 2019 through 2023. The House bill authorizes the Secretary to use the funding to enter into cooperative agreements, in addition to awarding competitive grants. It adds that the Secretary shall, in addition to other stated activities, use the funds to coordinate tactical science activities of USDA's Research, Education, and Economics mission area to protect the American agricultural system against biosecurity threats from pests, diseases, contaminants, and disasters. (Section 7128)

The Senate amendment reauthorizes appropriations of \$20 million for each fiscal year through fiscal year 2023. (Section 7131)

The Conference substitute adopts the House provision. (Section 7135)

*(21) Land-grant designation*

The House bill adds a new section to Subtitle C of NARETPA to prohibit the designation of additional entities as eligible to receive funds under a list of "covered programs", including the Hatch Act, the Smith-Lever Act (sections 3(b), (c), and (d)), McIntire-Stennis Act, and programs funding research, extension, and facilities at 1890 land-grant colleges. It also prohibits the increase of the amount of funding a state can receive under a covered program as a result of a state's designation of additional entities as eligible to receive funds under a covered program. The House bill specifies that this new section does not limit eligibility for capacity and infrastructure programs specified in section 251(f)(1)(C) of the Department of Agriculture Reorganization Act of 1994 that are not covered programs. (Section 7118)

The Senate amendment adds a new section to Subtitle P of NARETPA to prohibit the designation of additional entities as eligible to receive funds under a list of "capacity programs", including the Smith-Lever Act (sections 3(b) and (c)), the Hatch Act, McIntire-Stennis Act, and programs funding research, extension, and facilities at 1890 land-grant colleges, and other agricultural research, extension, or education programs relating to capacity and infrastructure. It provides exceptions from the prohibition against new designations for 1994 institutions under the McIntire-Stennis Act, and in extraordinary circumstances, as determined by the Secretary. Additionally, the section prohibits the increase of the amount of funding a state can receive under a capacity program as a result of the designation of additional entities as eligible to receive funds under a capacity program. (Section 7133)

The Conference substitute adopts the House provision with amendments that provide exceptions from the prohibition against new designations for 1994 institutions and in extraordinary circumstances and that make technical changes. (Section 7111)

The Managers support the continuing mission of the U.S. land-grant university system to address local, State, and national priorities concerning food and agricultural sciences. Formula funds provided by USDA support capacity and infrastructure for research, education, and extension programs related to food and agricultural sciences.

Funds allocated to States for agricultural research programs under the Hatch Act and agricultural extension programs pursuant to the Smith-Lever Act are based on individual formulas that take into account rural population and farm numbers. Urban population and State land area are not considered. The efficiencies gained through central administration of research, extension, and education programming within the States

reduce costs while maximizing resources devoted to local, State, and national priorities.

The Managers recognize the budgetary limitations facing the land-grant system of colleges and universities and all other public-sector entities.

Efforts to divide existing land-grant universities under the guise of local control of extension programming would establish separate, distinct administrative units with the effect of duplicating administrative costs and burdens, while significantly disrupting the ability to provide programming on high-priority local, State, and national issues. The Managers address this concern by prohibiting USDA from providing capacity funding to institutions not previously designated as land-grant universities, thereby preserving the capability of the system to address our nation's priorities within the budgetary constraints that currently exist.

*(22) Scholarships for students at 1890 institutions*

The House bill adds a new section to Subtitle G of NARETPA to require the Secretary to award a grant to each 1890 institution to provide scholarships for students who have been accepted for admission and will, within one year, be enrolled at the institution, and who intend to pursue a career in food and agricultural sciences, including a career in: agribusiness; energy and renewable fuels; and financial management. It authorizes appropriations of \$19 million for each of fiscal years 2019 through 2023 and requires that each grant be made in the amount of \$1 million. (Section 7114)

The Senate amendment requires the Secretary to award a grant to each 1890 institution to provide scholarships for students who seek to attend the institution and intend to pursue a career in food and agricultural sciences, including agribusiness; food production, distribution, and retailing; the clothing industries; energy and renewable fuels; and farming marketing, finance, and distribution. It authorizes appropriations of \$19 million for each of fiscal years 2019 through 2023 and requires the Secretary to allocate \$1 million for a fiscal year to each of the 19 eligible institutions. The Senate amendment also establishes findings and purposes related to the program. (Section 7134)

The Conference substitute adopts the House provision with amendments to limit grants to 1890 institutions that have established a competitive scholarship awards process for this scholarship program and restricts the Secretary from using more than \$10 million in mandatory funds to award grants for each academic year from July 1, 2020 through July 1, 2023. The substitute provides that each grant be made in an amount not less than \$500,000. The substitute provides \$40 million in mandatory funding from the Commodity Credit Corporation ("CCC") on October 1, 2019 to remain available until expended and \$10 million in discretionary funding for each of fiscal years 2020 through 2023, with a 4 percent administrative expense cap. The substitute also requires that the Secretary submit a report to Congress every 2 years. (Section 7117)

*(23) National strategic germplasm and cultivar collection assessment and utilization plan*

The Senate amendment amends section 1632 of the Food, Agriculture, Conservation, and Trade Act of 1990 ("FACT Act") to require the Secretary to develop, publish, and implement a national strategic germplasm and cultivar collections assessment and utilization plan. It amends section 1633 to require the Secretary to make such a plan publicly available upon completion. (Section 7205)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7205)

The Managers recognize that food security and productivity across growing conditions depend on regionally-adapted cultivars and the maintenance of a robust strategic germplasm, and therefore direct the Secretary to implement an updated assessment of the national strategic germplasm and cultivar collection, as well as the research, education, and capacity updates necessary to meet current and future needs of American farmers and U.S. consumers. The Managers intend the Secretary to make progress on the development of publicly available cultivars, building on direction provided in the Food, Conservation, and Energy Act of 2008, and expect an acceleration in progress on delivering regionally-adapted cultivars that can be used to improve farm productivity, crop marketability, and efficient nutrient use.

*(24) National genetics resources program*

The House bill amends section 1635 of FACT Act to reauthorize the National Genetics Resources Program through fiscal year 2023. (Section 7205)

The Senate amendment is substantially similar to the House bill and also amends the organization of the Advisory Council by adding 4 members and changing the appointment of members, and by adding membership from 1862, 1890, and 1994 institutions and certain other institutions of higher education. The section also instructs the Advisory Council to include recommendations, including on the state of public cultivar development and on the training and resources needed to meet future breeding challenges, research gaps relating to cultivar development. (Section 7206)

The Conference substitute adopts the Senate amendment. (Section 7206)

*(25) Agricultural genome initiative*

The House bill amends section 1671 of FACT Act by including phenome, in addition to genome, within the Agriculture Genome Initiative. The House bill outlines the research initiative goals to expand knowledge concerning genomes and phenomes of crops important to the agriculture sector of the United States. It authorizes appropriations of \$30 million for each of fiscal years 2019 through 2023. (Section 7207)

The Senate amendment similarly amends section 1671 to include phenome, in addition to genome, within the Agriculture Genome Initiative. The Senate amendment also incorporates animals of importance to the agriculture sector of the United States to the research initiative goals and purposes. It authorizes appropriations of \$30 million for fiscal year 2019 through 2023. (Section 7208)

The Conference substitute adopts the Senate provision with an amendment authorizing appropriations of \$40 million for each of fiscal years 2019 through 2023. (Section 7208)

The Managers acknowledge the enormous challenge of efficiently and sustainably producing a safe, dependable food supply for a growing population. Meeting this challenge requires the development and management of crop varieties that will perform well despite increased weather variability. Significant progress has been made by the crop industry in sequencing numerous plant genomes. This genomic knowledge will increase the ability to predict crop performance in diverse environments, enhancing the capability to develop new varieties and to better manage the effects of weather variability on crop productivity. The Managers support a large-scale, inter-disciplinary network of

researchers dedicated to producing and analyzing very large datasets of phenotypes to better predict crop yields.

The Managers recognize the importance of animal genomics research conducted and supported by USDA and strongly supports increased efforts in genomics research on agriculturally important animals to address critical goals including: (1) understanding how environment and production systems impact the growth and productivity of livestock, poultry, and aquaculture to help predict and improve performance under variable conditions; (2) leveraging livestock, poultry, and aquaculture genomic information with phenotypic and environmental data to assist in selection of superior genetics and improved management; (3) understanding gene function in production environments to improve livestock, poultry, and aquaculture performance; and (4) developing improved data analytics to enhance understanding of the biological function of genome sequences in livestock, poultry, and aquaculture. The Managers commend the university community, the private-sector, and USDA for its work to advance animal genomics research and encourages additional focus on these efforts in the future.

*(26) High-priority research and extension*

The House bill amends section 1672 of FACT Act to change the alfalfa and forage research program to the alfalfa seed and alfalfa forage systems research program. It adds the following to the list of high-priority research areas: macadamia tree health, turfgrass, fertilizer management, cattle fever ticks, laying hen and turkey production, chronic wasting disease, and algae. (Section 7208)

The Senate amendment adds the following to the list of high-priority research areas: macadamia tree health, turfgrass, nutrient management, and chronic wasting disease. Additionally, the Senate amendment establishes the Pollinator Health Task Force and amends the provisions governing the coordination of pollinator and honeybee research under section 1672(g). (Sections 7209 & 12620)

The Conference substitute adopts the House provision with amendments to include nutrient management, dryland farming agricultural systems, and hop plants. The substitute also provides for the enhanced coordination of honeybee and pollinator research by the USDA Chief Scientist and requires that to the maximum extent practicable, the Chief Scientist shall make such research results publicly available. (Section 7209)

The Managers are aware that pollinators are responsible for the production of one-third of the U.S. food supply, but that managed honey bees continue to die off in alarming numbers, resulting in steady annual input cost increases to maintain sufficient managed colony numbers to pollinate America's crops. Because of the importance of pollinators in the production of the nation's food supply and their impact on the stability of our agricultural economy, the Managers have included additional honeybee and pollinator research requirements. Specifically, the Managers have included provisions to facilitate coordination of honeybee and pollinator research efforts USDA-wide and ensure adequate input from the pollinator, beekeeper, grower, and scientific communities.

To further address the protection of pollinators, the Managers encourage the continuation of government-wide collaboration and policy development through the Pollinator Health Task Force.

*(27) Organic agriculture research and extension initiative*

The House bill amends section 1672B of FACT Act to add the examination of optimal soil health outcomes relating to organically produced agricultural products to the purposes for which grants may support activities under the program. It reauthorizes appropriations through fiscal year 2023, and increases mandatory CCC funding to \$30 million for each of fiscal years 2019 through 2023. (Section 7209)

The Senate amendment is similar to the House bill except it increases mandatory CCC funding to: \$40 million in each of fiscal years 2019 and 2020; \$45 million for fiscal year 2021; and \$50 million for fiscal year 2022 and each fiscal year thereafter. (Section 7210)

The Conference substitute adopts the Senate provision with an amendment making technical changes and providing mandatory CCC funding of \$20 million in each of fiscal years 2019 and 2020, \$25 million for fiscal year 2021, \$30 million for fiscal year 2022, and \$50 million for fiscal year 2023 and each fiscal year thereafter. (Section 7210)

The Managers recognize that strong investment in organic research, education, and extension has led to growth in the organic industry and the discovery of new research that benefits all farmers, and therefore the conference substitute includes \$395 million in mandatory funding to support organic research. The Managers have provided permanent funding for this program to ensure that the program has baseline funding hereafter. The Managers encourage research funding to be used to continue development of organic solutions for pest and disease management, seed breeding, nutrient management, and improvements in soil health. Organic research is important for developing plant varieties and animal breeds suitable for organic farming, advancing ecosystem services and environmental benefits, creating tools to aid with organic transition, and addressing other needs to advance organic production. The Managers acknowledge that research funding is one of the primary forms of support for organics in the Agriculture Improvement Act of 2018 so the conference substitute increases funding beyond the levels in the Agricultural Act of 2014 to continue development of the organic market.

The Managers also recognize that Aerated Static Pile (ASP) composting with energy recovery is an emerging technology for transforming organic wastes into a stable soil amendment, while also producing sufficient heat energy for on-site hot water heating needs. The Managers encourage USDA to continue to support emerging organic waste management practices.

*(28) Farm business management*

The House bill amends section 1672D of FACT Act to reauthorize the program through fiscal year 2023 and clarify that grants may be made to expand a national farm financial management database. The House bill also amends the selection criteria to include prioritization of applications that collaborate with educational programs, and those that contribute data to the national farm financial management database. (Section 7210)

The Senate amendment reauthorizes the program through FY 2023. (Section 7211)

The Conference substitute adopts the House provision. (Section 7211)

*(29) Urban, indoor, and other emerging agriculture production research, education, and extension initiative*

The Senate amendment authorizes competitive research and extension grants to support research, education, and extension activities for the purposes of enhancing urban, indoor, and other emerging agricultural production. Priority may be given to grant proposals that involve the cooperation of multiple entities, or States or regions with a high concentration of or significant interest in urban farms, rooftop farms, and indoor production facilities. The Senate amendment provides \$4 million in mandatory CCC funds for each of fiscal years 2019 through 2023 and authorizes appropriations of an additional \$10 million for each of fiscal years 2019 through 2023. It requires the Secretary to conduct a census of urban, indoor, and other emerging agricultural production and provides a separate authorization of an additional \$14 million for the period of fiscal years 2019 through 2021 to carry out this census. (Section 7212)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments striking the inclusion of assessment of shipping and transportation impacts on nutritional values for research under the competitive research and extension grants, providing \$10 million in mandatory CCC funds for fiscal year 2019 to remain available until expended, and making other technical changes. (Section 7212)

The Managers recognize that methods of agricultural production are changing and evolving across the country. For example, agricultural production occurs on vacant land in urban areas, contributing to economic recovery and creating opportunities for new farmers. Highly-efficient indoor farms grow fresh produce in areas near consumers to increase access to their products year-round. Rooftop agriculture produces local food and creates new entrepreneurial opportunities in urban, suburban, and rural areas. The Managers recognize that these and other emerging agriculture production methods bring a new generation of farmers and connect consumers to agriculture. The Managers intend for the Secretary to fund research, education, and extension that support these efforts and address the specific research needs and challenges faced by urban, indoor and other emerging agricultural production methods.

*(30) Centers of excellence at 1890 institutions*

The Senate amendment amends section 1673 of FACT Act to require the Secretary to establish at least three centers of excellence, each led by an 1890 institution, to focus on one or more of the following: student success and workforce development; nutrition, health, wellness, and quality of life; farming systems and rural prosperity; global food security and defense; natural resources, energy and the environment; and emerging technologies. It requires the Secretary to submit a report to Congress on the resources invested in and work being done by those centers of excellence and authorizes \$10 million for each of fiscal years 2019 through 2023. (Section 7213)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments specifying that the Secretary shall recognize at least three centers of excellence and making technical changes. (Section 7213)

The Managers encourage the Secretary, through the National Institute of Food and Agriculture, to consider the views of the 1890 universities, the 1890 Universities Foundation, and the National Institute of Food and Agriculture's (NIFA) peer review systems in determining the appropriate criteria for recognizing 1890s Centers of Excellence. The process should ensure that both smaller and larger 1890 universities have

an opportunity to participate in authorized center of excellence program activities. Funding should be restricted to programmatic activities, and not include construction activities.

*(31) Assistive technology program for farmers with disabilities*

The House bill reauthorizes appropriations through fiscal year 2023 for demonstration grants to provide agricultural education and assistance to individuals with disabilities engaged in farming or farm-related occupations. It adds language to clarify that the provision applies to veterans engaged in farming or farm-related occupations, or who are pursuing new farming opportunities. (Section 7211)

The Senate amendment reauthorizes appropriations for the demonstration grants through fiscal year 2023. (Section 7214)

The Conference substitute adopts the House provision. (Section 7214)

*(32) National food safety training*

The House bill amends section 405 of the Agricultural Research, Extension, and Education Reform Act of 1998 (“AREERA”) to reauthorize appropriations of such sums as necessary for fiscal years 2019 through 2023. The House bill strikes the prohibition on funding that restricts USDA from providing additional grant funding once an entity has received three years of grant funding. (Sections 7300 and 7301)

The Senate amendment amends section 405 by striking “such sums as necessary” and specifying an authorization of appropriations of \$10 million for each of fiscal years 2019 through 2023. (Section 7301)

The Conference substitute adopts the House provision with an amendment to authorize appropriations of \$10 million for each of fiscal years 2019 through 2023. (Section 7301)

*(33) Support for research regarding diseases of wheat, triticale, and barley caused by fusarium graminearum or by tilletia indica*

The House bill reauthorizes appropriations of \$10 million for each of fiscal years 2019 through 2023. (Section 7303)

The Senate amendment reauthorizes appropriations at an increased level of \$15 million for each of fiscal years 2019 through 2023. (Section 7303)

The Conference substitute adopts the Senate provision with an amendment restricting grant recipients from using more than 10 percent of the grant funds for indirect costs. (Section 7303)

*(34) Specialty crop research initiative*

The House bill expands the specialty crop research and extension initiative to include research of “size-controlling rootstock systems for perennial crops,” “emerging and invasive species,” and “threats to specialty crop pollinators,” among other production practices and technologies. It reauthorizes appropriations of \$100 million annually through fiscal year 2023. Additionally, the House bill extends reservation of mandatory funding for the emergency citrus disease research and extension program and reauthorizes discretionary funding through fiscal year 2023. (Section 7305)

Similar to the House bill, the Senate amendment expands the specialty crop research and extension initiative to include additional production practices and technologies. (Section 7305)

The Conference substitute adopts the Senate provision. (Section 7305)

The Managers recognize that the funding for research programs for specialty crops should generally be made available to all specialty crops and not include carve-outs or set-asides for any one particular specialty crop. The Managers also acknowledge the unique challenges presently facing the citrus industry in the United States with respect to HLB and the Asian Citrus Psyllid vector. In direct response to a joint request from the leadership of the citrus industry and other specialty crop stakeholders, the Managers have agreed to establish a Citrus Trust Fund to support the Emergency Citrus Disease Research and Extension Program for one additional five-year period. The Managers intend for this program to address this challenge at this particular time and do not intend for such program to continue in perpetuity.

The Managers are aware of concerns that prioritizing grants that are multi-state, multi-institutional, or multi-disciplinary disproportionately impacts the funding success of projects for certain commodities grown only in one state. The Managers encourage the Secretary to take appropriate steps to ensure that meritorious proposals are not denied solely because they lack one of the enumerated priorities.

*(35) Critical agricultural materials act*

The House bill reauthorizes appropriations for fiscal years 2019 through 2023. (Section 7501)

The Senate amendment specifies that hemp, as defined in section 297A of the Agricultural Marketing Act of 1946, is eligible for funding under the Critical Agricultural Materials Act. The Secretary shall conduct, sponsor, promote, and coordinate basic and applied research for the development of critical agricultural materials from agricultural crops having strategic and industrial importance, including for hemp. The Senate amendment also reauthorizes appropriations for fiscal years 2019 through FY 2023.

(Section 7401)

The Conference substitute adopts the Senate provision. (Section 7501)

*(36) Equity in Educational Land-Grant Status Act of 1994*

The House bill amends section 532 of the Equity in Educational Land-Grant Status Act of 1994 to add to and update the defined list of 36 tribal colleges as “1994 Institutions.” The House bill reauthorizes endowment funding, capacity-building grants, and research grants for the 36 tribal colleges for fiscal years 2019 through 2023. (Section 7502)

The Senate amendment is substantially similar to the House bill with technical differences.

The Conference substitute adopts the House provision with an amendment specifying that the effective date for the updated list shall be the date of enactment. (Section 7502)

*(37) Research Facilities Act*

The House bill amends the Research Facilities Act by: (1) amending the definition of “agricultural research facility” to strike “a college, university, or nonprofit institution” and inserting “an entity eligible to receive funds under a capacity and infrastructure program as defined in Section 251(f)(1)(C) of the 1994 Agriculture Reorganization Act”; (2) requiring proposals to demonstrate that the recipient entity has the ability and commitment to support the long-term, ongoing maintenance costs of the facility; and (3) establishing a program to make competitive grants to assist in the construction, alteration, acquisition, modernization, renovation, or remodeling of agricultural research facilities.

The House bill also reauthorizes appropriations under the Research Facilities Act through fiscal year 2023 and provides that funds appropriated remain available until expended. The House bill prohibits more than 25 percent of the funds under the Act for a fiscal year to be made available to any single agricultural research facility and limits an eligible entity to receiving funds for only one project at a time under the Act. (Section 7503)

The Senate amendment reauthorizes appropriations under the Research Facilities Act through fiscal year 2023. (Section 7403)

The Conference substitute adopts the House provision. (Section 7503)

*(38) Competitive, Special, and Facilities Research Grant Act (AFRI)*

The House bill amends the Competitive, Special, and Facilities Research Grant Act by adding to the priority research areas of the Agriculture and Food Research Initiative the following: (1) soil health; (2) tools that accelerate research in the use of automation or mechanization for labor-intensive tasks in crop production and distribution; and (3) barriers to entry for young, beginning, socially disadvantaged, veteran, and immigrant farmers and ranchers. The House bill also makes several amendments to relieve or impose matching fund requirements for various research purposes, reauthorizes appropriations through fiscal year 2023, and increases to 5 percent the amount of appropriated funds that the Secretary may retain for administrative costs. (Section 7504)

The Senate amendment adds the following to the priority research areas: soil health and automation or mechanization in the production and distribution of specialty crops, with a focus on labor-intensive tasks. The Senate amendment authorizes the Secretary to provide grants to carry out collaboration in biomedical and agricultural research using existing research models and reauthorizes appropriations through fiscal year 2023. (Section 7404)

The Conference substitute adopts the House provision with an amendment striking the changes to matching funds requirements for various research purposes, which are made in section 7614, and authorizes the Secretary to provide grants to carry out collaboration in biomedical and agricultural research using existing research models. (Section 7504)

The Managers understand in July 2018, the National Academies of Sciences, Engineering, and Medicine (NASEM) released its “Science Breakthroughs to Advance Food and Agricultural Research by 2030” consensus report which identifies five priority research areas essential to developing a more efficient, resilient, sustainable, and competitive U.S. agricultural system. The Managers urge the Secretary to utilize this report to identify opportunities for additional agricultural research investments directed

towards the Agriculture and Food Research Initiative (AFRI), NIFA's flagship competitive research program, which sets the standard for scientific innovation in these fields.

The Dual Purpose with Dual Benefit: Research in Biomedicine and Agriculture Using Agriculturally Important Domestic Species is an interagency partnership grants program funded by the National Institute of Child Health and Human Development (NICHD) and the USDA. Both the USDA and the National Institute of Health (NIH) should be commended for developing this important interagency program. The Managers strongly urge continuation of this partnership given the sponsors use of farm animals as dual purpose models to better understand developmental origins of disease, fat regulation and obesity, stem cell biology, assisted reproductive technologies, and infectious diseases, all of which directly benefit both agriculture and biomedicine. This program also strengthens ties between human medicine, veterinary medicine, and animal sciences, which is key to success of the One Health Initiative.

*(39) Extension design and demonstration initiative*

The Senate amendment amends the Competitive, Special, and Facilities Research Grant Act to establish a competitive grant program to encourage the design of adaptive prototype systems for extension and education. Eligible entities for the grant are State agricultural experiment stations and land-grant colleges and universities. There is an authorization of appropriations of \$5 million for each of fiscal years 2019 through 2023. (Section 7405)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment specifying that the Secretary shall award grants each fiscal year and that eligible entities also include a cooperative extension service and making technical changes. (Section 7505)

*(40) Repeal of review of agricultural research service*

The Senate amendment repeals section 7404 of the Farm Security and Rural Investment Act of 2002 that required the one-time review of the Agricultural Research Service. (Section 7408)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7506)

*(41) Biomass research and development*

The House bill amends section 9008 of the Farm Security and Rural Investment Act of 2002 by reauthorizing appropriations for each of fiscal years 2019 through 2023. (Section 7509)

The Senate amendment amends the definition of "biobased product" to include carbon dioxide intended for permanent sequestration that is a byproduct of certain commercial and industrial products. It adds an expert in carbon dioxide capture, utilization, and sequestration to the membership of the Biomass Research and Development Technical Advisory Committee. In addition to reauthorizing appropriations for each of fiscal years 2019 through 2023, the Senate amendment provides \$3 million in mandatory CCC funds for each of fiscal years 2019 through 2023. (Section 7409)

The Conference substitute adopts the Senate provision with an amendment

striking the \$3 million in mandatory CCC funding for fiscal years 2019 through 2023. (Section 7507)

*(42) Reinstatement of District of Columbia Matching Requirement--Extension*

The House bill amends section 209 of the District of Columbia Public Postsecondary Education Reorganization Act to reinstate the DC land-grant matching requirement. The effective date of this provision is October 1, 2018. (Section 7603)

The Senate amendment also reinstates the D.C. land-grant matching requirement, with technical differences from the House bill. (Section 7410)

The Conference substitute adopts the House provision. (Section 7508)

*(43) Enhanced use lease authority program*

The House bill amends section 308 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 to transition the lease authority program out of “pilot” status, to specify a June 18, 2023 termination date for the program, and to require periodic reports not later than June 18, 2019, June 18, 2021, and June 18, 2023. The House bill also clarifies that the prohibition against public retail development applies to onsite public retail development. (Section 7601)

The Senate amendment extends the lease authority to terminate on a date that is 15 years after the date of enactment of section 308, and to require a report not later than 13 years after the date of enactment of section 308. (Section 7411)

The Conference substitute adopts the House provision with an amendment striking the clarification for the prohibition against onsite public retail development, establishing September 30, 2023 as the termination date of the program, and requiring a report not later than September 30, 2021. (Section 7601)

The Managers intend that the enhanced use lease authority prohibit retail sales on Agricultural Research Service (ARS) property that generate foot traffic including, but not limited to, food and clothing stores where customers physically visit retailers for an exchange of goods and services.

*(44) Transfer of administrative jurisdiction, portion of Henry A. Wallace Beltsville Agricultural Research Center, Beltsville, Maryland*

The House bill authorizes the Secretary of Agriculture to transfer a parcel of real property at the Henry A. Wallace Beltsville Agricultural Research Center to the administrative jurisdiction of the Secretary of the Treasury for the purpose of establishment of Bureau of Engraving and Printing facilities on the parcel and specifies the conditions of the transfer, including requiring an appraisal by Secretary of Treasury to determine the fair market value of the parcel. (Section 7605)

The Senate amendment provides the Secretary of Agriculture with authority to transfer the same parcel of property to the Secretary of the Treasury as the House bill. The Senate amendment also specifies the conditions of the transfer, but does not include an appraisal requirement. (Section 7412)

The Conference substitute adopts the Senate provision with an amendment requiring that the Secretary of Agriculture enter into a binding memorandum of agreement with the Secretary of Treasury in regard to the responsibilities of each party for evaluating and, if necessary, remediating any hazardous materials found at the parcel. (Section 7602)

*(45) Foundation for food and agriculture research*

The Senate amendment amends section 7601 of the Agricultural Act of 2014 to require the Board of Directors for the Foundation for Food and Agriculture Research to actively solicit and accept any funds, gifts, grants, devises, or bequests of real or personal property made to the Foundation, including from private entities. It also requires that the Foundation post its annual report online and publish an annual stakeholder notice with a description of agricultural research priorities for the upcoming fiscal year. Additionally, the Senate amendment directs the Foundation to submit to Congress a strategic plan describing a path for the Foundation to be self-sustaining. The Senate amendment requires the Secretary, on the date of enactment, to transfer \$200 million of funds from the CCC to the Foundation, to remain available until expended. (Section 7413)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment specifies that the Foundation's coordination of activities with Federal research and development programs avoids conflicts at the Department of Agriculture and requires that the Foundation document its consultation process with the Secretary and include a summary in the Foundation's annual report. The substitute provides that the strategic plan should include a detailed plan for soliciting additional resources and managing and leveraging such resources. The Secretary is to transfer \$185 million of funds from the CCC to the Foundation on the date that the Foundation submits its strategic plan. (Section 7603)

The Managers recognize the work done by the Foundation for Food and Agriculture Research (FFAR) to leverage private funding, matched with federal dollars to support public agricultural research. It is the Managers' intent that FFAR continue to plan for long-term self-sustainability through comprehensive strategic planning, ongoing public outreach, and donor solicitation.

The Managers intend for the FFAR to foster public-private partnerships among the agricultural research community, including federal agencies, academia, non-profit organizations, corporations and individual donors to identify and prioritize the most pressing needs facing agriculture.

The Managers are aware that FFAR is organized and operated exclusively for charitable, educational, and scientific purposes as a nonprofit corporation consistent with section 501(c)(3) of the Internal Revenue Code. As such, no substantial part of its activities may be to attempt to influence legislation.

FFAR has received funding provided by the Federal Government. The Managers direct that FFAR have in place management and recordkeeping systems to ensure that no Federal funds are used to carry out any activity to attempt to influence legislation. The Managers expect that FFAR will provide any such records to the Committee on Agriculture of the House of Representatives or the Committee on Agriculture, Nutrition, and Forestry of the Senate, upon request.

*(46) Assistance for forestry research under the McIntire-Stennis Cooperative Forestry Act*

The Senate amendment amends section 2 of the McIntire-Stennis Cooperative Forestry Research Act to include 1994 Institutions that offer an associate's degree or a

baccalaureate degree in forestry to be eligible for assistance for forestry research. (Section 7414)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7604)

*(47) Legitimacy of industrial hemp research*

The Senate amendment amends section 7606 of the Agricultural Act of 2014 to require the Secretary to conduct a study on the hemp research pilot program that includes a review of the economic viability of the domestic production and sale of industrial hemp and hemp products, and to submit a report describing the study to Congress within 120 days. The provision also repeals the hemp research pilot programs one year after the Secretary publishes a final regulation allowing for full-scale commercial production of hemp as provided in section 297C of the Agricultural Marketing Act of 1946. (Section 7415)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that requires the Secretary to submit a report describing the study not later than 12 months after the date of enactment. (Section 7605)

*(48) Collection of data relating to barley area planted and harvested*

The Senate amendment directs the National Agricultural Statistics Service to include New York in the states surveyed for the table entitled “Barley Area Planted and Harvested” in certain reports. (Section 7416)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7606)

*(49) Collection of data relating to the size and location of dairy farms*

The Senate amendment requires the Administrator of the Economic Research Service (ERS) to update the report entitled “Changes in the Size and Location of US Dairy Farms” published in September 2007. As part of the update, it requires that the Secretary include an expanded Table 2 containing the full range of herd sizes detailed in Table 1. The report shall be updated no later than 120 days after the date of enactment. (Section 7417)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment specifying that the report shall be updated not later than 60 days after the 2017 Census of Agriculture is released. Instead of requiring an expanded Table 2, the substitute directs that the Secretary, to the maximum extent practicable, use the same reporting measurement of the full range of herd sizes in Tables 1 and 2 while protecting the confidentiality of individual producers. (Section 7607)

*(50) Agriculture innovation center demonstration program*

The House bill reauthorizes appropriations for the Agriculture Innovation Center Demonstration Program through fiscal year 2023. (Section 6502)

The Senate amendment strikes subsection (g) of section 6402 of the Farm Security and Rural Investment Act of 2002 to eliminate the requirement for the Secretary to use \$300,000 to support research on the effects of projects for value-added agricultural

commodities on agricultural producers and commodity markets. It also authorizes such sums as necessary to carry out the program. (Section 7418)

The Conference substitute adopts the Senate provision with an amendment specifying that the Board of Directors for each Agriculture Innovation Center be composed of a diverse group of representatives from public and private entities, including four entities representing commodities produced in the State and may include a State legislator. The substitute also strikes the report to Congress and authorizes the appropriation of \$15,000,000 for each of fiscal years 2019 through 2023. (Section 7608)

*(51) Smith-Lever community extension program*

The Senate amendment amends the Smith-Lever Act to permit the Secretary to provide competitive grant funding to: (1) 1890 colleges and Tuskegee University; and (2) 1994 Institutions for the Children, Youth, and Families at Risk program and the Federally Recognized Tribes Extension Program. The Senate amendment provides that the exception to the matching funds shall not apply to the competitive grant funding awarded to a 1994 Institution for the Children, Youth, and Families at Risk program and the Federally Recognized Tribes Extension Program. (Section 7419)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments making technical changes and striking the changes made to the matching funds exception for 1994 Institutions. (Section 7609)

*(52) Grazing lands research laboratory*

The House bill amends section 7502 of the Food, Conservation, and Energy Act of 2008 to extend from 10 to 15 years, the prohibition on declaring Federal land and facilities at El Reno, Oklahoma as excess or surplus property or conveying or transferring such land and facilities. (Section 7411)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7411)

*(53) Farm and stress assistance network*

The House bill amends section 7522 of the Food, Conservation, and Energy Act of 2008 to reauthorize such sums as necessary for each of fiscal years 2019 through 2023. The House bill requires “consultation” as opposed to “coordination” with the Secretary of Health and Human Service, clarifies that grants may be used to train individuals who may assist farmers in crisis, makes Indian tribes eligible for grants, and requires a review of the program within two years after the first grant is awarded. (Section 6003)

The Senate amendment authorizes the appropriation of \$10 million for each of fiscal years 2019 through 2023. It clarifies that grants may be used for training programs and workshops for advocates and other individuals who may assist farmers in crisis. The Senate amendment authorizes grants to be used to enter into contracts with community-based, direct-service organizations to initiate, expand, or sustain programs and not later than one year after the date of enactment, requires a report by the Secretary of Agriculture, in coordination with the Secretary of Health and Human Services, describing the state of behavioral and mental health in farmers and ranchers. (Section 7511)

The Conference substitute adopts the Senate provision with an amendment making Indian tribes eligible for grants. (Section 7412)

The Managers recognize with the inclusion of this provision that farmers and individuals who work in agriculture face highly stressful working conditions, which can contribute to serious behavioral health concerns, especially during downturns in the farming economy. Historically, there have been efforts to address these concerns, including through programs characteristic of the 1980s farm crisis and recognition of this issue in the Food, Conservation, and Energy Act of 2008.

The Managers recognize that in the absence of federal support for such efforts, state and local organizations have worked to address behavioral health concerns among those who work in agriculture. The Managers emphasize the importance of moving quickly to get the Farm and Ranch Stress Assistance Network operating effectively, given current conditions in the farming economy. The Managers intend that priority be given to grantees with demonstrated experience and those that intend to collaborate with organizations focused on behavioral health concerns, including non-profit organizations.

The Managers intend for this provision to facilitate the development and positive impact of a nationwide network accessible to all farmers and individuals who work in agriculture and that priority be given to grantees with this capability, including the State cooperative extension services.

The Managers direct that USDA and the Department of Health and Human Services examine the problem of occupational stress among farmers and individuals who work in agriculture to develop a long-term strategy and response.

*(54) Mechanization and automation for specialty crops*

The Senate amendment requires that not later than 180 days after the enactment of the Agriculture Improvement Act of 2018, the Secretary conduct a review of programs at the Department of Agriculture that affect the production or processing of specialty crops, and develop and implement a strategy to accelerate the development and use of automation and mechanization in the production or processing of specialty crops.

(Section 7514)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7610)

The Managers note that labor availability is one of the most critical challenges facing the labor-intensive specialty crop sector both in the short and long term. Committee hearings in Washington, D.C. and field hearings around the country have documented the need for proper solutions for mechanization challenges. The Managers therefore request the research agencies in the USDA more vigorously fund this vital research priority through their respective programs.

*(55) Experienced services program*

The Senate amendment amends section 1252 of the Food Security of 1985 to rename the ACES program the Experienced Services Program. It expands the program to include technical, professional, and administrative services for the research, education, and economics mission area at USDA. (Section 12305) The Senate amendment also terminates the authority in section 1252 effective on October 1, 2023. (Section 2408)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provisions with an amendment making technical changes. (Section 7611)

*(56) Functions and duties of the Under Secretary for Research, Education, and Economics*

The House bill amends section 251 of the Department of Agriculture Reorganization Act of 1994 to add to the functions of the Under Secretary for research, education, and economics the requirement to ensure that agricultural economics and statistical programs are effectively coordinated and integrated and that such programs, along with agricultural research, education, and extension programs, address the priority research areas of the Agriculture and Food Research Initiative. (Section 7602)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(57) Farmland tenure, transition, and entry data initiative*

The House bill directs the Secretary to collect and report annually data and analysis on farmland ownership, tenure, transition, and entry of beginning farmers or ranchers. It authorizes appropriations of \$2 million each fiscal year for fiscal years 2019 through 2023. (Section 7604)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(58) Simplified plan of work*

The House bill amends the requirements for the submission of plans of work by land-grant institutions with respect to the use of formula funds and state matching funds under the Hatch Act, Smith-Lever Act, and similar formula funds provided to the 1890 land-grant universities. It provides that the procedures of such plans of work are not subject to audits to determine their sufficiency. (Section 7606)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that strikes the changes with respect to audits. (Section 7612)

The Managers expect that implementation of this section will result in a more streamlined, concise, and less burdensome plan of work. The Managers encourage the Secretary to engage land-grant institutions in the implementation of this section.

*(59) Time and effort reporting exemption*

The House bill exempts entities receiving certain funds from time and effort reporting requirements under part 200 of title 2 of the *Code of Federal Regulations* with respect to the use of such funds. (Section 7607)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with amendments requiring that the Secretary consult with the Office of Management and Budget in reviewing and revising the time and effort reporting requirements and that such revisions reduce the amount of paperwork and time required under the current reporting requirements. (Section 7613)

The Managers are concerned that administratively, land-grant capacity funds have burdensome reporting requirements. Land-grant capacity funding, provided via a statutory formula, requires matching funds from the states and is further supported by local funding, enabling institutions to sustain research capabilities and extension operations in a manner that reflects the direct input of local constituencies. The Managers

note that recipients of capacity funds operate under various levels of oversight and accountability, including state and local governments, leadership within the colleges of agriculture, leadership within the university institutions, and most importantly, the local constituencies they serve. The Managers encourage USDA to consider these factors while reviewing and revising current reporting requirements.

The Managers encourage the administration to consider granting an exemption as outlined in 2 CFR 200.102 to land-grant capacity funds. The Managers direct the Administration to work with the land-grant entities who receive capacity funds, including representatives of 1862, 1890, and Cooperative Forestry Institutions, in the implementation of this section.

*(60) Public education on biotechnology in food and agriculture sectors*

The House bill requires the Secretary, in consultation with the Secretary of Health and Human Services, the Secretary of Education, and other appropriate persons and organizations, to develop and carry out a national science-based education campaign to increase public awareness regarding the use of technology in food and agriculture production. (Section 7608)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(61) Matching funds requirement*

The House bill amends section 1492 of NARETPA by removing competitive grants awarded under the Competitive, Special, and Facilities Research Grant Act from among those covered by the matching requirements under section 1492. (Section 7130)

The Senate amendment repeals section 1492 and reinstates the matching requirements in place prior to the Agricultural Act of 2014 for competitive grants awarded by the Secretary under: (1) NARETPA; (2) Title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990; (3) the Agricultural Research, Extension, and Education Reform Act of 1998; (4) Part III of subtitle E of title VII of the Food, Conservation, and Energy Act of 2008; or (5) the Competitive, Special, and Facilities Research Grant Act. (Section 7601)

The Conference substitute adopts the Senate provision. (Section 7614)

The Managers intend to remove the universal matching requirement for competitive grants established in the Agricultural Act of 2014.

*(62) Research and extension funding equity for recently designated 1890 institutions*

The House bill amends section 1444 and 1445 of NARETPA to provide that any institution designated as an eligible 1890 institution on or after September 30, 1999 shall be deemed to have been designated as an eligible institution on or before September 30, 1978, and thus eligible for a proportional share of the 1890 extension and research formula funds allocated among institutions designated as such prior to September 30, 1978. (Section 7113)

The Senate amendment amends section 1444 of NARETPA to add a new subsection (a)(5) authorizing additional appropriations for one of fiscal years 2019, 2020, 2021, or 2022 to ensure that an eligible institution receiving a distribution of funds under this section for that fiscal year receives not less than the amount of funds received by that eligible institution under this section for the preceding fiscal year. It also requires that for

1 of fiscal years 2019, 2020, 2021, or 2022, if the 1890 formula would result in a distribution of less than \$3,000,000 to an eligible institution that first received funds under this section after the date of enactment of the Agricultural Act of 2014 for a fiscal year, that institution shall receive a distribution of \$3,000,000 for that fiscal year; however, it provides that this requirement only applies if additional amounts are appropriated under the new subsection (a)(5) for the prior fiscal year. The Senate amendment amends section 1445 of NARETPA in a similar manner. (Section 7602)

The Conference substitute adopts the Senate provision with amendments. The amendments establish a minimum additional funding amount for eligible entities in the fiscal years following certain eligible entities' qualification for \$3 million. If there are insufficient funds appropriated for section 1444 or section 1445 to continue the minimum additional funding amounts for eligible institutions, the substitute provides for a reduction in allocations made to eligible institutions. (Section 7115)

### **Additional Report Language**

The Managers recognize the importance of the aerial application of pest control tools. These tools are useful not only to ensure overall food safety and food security, but also to promote public health through improved mosquito control techniques. The ARS Aerial Application Technology Program conducts innovative research making aerial applications more efficient, effective, and precise. This program has yielded more effective public health control programs, as well as increased efficiencies and greater crop production. Research for aerial application serves the public interest as a vital tool for the future.

The Managers recognize the statutory intent of the Food and Agriculture Service Learning Program is to fund projects that deliver experiential learning on food, agriculture, and nutrition education that require significant investments in human capital and evidence-based programming. As such, the Managers encourage NIFA to maximize grant size to ensure meaningful outcomes and robust evaluation. The Managers recognize the importance of community service partnerships for developing and implementing experiential food, nutrition, and farm-to-school curricula. The Managers encourage NIFA to coordinate with other federal agencies engaged in national community service programs when administering the Food and Agriculture Service Learning Program.

USDA is the federal government's primary agency charged with promoting good nutrition and the delivery of food assistance to Americans of all ages. There is strong evidence that nutrition plays a vital role in how a person ages. The U.S. has a rapidly aging population. Research into nutrition benefits aging Americans by keeping them active longer, delaying or reducing the effects of chronic illnesses and obesity, and reducing health care costs for such diseases. The ARS provides critical support for human nutrition research through its nutrition research centers. The Managers support the investment in human nutrition research, especially as it affects the aging population, and expects ARS to continue strong support for nutrition research and existing centers.

## Title VIII– Forestry

### *(1) State and private forest landscape-scale restoration program*

The House bill subsection (a) of the new program enumerates the purpose of the program as supporting activities that result in improvements to public benefits derived from State and private forest land; subsection (b) provides for the relevant definitions; subsection (c) establishes the program that provides financial and technical assistance for projects that maintain or improve benefits to trees and forests on land; subsection (d) enumerates the requirements under the program; subsection (e) requires the Secretary to establish a measurement tool to quantify the results of projects; subsection (f) allocates funding for projects equally between a national competitive process and to States; subsection (g) requires that the allocation through the competitive process maximize the achievement of the objects of the program as well as requires the submission of proposals to the Secretary to be considered for the competitive process and subsection (h) requires the Secretary to submit a report to Congress. Subsection (i) authorizes \$10,000,000 to carry out the program for each of fiscal years 2019 through 2023, to remain available until expended. (Section 8104)

The Senate amendment establishes a competitive grant program for financial and technical assistance to encourage collaborative, science-based restoration of priority forest landscapes. The program requires collaboration and consultation regarding the identification of other applicable resources towards landscape-scale restoration. The provision authorizes \$20 million to be appropriated toward these grants each fiscal year through 2023, to remain available until expended, deposited in the “State and Private Forest Landscape-Scale Restoration Fund” . (Section 8101)

The Conference substitute adopts the Senate amendment. (Section 8101)

The Managers include reforms to the Landscape Scale Restoration program. The Managers direct the U.S. Forest Service to administer this program as a competitively awarded grant program to carry out science based, landscape-scale restoration work. The Managers recognize the importance of conducting landscape-scale restoration on both state and private land in cross boundary work. The Managers also encourage the U.S. Forest Service to coordinate with the Natural Resources Conservation Service, State Foresters, and other stakeholders on an ongoing basis regarding the administration and identification of other applicable resources for landscape-scale restoration.

### *(2) Repeal of recycling research*

The Senate amendment repeals the wood fiber recycling research program. (Section 8201)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8201)

### *(3) Repeal of forestry student grant program*

The Senate amendment repeals the forestry student grant program. (Section 8202)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8202)

### *(4) Repeals*

The Senate amendment repeals the study on reforestation and improved management in section 2410 of the Global Climate Change Prevention Act of 1990. (Section 8301).

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8301)

*(5) Promoting cross-boundary wildfire mitigation*

The House bill authorizes cross-boundary wildfire mitigation under certain circumstances, authorizes the Secretary to use other related authorities for projects, directs interagency cooperation and encourages the Secretary to use certain excess funds towards these projects, including through grants to state foresters, capped at the greater of either 20 per cent of the excess or \$20 million. The bill provides that only laws and regulations that apply to non-federal land apply to a project. (Section 8332)

The Senate amendment authorizes cross-boundary hazardous fuel projects, defines certain terms, authorizes grants to state foresters, authorizes the Secretary to use other related authorities for grant projects, directs interagency cooperation and authorizes \$20 million in appropriations for each of FY 2019 through 2023. (Section 8401)

The Conference substitute adopts the Senate amendment. (Section 8401)

The Managers recognize the risks of catastrophic wildfire to life, property, and infrastructure and have consequently provided several new authorities, including this authority to promote cross-boundary wildfire mitigation, to the Forest Service to address the threat of wildfire and promote restoration of Federal and non-Federal land. The Managers expect the Department of Agriculture to utilize this and other new authorities in an expeditious manner in order to ensure the restoration of Federal and non-Federal land and to address the threat of catastrophic wildfire.

*(6) Authorization of appropriations for hazardous fuel reduction on federal land*

The Senate amendment amends section 108 of the Healthy Forests Restoration Act of 2003 and reauthorizes the hazardous fuel reduction on Federal land program at \$660 million annually through FY 2023. (Section 8402)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8402)

*(7) Repeal of biomass commercial utilization grant program*

The Senate amendment amends section 203 of the Healthy Forests Restoration Act of 2003 to repeal the Biomass Commercial Utilization Grant program. (Section 8403)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8403)

*(8) Water source protection program*

The Senate amendment establishes the Water Source Protection Program to carry out forest restoration projects at watershed levels on National Forest System (NFS) land. It authorizes the use of partnership agreements with non-Federal partners to carry out activities and provides an authorization of appropriations of \$10 million annually through FY2023. (Section 8404)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8404)

*(9) Watershed condition framework*

The Senate amendment requires the Secretary of Agriculture, acting through the Chief of the Forest Service, to establish and maintain a watershed condition framework for NFS land. (Section 8405)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with a modification that authorizes the Secretary to establish and maintain a watershed condition framework. (Section 8405)

*(10) Authorization of appropriations to combat insect infestations and related diseases*

The Senate amendment makes various modifications to section 406 of the Healthy Forests Restoration Act of 2003 and provides a termination of effectiveness on Oct. 1, 2023. (Section 8406)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8406)

*(11) Authorization of appropriations for designation of treatment areas*

The Senate amendment amends section 602 of the Healthy Forests Restoration Act of 2003 and eliminates the authorization of appropriations for insect and disease treatment areas. (Section 8408)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8408)

*(12) Administrative review of collaborative restoration projects*

The House bill directs the Secretary to initiate a rulemaking to clarify that the following project characteristics do not need to be examined as part of determining whether extraordinary circumstances preclude a Categorical Exclusion (CE) under National Environmental Policy Act (NEPA); whether a project is within a proposed wilderness area; whether a project impacts a Forest Service sensitive species; the cumulative impact of a project when added to other past, present, and reasonably foreseeable future actions; whether a project may affect, but is not likely to adversely affect, a listed species or designated critical habitat; and whether a project may affect, and is likely to adversely affect, a listed species or designated critical habitat, if the project is in compliance with the applicable provisions of the biological opinion. It eliminates the requirement to perform an environmental impact statement for all projects that would substantially alter a potential wilderness area. The bill requires that the rulemaking be completed within 120 days of enactment. (Section 8503)

The Senate amendment requires the Secretary to apply extraordinary circumstances to section 603 of the Healthy Forests Restoration Act of 2003. (Section 8409)

The Conference substitute deletes both provisions.

*(13) Repeal of revision of strategic plan for forest inventory and analysis*

The Senate amendment amends section 8301 of the Agricultural Act of 2014 and repeals the authority that provided for a one-time revision of strategic plan for forest inventory and analysis. (Section 8501)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8501)

*(14) Semiarid agroforestry research center*

The Senate amendment amends section 1243(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 and extends the authority for the semiarid agroforestry research center through 2023. (Section 8502)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8502)

*(15) Conveyance of forest service administrative sites*

The Senate amendment amends section 503(f) of the Forest Service Facility Realignment and Enhancement Act of 2005 and reauthorizes the authority for the Forest Service to convey administrative sites through 2023. (Section 8504)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8504)

*(16) Definitions*

The House bill defines certain terms. (Section 8301)

The Senate amendment defines the terms “National Forest System” and “public land”. (Section 8601)

The Conference substitute adopts the House definition of “National Forest System”. (Section 8601)

The Managers intend that forest management activities means that a project carried out by the Secretary of Agriculture or the Secretary of Interior on National Forest System lands or public lands be conducted consistent with applicable land management plans, including any applicable Roadless Area Management Rules (36 CFR 294).

*(17) Categorical exclusion for greater sage-grouse and mule deer habitat*

The Senate amendment authorizes the development and use of a categorical exclusion (CE) for both the Secretary of Agriculture, with respect to NFS land, and the Secretary of the Interior, with respect to public land, for certain forest management activities with the primary purpose of protecting, restoring, or improving habitat for the greater sage-grouse or mule deer. Projects through this authority must be developed and implemented through a collaborative process and based on the best available scientific information. The authority establishes a cap of 3,000 acres for projects utilizing the categorical exclusion. (Section 8611)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with a modification to raise the acreage cap to 4,500 acres. (Section 8611)

*(18) Additional authority for sale or exchange of small parcels of national forest system land*

The Senate amendment renews authority to the Forest Service to dispose of small parcels of land in a manner to enhance the respective National Forest through new recreational access or acquisitions. It authorizes funds derived from any sale or exchange

under this authority to be expended for, among other purposes, the acquisition of land or interest in the state from which the sale originated. (Section 8621)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8621)

*(19) Forest service participation in aces program*

The Senate amendment amends section 8302 of the Agricultural Act of 2014 and provides a termination of effectiveness for the use of the authority in 2023. (Section 8622)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8622)

*(20) Authorization for lease of forest service sites*

The Senate amendment expands authority to allow the Forest Service to lease unused administrative sites. (Section 8623)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with modifications that do not include authority for cash consideration and a prohibition on certain cash payments. (Section 8623)

*(21) Good neighbor authority*

The House bill authorizes counties and Indian Tribes to enter into good neighbor agreements. (Section 8331(2))

The Senate amendment authorizes to tribes and counties to enter into good neighbor agreements, and exempts payments made by counties from being considered as made by the Forest Service or Bureau of Land Management lands. (Section 8624(2))

The Conference substitute adopts the House provision with an amendment regarding the treatment of timber sale revenue. (Section 8624)

The Managers expanded Good Neighbor Authority to authorize Indian tribes and counties to participate. As required by the underlying authority, the Managers expect that the non-Federal entity – whether it be a Governor, County, or tribe – participating in future Good Neighbor agreements undertake restoration activities on non-Federal land in addition to “similar and complementary” restoration activities on Federal land under the program.

*(22) Wildland-urban interface*

The Senate amendment prioritizes the use of funds for hazardous fuels reduction projects within the wildland-urban interface. (Section 8625)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

*(23) Chattahoochee-Oconee national forest land adjustment*

The Senate amendment authorizes USDA to sell or exchange any or all interest of the United States in 30 tracts NFS land in Georgia totaling approximately 3,841 acres. (Section 8626)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8625)

*(24) Tennessee wilderness*

The Senate amendment designates specified federal lands in the Cherokee National Forest in Tennessee as wilderness and as additions to the National Wilderness Preservation System. (Section 8627)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8626)

*(25) Additions to Rough Mountain and Rich Hole wildernesses*

The Senate amendment designates specified lands in the George Washington National Forest in Virginia as part of the Rough Mountain Wilderness area, and the Rich Hole Wilderness area and adds those lands to the National Wilderness Preservation System. (Section 8628)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

*(26) Kisatchie national forest land conveyance*

The Senate amendment authorizes USDA to sell specified federal land in Winn Parish, Louisiana and requires USDA to sell a portion of that land to Collins Camp Properties for the Collins Campsites. (Section 8629)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8627)

*(27) Purchase of natural resources conservation service property, Riverside County, California*

The Senate amendment directs USDA to sell and quitclaim all right, title, and interest of the United States in and to a parcel of real property located in Riverside, California, administered by the Natural Resources Conservation Service, to the Riverside Corona Resource Conservation District. (Section 8630).

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8628)

*(28) Collaborative forest landscape restoration program*

The House bill authorizes the Secretary to waive the 10-year eligibility requirement for a restoration proposal when selecting proposals. The bill strikes the time limit of 10 fiscal years regarding expenditures from the fund for any 1 proposal. It also authorizes appropriations at \$40 million for each fiscal year 2018 through 2023. (Section 8509)

The Senate amendment authorizes appropriations at \$80 million for each fiscal year 2018 through 2023. The amendment adds the House and Senate Agriculture Committees to the reporting requirement. (Section 8631)

The Conference substitute adopts the Senate amendment with a modification that authorizes both a waiver authority and waiver limitation. (Section 8629)

Following enactment of this Act, the Managers expect the Secretary to initiate the process to receive new nominations and select new projects under this reauthorized authority with the expanded authorization for appropriations. With the advice of the advisory panel, as required in section 4003 of Public Law 111-11, the Managers expect

that the additional \$40 million made available through this section should enable the Secretary to select and fund not less than 10 new projects under the program.

*(29) Utility infrastructure rights-of-way vegetation management pilot program*

The House bill requires the Secretary to establish a limited, voluntary pilot program to conduct vegetation management projects on NFS land adjacent to or near rights-of-way. (Section 8502)

The Senate amendment authorizes the Secretary to establish a limited, voluntary pilot program to conduct vegetation management projects on NFS land adjacent to or near rights-of-way and changes the liability standard to which utilities are held when operating on NFS lands. (Section 8632)

The Conference substitute adopts the Senate amendment with modifications to the establishment of the pilot program, including the authorization for vegetative management projects, liability, a clarification regarding compliance with other existing laws and requiring a report to relevant Congressional committees. (Section 8630)

*(30) Okhissa lake rural economic development land conveyance*

The Senate amendment directs the Secretary of Agriculture to convey 150 acres within the Homochitto National Forest in Mississippi for the purpose of rural economic development. (Section 8633)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8631)

*(31) Prairie dogs*

The Senate amendment requires the Secretary of Agriculture to conduct a report on the impact of prairie dogs on grazing allotments and requires the Forest Service to take appropriate actions based upon the report within 1 year. (Section 8634)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

*(32) Wood innovation grant program*

The House bill requires the Secretary to establish a competitive grant program, the “Community Wood Energy and Wood Innovation Program”. It authorizes \$25 million in appropriations for each fiscal year 2019 through 2023. (Section 8106)

The Senate amendment provides direction to the Secretary regarding the wood innovation grant program described in the notice 80 Fed. Reg. 63498 (Oct. 20, 2015). (Section 8643)

The Conference substitute adopts both the Senate amendment and the House provision with an amendment that modifies the definition of a community wood energy system, and adds selection criteria as well as a priority component. (Sections 8643 and 8644)

*(33) Remote sensing technologies*

The Senate amendment requires the Chief of the Forest Service to find efficiencies in the operations of the forest inventory and analysis program through the use and integration of advanced remote sensing technologies to provide estimates for state and national level inventories. (Section 12621)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 8632)

The Managers urge the Forest Service to continue to find efficiencies in program operations through the use of remote sensing technologies where appropriate, as well as partnering with states and other interested stakeholders to deliver programs.

*(34) Support for state assessments and strategies for forest resources*

The House bill amends section 2A(f)(1) of the Cooperative Forestry Assistance Act of 1978 by reauthorizing the funding for the required state assessment through 2023. (Section 8101)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 8101)

The Managers are concerned about the projected loss of private forestland in the United States, as detailed in the Resources Planning Act Assessment and regional analyses such as the Northern and Southern Forest Futures Reports, and associated loss of societal benefits such as clean air and water, wildlife habitat, jobs and forest products, and more. The Managers direct the Secretary, working through the Forest Resource Coordinating Committee, to develop a National Reforestation Initiative that addresses the threats to private forest retention. Within 24 months from the date of enactment of this Act, the Managers urge the Forest Resource Coordinating Committee to generate a strategic plan for the initiative to include relevant USDA programs that promote “Keeping Forests as Forests” and incentivize reforestation within priority areas identified in the Forest Service Resources Planning Act and Statewide Forest Resource Assessments and Strategies.

*(35) Forest legacy program*

The House bill amends section 7 of the Cooperative Forestry Assistance Act of 1978 by removing the authorization of appropriations of “such sums as necessary” and authorizing \$35,000,000 for each of fiscal years 2019 through 2023. (Section 8102)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(36) Community forest and open space conservation program*

The House bill amends section 7A of the Cooperative Forestry Assistance Act of 1978 by removing the authorization of appropriations of “such sums as necessary” and authorizing \$5,000,000 for each of fiscal years 2019 through 2023. (Section 8103)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(37) Rural revitalization technologies*

The House bill amends section 2371(d)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 to reauthorize the Rural Revitalization Technologies Program at the current level of \$5,000,000 through FY 2023. (Section 8105)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 8701)

*(38) Healthy forests restoration act of 2003 amendments*

The House bill authorizes an additional program purpose. It requires that land be private forest land or private land being restored to forest land in its eligibility requirements. It adds a species deemed to be of greatest conservation need by a State wildlife action plan. The bill adds an additional enrollment consideration. It strikes limitations on funds used for easements and cost-share agreements. It authorizes permanent easements to be used separately or in combination with other enrollment options. The bill adds species of greatest conservation need, as identified in State wildlife action plans, to the Secretary's list of enrollment priority considerations in Section 502(f) of the Statute. It requires the restoration plan to require specific practices and measures to restore and enhance habitat for species described in section 502(b) in the statute. It authorizes the Secretary to carry out priority projects to reduce insect or disease infestation or hazardous fuels. It strikes the public notice date limitation. The bill requires a project to be conducted in accordance with section 602(d)(1). It limits project size to 6,000 acres. It subjects the use of monies to paragraph (3)(A) in the statute. The bill provides that in-kind resources not be considered monies received from the NFS or the public lands, but payments made by a contractor shall be considered monies received from the NFS or the public lands. (Section 8107)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that authorizes a new purpose for the Healthy Forests Reserve Program, amends eligibility for enrollment, authorizes a new enrollment consideration, strikes a limitation on the use of an easement, provides new authorities for the enrollment of acreage owned by Indian Tribes, provides for new enrollment priorities, and amends the requirements for restoration plan practices. The amendment also extends the authority for insect and disease infestation and authorizes the reduction of hazardous fuels as a purpose. (Section 8407)

The Managers make improvements to the Healthy Forests Reserve Program. The Managers were concerned that duplicative approval requirements outside of initial approval and annual monitoring for management practices in the Healthy Forests Reserve Program may be impeding the ability of landowners to successful use the program to its fullest environmental benefit. The Managers direct the Natural Resources Conservation Service to work with landowners to streamline the process around management practices, ensuring that landowners participating in the program are not required to seek approval for individual actions taken under their NRCS-approved restoration plans.

Additionally, the Managers intend that when designing restoration projects using the Healthy Forests Restoration Act of 2003 or under other authorities authorized in the Forestry title, the Secretary consider opportunities to restore sustainable recreational infrastructure or access, or to accomplish other recreation outcomes, where such opportunities are compatible with the primary restoration purpose(s) of the project.

*(39) Inclusion of invasive vegetation in designated treatment areas*

The House bill amends section 602 of the Healthy Forests Restoration Act of 2003 by including in the designation of treatment areas forests that experience invasive vegetation. (Section 8109)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(40) Use of reserved funds for title II projects on federal land and certain non-federal land*

The House bill amends section 204(f) of the Secure Rural Schools and Community Self-Determination Act of 2000 to require 50% of Title II funds be spent on projects which include sale of forest products and meet land management objectives. (Section 8201)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(41) Resource advisory committees*

The House bill amends section 205(a)(4) of the Secure Rural Schools and Community Self-Determination Act of 2000 to extend Title II Resource Advisory Committee (RAC) functions, membership through fiscal year 2023. It amends section 205(d) of the Secure Rural Schools and Community Self-Determination Act of 2000 to reduce the membership of RACs from 15 to 9 and to reduce the members that are representative of community interests from 5 to 3. The bill adds a requirement for members of the RAC to reside in the county or adjacent county where the RAC has jurisdiction. It allows for a designee of the Secretary to perform certain functions. (Section 8202)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with modifications authorizing RAC waiver authority and creating a Regional Appointment Pilot Program. (Section 8702)

The Managers addressed membership challenges facing Resource Advisory Committees (RACs) by bringing requirements more in line with achievable benchmarks. The Managers note that RACs are under-utilized across the country and encourage the Forest Service to highlight the new requirements in outreach to interested communities. In addition, the Managers intend for the Forest Service to proceed with the RAC re-charter process and member nominations immediately so they will be fully functioning when reauthorized.

*(42) Program for Title II self-sustaining resource advisory committee projects*

The House bill amends Title II of the Secure Rural Schools and Community Self-Determination Act of 2000 by authorizing the Chief of the Forest Service to choose ten RACs that may retain revenue from projects to fund future projects that accomplish forest management objectives. (Section 8203)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(43) Rule of application for national forest system lands and public lands*

The House bill is a rule of application, limiting the application of the authorities provided by subtitle C to NFS or public lands that are not in the National Wilderness Preservation System, within an inventoried roadless area (unless the forest management activity is consistent with the applicable forest plan or allowed under the applicable roadless rule), or land on which timber harvest is prohibited by Federal law. (Section 8302)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(44) Consultation under the endangered species act*

The House bill removes the requirement for consultation under section 7 of the Endangered Species Act for a project carried out by the Forest Service if the project is found not likely to adversely affect a listed species. It allows for an expedited consultation where the projects conducted under a CE for which a section 7 consultation is required, the action is deemed to have complied with the requirements of Section 7 after 90 days. (Section 8303)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(45) Secretarial discretion in the case of two or more categorical exclusions*

The House bill clarifies that if a forest management activity might fall under more than one of the categorical exclusions, the Secretary has full discretion in determining which categorical exclusion to apply. (Section 8304)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(46) Categorical exclusion to expedite certain critical response actions*

The House bill authorize the use of CEs for addressing insect and disease infestation, reducing hazardous fuel loads, protecting municipal water sources, improving or enhancing critical habitat, and increasing water yield. It provides for the availability of CEs under this section. The bill limits the size of the CEs to 6,000 acres. (Section 8311)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(47) Categorical exclusion to expedite salvage operations in response to catastrophic events*

The House bill authorizes the use of CEs for specific salvage operations carried out by the Secretary. It provides for the availability of CEs under this section. The bill limits the size of the CE to 6,000 acres. It requires that salvage operations covered by a CE under this section protect streams and stream buffers as provided in the forest plan. The bill further requires the development of a reforestation plan as part of the salvage operation. (Section 8312)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(48) Categorical exclusion to meet forest plan goals for early successional forests*

The House bill authorizes the use of CEs for the modification, improvement, enhancement, or creation of early successional forests for wildlife habitat improvement. It provides for the availability of the CE under this section. It directs the Secretary to maximize production and regeneration of priority species in the development of a forest management activity conducted under this section. The bill limits the size of the CEs to 6,000 acres. (Section 8313)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(49) Categorical exclusion for hazard trees*

The House bill authorizes the use of CEs in order to remove hazardous trees and salvage timber to protect public safety, a public water supply, or public infrastructure. (Section 8314)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(50) Categorical exclusion to improve or restore national forest system lands or public land or reduce the risk of wildfire*

The House bill authorizes the use of CEs for certain activities when the purpose of those activities is to improve, restore, or reduce the risk of wildfire on NFS or public lands. It provides for the availability of CEs under this section. The bill limits the size of the CEs to 6,000 acres. It provides the pertinent definitions. (Section 8315)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(51) Categorical exclusion for forest restoration*

The House bill establishes a CE for certain forest management activities on NFS lands, including timber harvest, hazardous fuel reduction, and prescribed burning. It provides for the availability of CEs under this section. The bill limits the size of the CEs to 6,000 acres. It provides for limitations on the building of permanent and temporary roads under this CE. (Section 8316)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(52) Categorical exclusion for infrastructure forest management activities*

The House bill establishes a CE for certain forest management activities related to infrastructure on NFS land, including activities related to roads, bridges, dams, and other facilities. (Section 8317)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(53) Categorical exclusion for developed recreation sites*

The House bill establishes a CE for certain forest management activities on NFS lands related to the operation, maintenance, modification, reconstruction or decommissioning of existing recreation sites. (Section 8318)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(54) Categorical exclusion for administrative sites*

The House bill establishes a CE for certain forest management activities on NFS lands related to the construction, maintenance, decommissioning, relocation, and disposal of administrative sites. It provides for the availability of CEs under this section. The bill provides for a limitation on roads and pesticide use. It provides a definition for administrative site. (Section 8319)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(55) Categorical exclusion for special use authorizations*

The House bill establishes a CE for certain forest management activities on NFS lands related to special use authorizations. It provides for the availability of CEs under this section. The bill requires the preparation of certain documents in order to use the CE. (Section 8320)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(56) Clarification of existing categorical exclusion authority related to insect and disease infestation*

The House bill amends section 603(c)(2)(B) of the Healthy Forests Restoration Act of 2003 to include Fire Regime IV and V (Lodgepole pine) in the Insect & Disease Categorical Exclusion included in the 2014 Farm Bill. (Section 8321)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(57) Regulations regarding designation or dead or dying trees of certain tree species on national forest system lands in California as exempt from prohibition on export of unprocessed timber originating from federal lands*

The House bill directs the Secretary to issue rulemaking to determine that unprocessed timber from NFS lands in California is considered surplus to domestic needs and is therefore exempt from export prohibitions. It requires the Secretary to consult with representatives of sawmills in California and make a reasonable effort to avoid adverse impacts to the industry. It allows the Secretary to adjust contract provisions in region 5 of the NFS to carry out this section. The bill exempts timber harvested under this section from the limitation of substitution of unprocessed Federal timber. It provides authority to hire additional staff to implement the regulations issued under subsection (a). It requires the regulations to remain in effect for 10 years with periodic review. The bill provides relevant definitions for this section. (Section 8333)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(58) Salvage and reforestation in response to catastrophic events*

The House bill provides that an environmental assessment for a salvage operation or reforestation activity on NFS lands must be completed within 60 days of a catastrophic event and at least 75 percent of the impacted land must be reforested within a 5- year period. The Secretary must also allow for public comment and objection before implementing a reforestation activity or salvage operation. Salvage and reforestation activities must be consistent with the applicable forest plan. Courts are also prohibited from issuing preliminary injunctions with respect to salvage or reforestation activities in response to large scale catastrophic events. (Section 8334)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(59) Analysis of only two alternatives (action versus no action) in proposed collaborative*

*forest management activities*

The House bill provides 5 requirements for environmental assessments or impact statements pursuant to NEPA with respect to forest management activities and requires they only consider the forest management activity and the no action alternative. (Section 8335)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(60) Injunctive relief*

The House bill requires courts to balance the impact of the effect of forest management activity or agency action against the effects of no action and provides that any preliminary injunction, or stay pending appeal, of a forest management activity shall not exceed 60 days. Courts may issue renewals of any preliminary injunction pending appeal. (Section 8336)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(61) Application of roadless area conservation rule*

The House bill provides that 36 CFR 294, or successor regulations, do not apply to any NFS land in Alaska. (Section 8337)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(62) Vacant grazing allotments made available to certain grazing permit holders*

The House bill requires the Secretary to make vacant grazing allotments available to a holder of a grazing permit or lease if the lands covered by the permit or lease are unusable because of natural disaster, court-issued injunction, or conflict with wildlife. Courts may not issue any order enjoining the use of any allotment where a permit or lease has been issued unless the Secretary can make a vacant grazing allotment available to the holder of the permit or lease and makes the allotment subject to a CE. (Section 8338)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(63) Pilot project for forest health, watershed improvement, and habitat restoration in New Mexico*

The House bill establishes a pilot program within the Lincoln National Forest, Cibola national Forest, and Gila National Forest to analyze and demonstrate the effectiveness of various tools and techniques to address concerns on thinning, watershed improvement, and habitat restoration. The authority to carry out the program terminates 7 years after the date of enactment. (Section 8339)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(64) Protection of tribal forest assets through use of stewardship end-result contracting and other authorities*

The House bill provides authority for action by the Secretary not later than 120 days after the date on which the Secretary receives a Tribal request. It amends section

2(b) of the Tribal Forest Protection Act of 2004 by providing Federal land management agencies up to 120 days to respond to Tribal request for forest management on agency lands and two years to complete the analysis. The bill includes conforming amendments. (Section 8401)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(65) Tribal forest management demonstration project*

The House bill gives authority to Indian Tribes to request to conduct forest management activities on Federal lands where they have a Tribal interest. (Section 8402)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that authorizes demonstration projects by which Indian Tribes may contract to perform certain functions of programs. (Section 8703)

The Managers authorized the Secretary of Agriculture and Secretary of the Interior to carry out demonstration projects by which Federally recognized Indian tribes or tribal organizations may contract to perform functions of the Tribal Forest Protection Act (25 U.S.C. 3115a et seq.). The Managers expect these demonstration projects to be evaluated under the criteria defined in section (c) of that Act (23 U.S.C. 3115a(c)).

*(66) No loss of funds for wildfire suppression*

The House bill clarifies that nothing in this title or the amendments made by this title may be construed to limit from the availability of funds or other resources for wildfire suppression. (Section 8504)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(67) Technical corrections*

The House bill contains technical amendments to the Wildfire Suppression Funding and Forest Management Activities Act. (Section 8505)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 8704)

*(68) Conveyance of land and improvements to the village of Santa Clara, New Mexico*

The House bill requires the Secretary to convey right, title, and interest in approximately 1,520 acres of NFS land to Santa Clara. (Section 8506)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(69) Streamlining the forest service process for consideration of communications facility location applications*

The House bill requires the Secretary to issue regulations to streamline the process for considering applications to locate communications facilities on covered land, ensure the process is uniform, and require consideration of the applications be neutral. The Secretary must consider how discrete reviews can be conducted simultaneously and how to eliminate overlapping requirements among the organizational units of the Forest Service with respect to the location or modification of a communications facility.

The bill also requires the Secretary of the Treasury to establish a special account for the Forest Service for fees collected under this section for communications use authorizations. The account must be available to cover the costs incurred by the Forest Service as provided in appropriation acts. (Section 8507)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that does not include all the requirements for the regulations in the original provision. (Section 8507)

*(70) Report on wildfire, insect infestation, and disease prevention on federal land*

The House bill requires the Secretaries of Agriculture and the Interior to submit an annual report to the House Committees on Agriculture and Natural Resources and the Senate Committees on Agriculture, Nutrition, and Forestry and Energy and Natural Resources on the number of acres treated for wildfire, insect infestation, or disease prevention, the number of acres categorized as high risk, total timber production, average fire intensity of wildfires and federal response time for each fire greater than 25,000 acres. (Section 8508)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that authorizes several more data points and information for the report. (Section 8706)

*(71) West Fork fire station*

The House bill requires the Secretary to convey the West Fork Fire Station to Dolores County, Colorado without consideration and any conveyance costs are to be paid by the County. The section also requires the land be used only for a fire station and related infrastructure or the land will revert to the United States. (Section 8510)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 8707)

*(72) Competitive forestry, natural resources, and environmental grants program*

The House bill amends section 1232 of the Food, Agriculture, Conservation, and Trade Act of 1990 by authorizing the Secretary to award grants for forest restoration, prioritizing applicants who will use grants for specific research projects. The bill also includes mandatory criteria for forest restoration grants as well as criteria the Secretary must consider when awarding such grants. (Section 8511)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 8708)

## Title IX – Energy

### *(1) Definitions*

The Senate amendment expands the definition of “biobased product” to include “renewable chemicals,” and expands the definition of the term “biorefinery” to include facilities that convert renewable biomass into renewable chemicals, or an intermediate ingredient or feedstock of renewable biomass into any one or more, or a combination of biofuels, renewable chemicals, or biobased products. Further, it amends the term “Renewable Energy System” to include systems that produce usable energy from a renewable energy source including distribution components necessary to move energy produced by a system to the initial point of sale, and other ancillary infrastructure of a system such as storage systems. (Section 9101)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 9001)

### *(2) Biobased markets program*

The House bill prohibits federal agencies from placing limitations on the procurement of wood and wood-based products greater than espoused in this section, authorizes to be appropriated \$2 million annually for fiscal year 2014 through fiscal year 2023, and eliminates the mandatory funding provision. (Section 6402)

The Senate amendment transfers the program from Departmental Management to the Office of Rural Development. It instructs the Secretary to update the eligibility criteria used to determine which renewable chemicals qualify to receive the “USDA Certified Biobased Product” label within 90 days of enactment, establish guidelines for an integrated and expedited process by which biobased products can be determined eligible for Federal Procurement preference and approved for the “USDA Certified Biobased Product” label, and work with the Secretary of the Department of Commerce to develop North American Industry Classification System (NAICS) codes for renewable chemical manufacturers and producers of biobased products. Additionally, the amendment limits other agencies from imposing procurement limitations more restrictive than the regulations contained within this section. It instructs USDA to develop education and outreach efforts to assist stakeholders in navigating the federal procurement and voluntary labeling programs found under this section, authorizes \$3 million in appropriations for fiscal year 2019 through fiscal year 2023, and reauthorizes mandatory funding at \$3 million for each year 2019 through 2023. (Section 9102)

The Conference substitute adopts the Senate provision with an amendment that extends the amount of time the Secretary has to update the criteria for determining which renewable chemicals may qualify to receive the “USDA Certified Biobased Product” label from “90” to “180” days and strikes instructions to USDA to perform education and outreach efforts. (Section 9002)

The Managers support elevating the Biobased Market Program within the U.S. Department of Agriculture and believe this program is consistent with the mission of Rural Development. The Managers urge USDA to establish and promote public-private partnership frameworks for Biobased Market Program activities to increase U.S. purchasing of biobased products that is necessary to growth of the biobased sector. Allocating funding to support public-private partnerships would allow biobased manufacturers and allied stakeholders to identify potential customers —ranging from

military bases to private-sector fleets and facilities—to design and implement effective outreach. The Managers also encourage USDA to further promote and give a preference to the procurement of agricultural biobased products within USDA Rural Development, including rural housing and rural electrification.

The Managers intend for USDA’s implementation of the integrated qualification process that USDA evaluate within the year additional standards available for the use of renewable agricultural resources through standard setting bodies, including international standards. The Managers intend that USDA recognize feedstock inputs produced using biobased mass balance methods, which USDA may accomplish through the creation of a Biopreferred process label specifying the percentage of biobased feedstock used.

The Managers intend that USDA continue to develop and implement education and outreach efforts to assist stakeholders in navigating the federal procurement and voluntary labeling programs.

Not later than 1 year after the date of the enactment of this Act, the Secretary shall establish a biobased content methodology for products produced using biologically recycled carbon that provides full credit for carbon content from biological processing of carbon captured from an industrial source that would otherwise be released into the atmosphere.

The Managers intend for the Biobased Markets Program to better function through increased transparency, that the Secretary periodically update Congress on product procurement trends of federal agencies and their contractors to help ensure the program is accomplishing its mission.

The Managers believe the Secretary could best implement the Biobased Markets Program through collaborating with the Environmental Protection Agency’s Administrator on the Safer Choice label program to provide agency procurement officials with data on products that are certified biobased and have a reduced impact on human and environmental health.

### *(3) Biorefinery assistance*

The House bill expands the eligibility of technologies to those being adopted in a viable commercial-scale operation of a biorefinery that produces an advanced biofuel or technologies not previously described that has been demonstrated to have technical and economic potential for commercial application in a biorefinery that produces an advanced biofuel. It maintains authorization of appropriations at \$75 million annually for fiscal year 2014 through fiscal year 2023 and eliminates the mandatory funding provision and biobased product manufacturing set aside provision. (Section 6403)

The Senate amendment expands the definition of “eligible technologies” to technologies that produce any one or more or a combination of advanced biofuels, renewable chemicals or biobased products. It maintains discretionary funding at \$75 million for fiscal year 2014 through fiscal year 2023 and reauthorizes mandatory funding at \$100 million for 2019 and \$50 million for 2020. (Section 9103)

The Conference substitute adopts the Senate provision with an amendment that provides \$50,000,000 in mandatory funding for 2019 and \$25,000,000 for 2020 and maintains an authorization of appropriations of \$75,000,000 through fiscal year 2023. (Section 9003)

The Managers intend that the program entitled “Biorefinery Assistance”, which provides loan guarantees for the construction and retrofitting of biorefineries, be available to advanced biofuel, renewable chemical, or biobased product manufacturing facilities.

The Managers expect the Secretary to implement Section 9003, Biorefinery Assistance as soon as possible in fiscal year 2019. The Managers intend that the Office of Management and Budget completes the review of all loan proposals within 30 days of receipt.

The Managers expect the Secretary to ensure that all biobutanol manufacturers can qualify for the biorefinery assistance program as an advanced biofuel, regardless of their feedstock.

*(4) Repowering assistance program*

The House bill authorizes to be appropriated \$10 million annually for fiscal year 2014 through fiscal year 2023 and eliminates the mandatory funding provision. (Section 6404)

The Senate amendment repeals section 9004 of the Farm Security and Rural Investment Act of 2002. (Section 9104)

The Conference substitute adopts the Senate provision. (Section 9004)

*(5) Bioenergy program for advanced biofuels*

The House bill modifies the equitable distribution portion of the program by limiting the amount of payments for advanced biofuel produced from a single eligible commodity to not exceed one-third of the total program funding available in a fiscal year. It authorizes to be appropriated \$50 million annually for fiscal year 2019 through fiscal year 2023 and eliminates the mandatory funding provision. (Section 6405)

The Senate amendment amends discretionary funding, providing \$15 million for fiscal year 2019 through fiscal year 2023. It provides for mandatory funding at \$15 million for each year fiscal year 2019 through fiscal year 2023. (Section 9105)

The Conference substitute adopts the House provision with an amendment that authorizes \$7,000,000 in mandatory funding for fiscal years 2018 through 2023 and maintains an authorization of appropriations in the amount of \$20,000,000 for fiscal years 2019 through 2023. (Section 9005)

The Managers urge USDA to utilize the Bioenergy Program for Advanced Biofuels to make payments equally on all eligible advanced bioenergy production, replacing the current structure that provides separate payments for base and incremental production. Public comments received during the previous rulemaking process for this program indicated the current structure creates unnecessary and burdensome record-keeping requirements. USDA never issued a final rule and the program continues to operate under an interim final rule with the existing base and incremental payment structure.

*(6) Biodiesel fuel education program*

The House bill authorizes to be appropriated \$2 million annually for fiscal year 2019 through fiscal year 2023 and eliminates mandatory funding for the program. (Section 6406)

The Senate amendment authorizes to be appropriated \$2 million annually for fiscal year 2019 through fiscal year 2023. (Section 9106)

The Conference substitute adopts the House provision. (Section 9006)

The Managers encourage USDA to continue to fund competitively awarded Biodiesel Education Program grants through existing annual budgetary accounts.

*(7) Rural energy for America program*

The House bill maintains an appropriated level of \$20 million annually for fiscal year 2014 through fiscal year 2023. It limits mandatory funding to fiscal year 2014 through fiscal year 2018 and provides a categorical exclusion for electric generating facilities with a capacity of 10 megawatts or less in the program from having to prepare environmental assessments or an environmental impact statement. (Sections 6407 & 6408)

The Senate amendment allows for the purchase and installation of efficient energy equipment or systems to qualify for loan guarantees and grants provided under this section. It strikes the reporting provision enacted in the Food, Conservation, and Energy Act of 2008. Additionally, the Senate amendment reauthorizes appropriations at \$50 million for fiscal year 2019 through fiscal year 2023 and maintains mandatory baseline funding of \$50 million per year. (Section 9107)

The Conference substitute adopts the Senate provision with an amendment clarifying that agricultural producers are eligible for loan guarantees for the purchase and installation of energy efficient equipment or systems for agricultural production or processing, clarifying limitations on the loan guarantees for energy efficient equipment, and establishing that total funding for these systems shall not exceed 15% of the funds available to the program. (Section 9007)

The Managers intend that for loan guarantees made under Section 9007 (c)(1)(A)(ii) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107), those loans shall be made to achieve additional energy efficiency beyond what the producer would otherwise need to install. If the producer is building a new structure for production purposes, the additional efficiency should come on top of what would already be required to make a business case for the project to be successful. Through guaranteed loans made under (c)(1)(A)(ii), the purpose and goals of the Rural Energy for America Program shall be maintained by requiring additional efficiency above a baseline determined by the requirements under (c)(1)(A)(ii).

The Managers intend for USDA's determination of applicability under (c)(1)(B) that USDA compare only such equipment and systems that perform the same agricultural production function.

When determining the applicability of (c)(1)(B), the Managers intend that USDA consider the availability of energy efficient equipment or systems that could be used in general for the same purpose. For example, several options exist for high efficiency lighting equipment that may be used in agricultural production. However, if an eligible producer wishes to apply for the loan guarantee to purchase or install proprietary high efficiency lighting equipment that may also be used to grow agricultural products, the Secretary shall consider the proprietary equipment as meeting the obligation of more than one type of equipment being available.

The Managers recognize that the assorted methods of renewable electricity generation that qualify for financial assistance under the Rural Energy for America Program (REAP) are treated differently regarding whether or not a given project may qualify for a categorical exclusion from the need to provide additional documentation under the National Environmental Policy Act (NEPA). Under current regulations solar, wind, biomass, and various distributed technologies have different standards.

The Managers suggest that, in order to harmonize these regulations and facilitate additional deployment of renewable energy systems that do not have a significant impact on the environment, the Secretary consider an update of the relevant regulations to allow any solar, wind, or biomass project that has a rating of 10 megawatts or less, and which has undergone an extraordinary circumstances analysis and submitted an environmental report the Secretary finds acceptable to fulfill the necessary requirements under NEPA, to be designated as being categorically excluded from any requirement to prepare or publish a "Notice of Availability of the EA" or participate in a public review and comment period. Additionally, the Managers suggest the Secretary consider a similar harmonization and update of the relevant regulations regarding the availability of a categorical exclusion for small scale renewable and distributed energy projects that involve no or minimal alterations in the physical environment and typically occur on previously disturbed land.

*(8) Biomass crop assistance program*

The House bill authorizes to be appropriated \$25 million annually for fiscal year 2019 through fiscal year 2023 and eliminates the mandatory funding provision. (Section 6411)

The Senate amendment adds algae as an eligible material and clarifies material harvested for the purpose of hazardous woody fuel reduction qualifies for matching payments. It authorizes appropriations of \$20 million annually for fiscal year 2019 through fiscal year 2023 and reauthorizes the program with \$25 million of mandatory funding for each annual fiscal year 2019 through fiscal year 2023. (Section 9110)

The Conference substitute adopts the House provision with an amendment that adds algae as an eligible material under the program. (Section 9010)

*(9) Biogas research and adoption of biogas systems*

The Senate amendment inserts a new section after section 9011 of title IX of the Farm Security and Rural Investment Act of 2002, establishing an Interagency Biogas Opportunities Task Force to coordinate policies and programs to accelerate biogas research and investment in biogas systems. It also authorizes a study on advancing biogas markets and analyzing data related to biogas systems. (Section 9111)

The House bill contains no comparable provision.

The Conference substitute does not adopt the Senate provision.

The Managers intend that USDA coordinate policies and programs to accelerate biogas research and investment in biogas systems, while also studying ways to advance biogas markets and analyze data related to these systems.

Not later than 180 days after the date of enactment of the Agriculture Improvement Act of 2018, the Secretary in coordination with the Secretary of Energy and

the EPA Administrator shall establish an Interagency Biogas Opportunities Task Force building upon the existing Biogas Opportunities Working Group. The Task Force will coordinate policies, programs, and research to accelerate biogas research and investment in cost-effective biogas systems. The Task Force shall be composed of the head of each Federal office responsible for biogas research or biogas system financing, including a representative from the Department of Agriculture, the Department of Energy, the Environmental Protection Agency, and National Renewable Energy Laboratory. The Task Force will also have representation of 1 or more representatives of State or local governments, 1 or more nongovernmental or industry stakeholders, and a community stakeholder.

The Task Force shall evaluate and improve the coordination of loan and grant programs of the Federal agencies represented on the Task Force to broaden the financing options available for biogas systems. It will also explore how to enhance opportunities for private financing of biogas systems; review Federal procurement guidelines to ensure that products of biogas systems are eligible for and promoted by applicable procurement programs of the Federal Government; evaluate the development of North American Industry Classification System and North American Product Classification System codes for biogas and biogas system products; review opportunities and develop strategies to overcome barriers to integrating biogas into electricity and renewable natural gas markets; develop tools to broaden the market for non-energy biogas system products; provide information on the ability of biogas system products to participate in markets that provide environmental benefits; identify and investigate research gaps in biogas and anaerobic digestion technology; including research gaps in environmental benefits, market assessment; and performance standards; assess the most cost-effective voluntary investments in biogas to reduce waste and methane emissions; and identify and advance additional priorities, as determined by the Task Force.

Not later than 18 months after the date of the establishment of the Task Force, the Task Force shall submit to Congress a report that identifies whether it was able to carry out the duties outlined above and include recommendations on how Congress should prioritize policies and technological opportunities, aimed at expanding the biogas industry. The report shall also consider recommendations on how to eliminate barriers to investment in biogas systems in the landfill, livestock, wastewater, and other relevant sectors; and to enhance opportunities for private and public sector partnerships to finance biogas systems. Two years after the establishment of the Task Force it shall identify, collect, and analyze environmental, technical, and economic performance data relating to biogas systems, including the production of energy of biogas systems, co-products, greenhouse gas and other emissions, water quality benefits, and other data necessary to develop markets for biogas and biogas system co-products. This data shall be made public.

*(10) Community wood energy program*

The House bill expands the program to provide financial assistance for the installation of public or private wood energy systems and the construction of manufacturing or processing plants that use or produce innovative wood products. It changes the name to the “Community Wood Energy and Wood Innovation Program” and authorizes appropriations of \$25 million annually from fiscal year 2019 through fiscal year 2023. (Section 8106)

The Senate amendment authorizes appropriations of \$5 million annually from fiscal year 2019 through fiscal year 2023. (Section 9112)

The Conference substitute adopts the House provision with an amendment establishing priorities for grant awards, and relocates the section to the Forestry title. (Section 8106)

*(11) Carbon utilization and biogas education program*

The Senate amendment adds a new section authorizing the Secretary to provide grants to eligible entities for educating the public and biogas producers about the benefits of carbon sequestration. It authorizes appropriations of \$2 million annually for fiscal 2019 through fiscal year 2023 and authorizes \$2 million in mandatory funding for each year fiscal year 2019 through fiscal year 2023. (Section 9113)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that clarifies the objective of the public education should be about the benefits and opportunities to rural businesses, communities, and utilities serving rural communities. Further, the amendment clarifies that eligible entities shall also provide education to agricultural producers and other stakeholders. Lastly, the amendment strikes the inclusion of the mandatory funding provision. (Section 9011)

The Managers intend that grants made under Section 9014 shall be made to agricultural producers and other rural entities.

## Title X - Horticulture

### *(1) Local agriculture market program*

The House bill eliminates Commodity Credit Corporation (“CCC”) funding for the Value-Added Agricultural Producer Grant (“VAPG”) program. It also increases the authorization of appropriations level for VAPG to \$50 million for each of FY 2019-2023. Additionally, the House bill eliminates CCC funding for both the Local Food Promotion Program (“LFPP”) and Farmers Market Promotion Program (“FMPP”). It authorizes appropriations LFPP and FMPP of \$30 million for each of FY 2019-2023. (Sections 9002 & 6501)

The Senate amendment combines the purposes and coordinates the functions of the FMPP and LFPP established under section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 and the VAPG grants under section 231(b) of the Agricultural Risk Protection Act of 2000. It directs the Secretary to streamline and simplify the program, as well as to connect producers with local food markets and value-added agricultural product opportunities. There is additional authority for grants to support partnerships. Section 210(i)(1) provides \$60 million in CCC funds for FY 2019 and each fiscal year thereafter. Section 210(i)(3) requires 47% of available funds to be used for farmers’ market and local food promotion grants. (Section 10102)

The Conference substitute adopts the Senate provision with an amendment that provides separate requirements to be considered as an eligible entity for value-added producer grants from the farmers’ markets and local food promotion program. The substitute also provides for several program purposes specific to the previous authority for the value-added producer grants. Finally, the amendment provides for \$50 million in CCC funds for FY2019 and each fiscal year thereafter, to remain available until expended. (Section 10102)

The Managers recognize the increasing demand for local food and value added production, so the Conference Substitute includes \$500 million in mandatory funding for the Local Agriculture Market Program (LAMP), which combines the Value Added Producer Grant program (VAPG) and the Farmers Market Promotion Program (FMPP) and the Local Food Promotion Program (LFPP). The Managers have provided permanent funding for this program to ensure that the program have baseline funding hereafter. The Managers have agreed to form the LAMP to encourage USDA to utilize administrative efficiencies and increase coordination between Rural Development (RD) and Agricultural Marketing Service (AMS) particularly through state and regional USDA offices, with producers who are eligible for these programs while preserving each program’s core functions and constituencies. The Managers intend for each program’s statutory authority, mission, grant priorities and activities to be retained as before. In addition to administrative efficiency and increased coordination, combining these programs will provide additional support for local and regional food system infrastructure, regional supply chain coordination, and new food and agricultural products.

The combined program includes a new focus on regional partnerships to encourage a multi-stakeholder approach to local food system development, while leveraging additional funds and providing technical assistance to eligible entities. The Managers intend that grants awarded to partnerships be received and managed by either an eligible entity or entities or partner or partners depending on the terms of the partnership agreement or the application submitted to USDA. One of the goals of a

partnership is to alleviate unnecessary administrative and technical barriers for any applicant participating in a partnership. The Conference Substitute includes provisions regarding education, outreach, and application assistance duties for partners, which the Managers view as an important component for developing local and regional food systems in low-income and underserved communities.

The Managers intend that eligible entities for the farmers market and local food grants, who participate in regional partnerships, may apply for funding for both the partnership and grant program in a single application.

The Managers are aware of past stakeholder confusion regarding the definition of direct producer sales that do not involve an intermediary such as a food hub. It is the Managers intent to support the development, coordination, and expansion of direct producer-to-retail, direct producer-to-restaurants and direct producer-to-institutional marketing as part of supporting the development, coordination and expansion of direct producer-to-consumer marketing through LAMP.

The Managers recognize that farmer cooperatives efficiently spread the benefits of the VAPG, including within LAMP, among a large number of producers in the aggregate. Cooperatives by their nature bring many producers together who individually do not have the size, expertise and resources to take advantage of the value chain beyond the farm gate, and they give them the opportunity to profit from those down-stream activities. Therefore, funds invested and the benefits of projects generated by cooperatives through the VAPG are distributed to a wide number of producers. Likewise, by investing in initiatives of cooperatives, such projects lower the overall costs to the government in program administration per individual farmer that benefits. Therefore, the Managers direct USDA to continue to treat cooperatives as a priority in administering the VAPG of LAMP.

## *(2) Organic certification*

The House bill directs the Secretary of Agriculture (the “Secretary”) to issue regulations to limit the type of organic operations that are excluded from certification. The bill further requires the Secretary to modernize trade tracking and data collection systems, including full traceability, as well as a report to Congress regarding investigations and compliance actions. It authorizes the Secretary to oversee and approve a certifying agent in a foreign country and provides for annual certification.

The House bill also directs the Secretary to establish expedited and emergency procedures related to food, crop, or human safety for placing a substance on the National List. The provision allows for an employee of an owner or operator of an organic farming operation to represent the owner or operator on the National Organic Standards Board (NOSB) and allows for the convening of a task force to consult with the Food and Drug Administration (“FDA”) or Environmental Protection Agency (“EPA”) when deciding if a substance that has been determined safe within the meaning of the Federal Food, Drug, and Cosmetic Act, or determined by the EPA to not be harmful, should be included on the National List.

The House bill authorizes sharing of certain information during an investigation. It also authorizes a certifying agent to require additional information from a producer and handler under certain circumstances, and authorizes access to cross border documentation systems. The section requires the \$5 million of CCC funds provided be available for

modernization of trade and data collection and to maintain current database and technology upgrades. (Section 9006)

The Senate amendment directs the Secretary to issue regulations to limit the type of organic operations that are excluded from certification, amends the definition of “certifying agent”, and defines the term “national organic program import certificate”. The amendment requires an import certification for imports represented as organic in the U.S. It further requires the Secretary to establish a tracking system, modernize trade tracking and data collection systems, including full traceability, and provide a report to Congress on organic imports. It authorizes the Secretary to oversee a certifying agent in a foreign country and provides the certification be for a period of time consistent with the certification of a domestic certifying agent.

The provision also requires that a vote on an amendment to the National List receives 2/3 of the votes when a quorum is present.

The Senate amendment authorizes sharing of certain information during an investigation and for the review of an accreditation of an agent in a foreign country and provides access to cross border documentation systems. It authorizes an organic agricultural product imports interagency working group. The section requires \$5 million of CCC funds be provided for data collection. Finally, the section requires certain provisions be carried out in a manner consistent with all trade obligations. (Section 10104)

The Conference substitute adopts the Senate provision with an amendment providing for the oversight of foreign and domestic certifying offices as well as notice and process regarding new and suspended certifications. The amendment also adopts the House provision regarding additional documentation and verification.

The amendment adopts the House provision regarding employees of an owner or operator of an organic farming operation to represent the owner or operator on the NOSB. (Section 10104)

The Managers recognize that fraudulent organic imports have the potential to unfairly damage the reputation of the National Organic Program’s (NOP) organic certification system and undercut domestic sales of certified organic products. Therefore, the Managers agreed to provisions from both the House-passed bill and Senate Amendment that are intended to provide the Secretary with better data, information-sharing and clarity of authority to identify and prevent known compliance risks to the NOP, particularly those imported from certifiers, handlers, or producers not accredited or certified by USDA or covered under an organic equivalency agreement. The Managers intend for these measures to be consistent for all products covered under the NOP. The Managers adopted and are applying a trade savings provision to ensure USDA implementation does not inhibit trade in organic agricultural products that are otherwise certified and following NOP standards, as well as other trade protocols.

The Managers encourage improved coordination between Federal agencies that oversee import protocols and agencies responsible for organic certification and enforcement in order to ensure information sharing and response in cases of potential fraud. Since the NOP is a marketing and process-oriented program, the Managers provide funding for the Secretary to establish and utilize more modern systems and method to share data with other agencies both within USDA, between the Animal and Plant Health Inspection Service (APHIS), AMS, and Foreign Agricultural Service (FAS), as well as outside of USDA, particularly U.S. Customs and Border Protection. In addition, the

Conference Substitute adopts a provision authorizing the Secretary to require producers and handlers of imported organic products, in cases of a known NOP compliance risk, to provide additional documentation, including an NOP import certificate, as long as this additional information is not more than is otherwise required under an equivalency agreement negotiated between the United States and the foreign government. The Managers codified the oversight authority of the Secretary to accredit certifying agents operating in a foreign country as well as certifying offices and foreign operations located within the United States. The Managers intend for the Secretary to implement these measures to be consistent with such standards and information as are required for domestic producers and handlers within the NOP.

The Managers appreciate the role of the National Organic Standards Board (NOSB) as an advisory board that is governed by the Federal Advisory Committee Act (FACA) and works with the AMS to consider and offer recommendations on a wide range of issues involving the production, handling, and processing of organic products. The Managers expect the Board and AMS to be transparent and adhere to the best science and technical assistance available, including from other science agencies, to provide certainty and predictability to the agricultural community and consumers.

The Managers codified USDA measures and NOSB procedures, currently in practice, to provide certainty to producers and users of the NOP. The Conference Substitute adopts subsection (e) of Sec. 10104 of the Senate Amendment to require 2/3 of the votes cast at an NOSB meeting at which a quorum is present to be a decisive vote regarding changes made to the organic “National List”. The Conference Substitute adopts Subsection (c) of section 9006 of the House bill to allow for an employee of an organic farming operation to represent the owner or operator on the NOSB. An employee of an organic farming operation, organic handling operation, or organic retail establishment, as designated by the owner or company, may be any employee, including a farmworker or minimum wage employee

The Managers expect the NOSB, when reviewing potential amendments to the National List, to consider the findings, supporting data, and technical assistance made available by the U.S. Environmental Protection Agency to evaluate the safety and consumer health effects of pesticides registered for use, and consider the findings, supporting data, and technical assistance made available by the U.S. Food and Drug Administration to evaluate the safety and consumer health of food additives. Given the continued urgency in producer implementation of food safety standards and requirements, the Managers encourage the NOSB, while following the material review requirements established in the Organic Foods Production Act, to establish procedures for timely consideration and review of materials directly related to food safety compliance for inclusion on the national list.

### *(3) National organic certification cost-share program*

The Senate amendment strikes the directed delegation clause to the AMS and authorizes \$11.5 million of CCC funds for each of FY 2019-23, to remain available until expended. There is no authorization of appropriations. (Section 10105)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that provides \$24 million of CCC funds for FY 2019-2023. (Section 10105)

The Managers recognize that organic cost-share assistance is an important

resource for farmers desiring to transition into organic production or to obtain organic certification. In FY2017, the USDA transferred administration of the National Organic Certification Cost Share Program from the Agriculture Marketing Service to the Farm Service Agency. During this transfer, USDA obligated a fraction of the mandatory funding made available for organic cost-share assistance. The Managers direct the Secretary to expend all carryover funding that was made available for the National Organic Certification Cost Share Program, from fiscal years 2014 through 2018, during fiscal years 2019 through 2023. The Managers also direct the Secretary to develop and implement an outreach plan to reach organic farmers interested in organic cost-share assistance.

*(4) Specialty crop block grants*

The House bill amends the administrative requirements of the program to include and develop (in consultation with the Secretary) an evaluation of performance through cooperative agreements with State Departments of Agriculture and stakeholders to periodically evaluate the program. It authorizes the Secretary to use \$5 million each fiscal year 2018-23 towards multistate projects and adds new grant purposes. (Section 9004)

The Senate amendment provision amends state plan requirements to enhance the competitiveness of specialty crops at the national, regional and local levels. It also includes performance measures in the state plan developed by the State department of agriculture, in consultation with stakeholders. The Senate amendment requires the state plan to identify best practices for methods to enhance the competitiveness of specialty crops, requires an application meet the state plan requirements, adds an annual evaluation requirement regarding performance measures for States receiving a grant, and increases the cap on administrative expenses to 4 and 9 percent for the Secretary and States respectively. The section also requires the Secretary to provide guidance to States regarding best practices and priorities prior to the submission of State plans each year. It requires stakeholder input be used to develop priorities and considered by the Secretary as States develop a plan under eligibility requirements, clarifies the Administrator shall administer funds of approved multistate projects, and authorizes the Secretary to use \$5 million each fiscal year thereafter towards multistate projects. (Section 10107)

The Conference substitute adopts the House provision with an amendment that clarifies the Secretary may directly administer multistate projects for applicants in a nonparticipating-State and provides for the evaluation of the grant program. (Section 10107)

The Managers intend for the Specialty Crop Block Grant Program to be a state-driven program that improves the competitiveness and meets the priorities of specialty crop producers. The Managers are cognizant of the reporting challenges imposed at the Federal level on States administering Specialty Crop Block Grants and have therefore elaborated on those crop priorities to guide, in a cooperative manner, grant applicants, state departments of agriculture, and USDA on the state plan requirements, performance measures and evaluations needed to properly allocate resources. To broaden specialty crop stakeholder access to multi-state projects, the Managers adopted a modification to allow USDA to directly administer all aspects of multi-state projects for applicants in a nonparticipating state.

*(5) Plant variety protection*

The House bill defines the term “asexually reproduced”, adds asexual multiplication as an act constituting infringement of plant variety protection, and protects asexual reproducible plant material from certain acts in connection with sale, offering for sale or advertising. (Section 9005)

The Senate amendment is identical to section 9005(b) of the House bill. (Section 10108)

The Conference substitute adopts the House provision. (Section 10108)

The Managers recognize the importance of expanding the scope of the Plant Variety Protection Act to provide the same rights and protections provided to breeders of asexually propagated plants. The Managers expect the Department of Agriculture to promulgate the necessary rules and guidance to implement these amendments to the Plant Variety Protection Act no later than 1 year after the date of enactment of this Act.

*(6) Multiple crop and pesticide use survey*

The Senate amendment authorizes a multiple crop and pesticide use survey. (Section 10109)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with modification to include \$500,000 of CCC funding for FY 2019, to remain available until expended. (Section 10109)

The Managers recognize the importance of crop protection tools as crucial technologies for helping farmers prevent, manage, and eradicate pests and plant diseases that threaten crop production yields. The Managers intend for the Secretary of Agriculture, acting through the Office of Pest Management Policy, to conduct crop and pesticide use surveys for a variety of crops for the use of risk assessment modeling and mitigation for active ingredients. The Managers intend for the multiple crop and pesticide use surveys to be conducted frequently and in a timely manner to allow the Office of Pest Management Policy sufficient time to respond to the Environmental Protection Agency’s 60-day comment periods related to pesticide registrations. The Managers direct the Secretary of Agriculture to work with the Office of Management & Budget (OMB) to gain approval of a generic clearance for the purposes of this provision to meet the requirements of information collection review under the Paperwork Reduction Act (and as outlined in an April 7, 2010, OMB Memorandum for the Heads of Executive Departments and Agencies, and Independent Regulatory Agencies regarding information collection under the Paperwork Reduction Act). The generic clearance is necessary for the Department of Agriculture to gather and accurately communicate to the Environmental Protection Agency information regarding the agricultural community’s actual use patterns and mitigations in order for the Environmental Protection Agency’s final decisions to be more probabilistic and therefore more accurate and data based.

*(7) Clarification of use of funds for technical assistance*

The Senate amendment excludes technical assistance under this title of the 2018 farm bill from section 111 CCC cap. (Section 10110)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 10112)

*(8) Hemp production*

The Senate amendment provision amends the Agricultural Marketing Act of 1946 to allow States to regulate hemp production based on a state or tribal plan. The amendment requires that such plan includes information on locations of hemp production, testing for THC concentration, disposal of plants that are out of compliance, and negligence or other violations of the state or tribal plan. It requires the Secretary to establish a plan, in consultation with the U.S. Attorney General, for States and tribes without USDA approved plans to monitor and regulate hemp production. The section clarifies that nothing in this subtitle affects or modifies the Federal Food, Drug, and Cosmetic Act or authorities of the HHS Secretary and FDA Commissioner and clarifies that nothing in this title authorizes interference with the interstate commerce of hemp. (Sections 10111 & 10112)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendment, including auditing authority and a grandfather clause regarding program participation. (Sections 10113 and 10114)

In Sec. 297A, the Managers intend to clarify, within the hemp production subtitle, that hemp is defined as the plant *cannabis sativa* L, or any part of that plant, including seeds, derivatives, and extracts, with a delta-9 tetrahydrocannabinol (THC) concentration of not more than 0.3 percent on a dry weight basis.

In Sec. 297B, the Managers intend to authorize states and tribal governments to submit a state plan to the Secretary for approval to have primary regulatory authority over the growing and production of hemp. The Managers do not intend to limit what states and tribal governments include in their state or tribal plan, as long as it is consistent with this subtitle. For example, states and tribal governments are authorized to put more restrictive parameters on the production of hemp, but are not authorized to alter the definition of hemp or put in place policies that are less restrictive than this title.

Within 60 days of receiving a state or tribal plan, the Secretary must approve or deny the plan. The Secretary is required to consult with the Attorney General regarding the approval or denial of state plans, but the Managers intend for the final decision to be made by the Secretary. The consultation with the Attorney General should not alter the 60 day requirement to approve or deny a plan.

The Managers authorized the Secretary to audit state and tribal compliance with an approved plan and take corrective action, including revoking approval, based on a state or tribal government's noncompliance, as appropriate. The Managers intend to allow state and tribal governments to appeal decisions by the Secretary pertaining to a state or tribal plan for hemp production and do not intend to preclude a state or tribal government from resubmitting a new state or tribal plan for consideration at a later date. If a state or tribal plan is denied or revoked, the Managers intend for hemp production in that state or tribal area to fall under the Secretary's jurisdiction as authorized in section 297C.

The Secretary is authorized to provide technical assistance to states and Indian tribes to aid in the development of a state or tribal plan.

The Managers define negligent and other types of producer violations that require enforcement under a state or tribal plan. The Managers also set limits on who may participate in state or tribal plans. Any person convicted of a felony relating to a controlled substance shall be ineligible to participate under the state or tribal plan for a

10-year period following the date of the conviction. However, this prohibition shall not apply to producers who have been lawfully participating in a state hemp pilot program as authorized by the Agricultural Act of 2014, prior to enactment of this subtitle.

Subsequent felony convictions after the date of enactment of this subtitle will trigger a 10-year nonparticipation period regardless of whether the producer participated in the pilot program authorized in 2014. Additionally, anyone who materially falsifies any information in their application to participate in hemp production through a state, tribal, or USDA plan shall be ineligible.

In Sec. 297C, the Managers intend to require the Secretary to develop a USDA plan or plans to be implemented in states and tribal territories that forego developing and submitting a state or tribal hemp production plan. The Managers expect the USDA plan or plans to meet the same content requirements as state and tribal plans in Sec. 297B. The USDA plan may contain, as determined by the Secretary, additional practices and procedures that are otherwise consistent with this subtitle. It is the Managers intent that the Secretary have discretion regarding the appropriate number of plans, one or more than one, needed to implement Sec. 297C.

The Managers require the Secretary to collect, maintain, and make accessible to Federal, state, territorial, and local law enforcement, real-time information regarding the status of a license or other authorization for all hemp producers, whether participating under a state, tribal, or USDA plan. The Managers encourage the Secretary to develop a memorandum of understanding with Federal law enforcement agencies to define the parameters of this system and to potentially share the costs of such information sharing system.

In Sec. 297D, the Managers clarify that the Secretary has the sole authority to issue guidelines and regulations regarding the production of hemp. However, nothing in this subtitle shall affect or modify the authority granted to the Food and Drug Administration and the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) or section 351 of the Public Health Service Act (42 U.S.C. 262), including for hemp-derived products. The Secretary is required to consult with the Attorney General on the promulgation of regulations, but ultimately, the regulations shall only be issued by the Secretary of Agriculture. To ensure that the Secretary moves forward with issuing regulations in as timely a fashion as possible, the Secretary shall periodically report to Congress with updates regarding implementation of this title.

While states and Indian tribes may limit the production and sale of hemp and hemp products within their borders, the Managers, in Sec. 10112, agreed to not allow such states and Indian tribes to limit the transportation or shipment of hemp or hemp products through the state or Indian territory.

#### *(9) Recognition and role of State lead agencies*

The House bill amends section 2(aa) of the Federal Insecticide, Fungicide, and Rodenticide Act (“FIFRA”) to include a definition of “State lead agency” for the purposes of FIFRA. It amends section 22(b) of FIFRA by limiting regulations to those promulgated by the EPA or within the authority of a State lead agency. The subsection further amends section 23(a)(1) of FIFRA to authorize States or Tribes to establish and maintain uniform regulation of pesticide through cooperative agreement with the Administrator of the EPA (“Administrator”). The section further amends section 24(a) of

the FIFRA to restrict the authority of a political subdivision of a State to regulate a pesticide beyond the Federal limits. Additionally the House bill amends section 25(a)(2) of FIFRA by requiring the Administrator to publish any comments regarding prescribed regulations promulgated pursuant to FIFRA from the Secretary or any State lead agency in the *Federal Register*, including any response to the comments, if such comments are received within 30 days of receipt of a copy of any such regulation. The section further allows for the Secretary or a State lead agency to request that any comments sent to the Administrator regarding prescribed regulations promulgated pursuant to FIFRA within 15 days of receipt of a copy of the regulation, including any responses to the comments, be published in the *Federal Register*. (Section 9101)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(10) Pesticide registration and use*

The House bill amends section 3(c)(5) of the FIFRA to require the Administrator of the EPA to register a pesticide if the Administrator determines that the pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species. It further amends section 3 to require the Administrator to use the best scientific and commercial information available, which may include species and habitat information from the Secretary of Interior or Secretary of Commerce, and consider all restrictions on use when considering the criteria for the registration of a pesticide. The Administrator shall not be required to consult or communicate with the Secretary of the Interior or the Secretary of Commerce under the authority of any other statute when making such determination, unless otherwise petitioned by the registrant of the pesticide. The House bill amends section 3(c)(7) of FIFRA to require the Administrator to conditionally register or amend the registration of a pesticide under special circumstances if the Administrator determines that the pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species. The House bill amends section 3(g)(1)(A) of FIFRA to require the Administrator to complete the determination, and subsequent periodic reviews, that a pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species, over the following schedule: by October 1, 2026 for an active ingredient first registered on or before October 1, 2007; by October 1, 2033 for an active ingredient first registered between October 1, 2007 and the day before enactment; and not later than 48 months after the effective date of registration for an active ingredient registered on or after the date of enactment. The House bill amends section 5(a) of FIFRA to require the Administrator, when issuing an experimental use permit for a pesticide, to determine that the pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species. The House bill amends section 6(b) of FIFRA to require the Administrator, when issuing a notice to cancel or change the classification of a pesticide, to determine that the pesticide, when used in

accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species. The House bill amends section 12 of FIFRA to clarify that any taking of a federally listed threatened or endangered species resulting from the lawful use of a pesticide determined by the Administrator to meet the criteria specified in section 3(c)(5)(A)(v) is not considered unlawful. The House bill amends section 24(c) of FIFRA to require the Administrator, when denying a State pesticide registration, to determine that the pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species. The House bill directs the Administrator to publish and continue to review a work plan for completing required determinations and implementing and enforcing registration standards. (Sections 9111, 9112, 9113, 9114, 9115 & 9116)

The Senate amendment contain no comparable provision.

The Conference substitute adopts the House provision with an amendment that establishes an interagency working group and requires certain reports in section 3 of FIFRA. (Section 10115)

*(11) Use of authorized pesticides; Discharge of pesticides*

The House bill amends section 3(f) of FIFRA to direct the Administrator or a State to not require a permit under the Federal Water Pollution Control Act for a discharge from a point source into navigable waters. It also amends section 402 of the Federal Water Pollution Control Act by adding new subsection(s) to prevent the Administrator or a State from requiring a permit for a discharge into navigable waters of a pesticide authorized under FIFRA except under listed circumstances. (Sections 9117 and 9118)

The Senate amendment contain no comparable provision.

The Conference substitute deletes the House provision.

*(12) Enactment of Pesticide Registration Improvement Enhancement Act of 2017*

The House bill enacts H.R. 1029. (Section 9119)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(13) Methyl bromide*

The House bill amends section 419 of the Plant Protection Act to clarify the authorized uses of methyl bromide. It allows the Secretary of Agriculture or a State, local, or Tribal authority to authorize the qualified use of methyl bromide in response to an emergency event. Subsection (a) also requires that any State, local, or Tribal authority that authorizes such use notify the Secretary within 5 days of such determination. A State, local, or Tribal authority may not authorize the use of methyl bromide if the Secretary objects to the use within 5 days of the notification. The House bill requires that a notification by any State, local, or Tribal government contain a certification of the authorization to use methyl bromide in response to an emergency event, a description of the emergency event and the economic loss that would result from such event, contact information for a designated responsible individual of the authority, the location of the

emergency event including the total acreage of the event, the identity of the pests to be controlled, the total volume of methyl bromide to be used, and the anticipated date of such use. It allows the Secretary to object to an authorization of use within 5 days of receipt of notification by a State, local, or Tribal authority. The Secretary shall provide notification of the objection in writing, including reasons for such objection and any additional information that the Secretary would require to withdraw the objection. The Secretary may object to an authorization if the Secretary determines the notification does not contain all the information required, does not demonstrate the existence of an emergency event, or the qualified use does not comply with the enumerated limitations on use. Subsection (c) also allows the Secretary to withdraw an objection if, within 14 days of the transmission of the notification for authorized use, the State, local, or Tribal government submits additional information to the satisfaction of the Secretary. Upon issuance of the withdrawal, the State, local, or Tribal authority may authorize the use of methyl bromide subject to the limitations of qualified use. The House bill deems the production, distribution, sale, shipment, application, or use of a pesticide containing methyl bromide pursuant to an authorization under this section to also be authorized under FIFRA, regardless of whether the use is registered under FIFRA, and included on the approved label for the product. The section limits the amount of methyl bromide that may be used per specific location of an emergency to 20 metric tons. Further, the aggregate amount of methyl bromide that may be used in the U.S. in a calendar year shall not exceed the total amount authorized by the Montreal Protocol on Substances that Deplete the Ozone Layer for critical use in the U.S. in calendar year 2011. It allows for the production or importation of methyl bromide in response to an emergency event notwithstanding any other provision of law, gives the Secretary exclusive authority for determining which species are considered quarantine pests, and includes definitions of relevant terms such as “emergency event,” “pests,” and “qualified use”. (Section 9121)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that requires a study on methyl bromide use in response to an emergency event. (Section 10116)

The Managers intend that the Secretary of Agriculture engage substantively with the Secretary of State and the Administrator of the Environmental Protection Agency throughout the planning and conduct of the study, and in formulating any recommendations resulting from the study. The Managers intend that the definition of “emergency event” in this section only apply for the purposes, and the duration, of the study.

*(14) Preventing the arrival in the United State of forest pests through restrictions on the importation of certain plants for planting*

The House bill addresses cooperation between the Animal and Plant Health Inspection Service and the Forest Service to intercept tree and wood pests and would require a report on the interception of forest pests. (Section 9122)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that authorizes a report on forest pests. (Section 10110)

*(15) Report on regulation of plant biostimulants*

The House bill authorizes a report on plant biostimulant products and defines the term “plant biostimulant”. (Section 9201)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with amendment authorizing a study including authority for the Secretary to modify the description of plant biostimulant. (Section 10111)

The Managers recognize the importance of plant biostimulants as an emerging technology for production agriculture. The Managers intend for the Secretary of Agriculture, in consultation with Administrator of the EPA, States, and relevant stakeholders, to provide a report to Congress that identifies any potential regulatory, non-regulatory, and legislative recommendations, including the appropriateness of any definitions for plant biostimulants. The Managers intend for this report to facilitate the regulatory framework for plant biostimulant products and ensure the efficient and appropriate review, approval, uniform national labeling, and availability of these products to agricultural producers.

## Title XI – Crop Insurance

### *(1) Definitions*

The Senate amendment defines “cover crop termination” and “hemp” as used in the Federal Crop Insurance Act (the “Act”). (Section 11101)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 11101)

### *(2) Data collection*

The Senate amendment amends section 506(h)(2) of the Act to require appropriate data collected by the National Agricultural Statistics Service (NASS) and through the Noninsured Crop Disaster Assistance Program (NAP) be provided to the Federal Crop Insurance Corporation (FCIC). The data must be provided in an aggregate form. (Section 11102)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 11102)

The Managers intend that any additional information made available from the Farm Service Agency (FSA) related to NAP records, which could assist with new product development, be shared with the applicants under section 11103.

### *(3) Sharing of records*

The Senate amendment amends section 506(h)(3) of the Act to require the Secretary to share records with private developers of crop insurance products who have received payment under section 522(b)(2)(E) related to crop insurance policy research and development costs. (Section 11103)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 11103)

The Managers intend that the sharing of records be limited to policies directly being developed by the applicants.

### *(4) Use of resources*

The Senate amendment amends section 507(f) of the Act to update the resources, data, boards, and the committees the Board should use within the Department, including sharing information to support the transition of crops from NAP to crop insurance. (Section 11104)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with modifications that add board discretion and remove certain assessment requirements. (Section 11104)

The Managers recognize that the Risk Management Agency (RMA), Natural Resources Conservation Service (NRCS) and FSA serve a significant number of common program participants. The Managers expect the agencies to coordinate to avoid duplication, streamline or create common processes, and make participants aware of opportunities even if the participants are outside that particular agency. For example, a producer may have some crops that are eligible for Federal Crop Insurance and others that are eligible for FSA’s NAP. The Managers encourage USDA to establish procedures in both agencies to make sure producers are informed of all of their options for coverage without regard to which agency the producers interact with first.

*(5) Specialty crops coordinator*

The Senate amendment amends section 507(g) of the Act to require the Specialty Crops Coordinator to designate a Specialty Crop Liaison in each regional field office, and to establish a website focused on the efforts of the FCIC to provide and expand crop insurance for specialty crop producers. (Section 11105(a))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with a modification to remove specific requirements for the website. (Section 11105)

The Managers intend for the website required under new section 507(g)(5) of the Act to include an online mechanism to provide comments relating to specialty crops and a calendar publishing opportunities to provide comments at specialty crop events or public forums. The Managers also encourage the Specialty Crops Coordinator to publish on the website a plan, with projected completion dates, for expanding existing policies or plans of insurance for specialty crops to new crops, new areas, and by adding new revenue options or endorsements.

*(6) Addition of specialty crops and other value-added crops*

The Senate amendment amends section 508(a)(6) of the Act to require the manager of the FCIC to annually prepare, to the maximum extent practicable, at least 2 of each of the following: (1) research and development for a policy or plan of insurance for a new crop; (2) expansion of an existing policy or plan of insurance to additional counties or states (including malting barley); and (3) research and development for a policy or plan of insurance, or endorsement, for crops with existing policies or plans of insurance, such as dollar plans. (Section 11105(b))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with a technical modification replacing a description and an amendment to decrease the number of required actions from 2 of each to 1 of each. (Section 11105)

The Managers intend for this provision to be implemented in coordination with other changes that improve data sharing between FSA and RMA. The Managers intend for NAP data to be used to support expanding Federal Crop Insurance to additional crops and, for existing insurable crops, to additional counties. The Managers recognize that Federal Crop Insurance provides significantly better risk protection for producers and expect the combination of these changes with the annual review under this section to act as an “on-ramp” for producers to more robust risk management options.

*(7) Insurance period*

The Senate amendment amends section 508(a)(2) of the Act to add hemp. (Section 11106)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 11106)

*(8) Cover crops*

The Senate amendment amends section 508(a)(3) of the Act to include a conservation activity or enhancement (including cover crops) that is approved by the Natural Resources Conservation Service or an agricultural expert. Requires that

voluntary good farming practices be considered a good farming practice only if the insured crop may be expected to make normal progress toward maturity under typical growing conditions. It also provides standards for cover crop termination and summer fallow in relation to insurability. (Section 11107)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with modifications to clarify termination guidelines and provides that an exception can be recommended by the Natural Resources Conservation Service or an agricultural expert, as determined by the Corporation, unless the exception is determined to be unreasonable by the Corporation. (Section 11107)

The Managers note that producers considering voluntary conservation practices like cover crops, whether directly through a USDA conservation program or informally according to USDA's recommended procedures, should have confidence that following the program guidance, procedures or advice will not impact their insurability or protection under Federal Crop Insurance. The Managers expect USDA to coordinate internally and provide clear guidance to farmers, agents and loss adjustors to ensure that guidance, procedures, or advice regarding voluntary conservation practices from one part of USDA does not potentially put other USDA benefits at risk.

#### *(9) Underserved producers*

The Senate amendment modifies section 508(a)(7) of the Act to: (1) clarify that the definition of "adequately served" applies "by crop"; (2) add a definition of the term "underserved producer" to mean "a beginning farmer or rancher, a veteran farmer or rancher, or a socially disadvantaged farmer or rancher"; (3) include a review of the types of production common among underserved producers and types of production, such as diversified production for local markets; and (4) require a report every 3 years to include recommendations to increase participation in states and among underserved producers that are not adequately served by crop insurance. (Section 11108)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with a modification to add Tribes and Tribal Members to the definition of underserved producers. (Section 11108)

The Managers recognize that while underserved producers are involved in a wide variety of agricultural production and crops, many of these producers are concentrated in certain types of production. Therefore, the Managers intend for the Board to examine types of production common among underserved producers, including diversified production for local markets.

#### *(10) Administrative basic fee*

The House bill increases the basic administrative fee to \$500 per crop per county. (Section 10002)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with modifications to set the basic administrative fee at \$655 per crop per county. (Section 11110)

#### *(11) Prevention of duplicate coverage*

The House bill amends section 508(c)(1) of the Act to provide that crops for which the producer has elected Agriculture Risk Coverage, or that are enrolled in the Stacked Income Protection Plan, are ineligible for coverage based on an area yield and loss basis or supplemental coverage. It also makes certain conforming amendments. (Section 10003)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(12) Performance-based discount*

The House bill amends section 508(d) of the Act to repeal the authority for performance-based discounts for producers. It also makes certain conforming amendments. (Section 10004)

The Senate amendment amends section 508(d)(3) of the Act to allow the FCIC to offer premium discounts for practices that can be demonstrated to reduce risk, considering precision irrigation, fertilization, crop rotations, cover crops, and other appropriate practices. (Section 11109)

The Conference substitute deletes both provisions.

The Managers note that Federal Crop Insurance must be made available to all producers at rates and prices set by the RMA. Rebating is strictly prohibited by the Act, with specific limited exceptions. This prohibition against rebating, whether in the form of discounts, incentives, or other inducements, ensures fair treatment for all producers. The Managers commend RMA for taking the rebating prohibition seriously and carrying out section 508(a)(9)(B)(iii) in a manner that is consistent with Congressional intent and current law.

*(13) Enterprise units*

The Senate amendment amends section 508(e)(5) of the Act to allow a producer to establish a single enterprise unit by combining across county lines: (1) enterprise units; or (2) all basic units and all optional units. (Section 11110)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 11111)

The Managers do not intend for the new section 508(e)(5)(E) of the Act to mandate enterprise units that would cross state boundaries. Further, the Managers do not intend to change the Corporation's authority to offer enterprise units, beyond the authority to combine enterprise units as provided in new section 508(e)(5)(E).

*(14) Treatment of forage and grazing*

The House bill amends section 508(b)(1) of the Act to strike the exception that provides that catastrophic risk protection plans shall not be available for crops and grasses used for grazing. It also adds a new section 508D, which permits separate crop insurance policies, including a catastrophic risk protection plan under which crops that can be both grazed and mechanically harvested on the same acres during the same growing season are eligible. Provides that such separate policies can be independently indemnified for each intended use. Additionally, the House bill amends section 508(n) of the Act to specifically except coverage under the new section 508D from the section 508(n) limitations. (Section 10001)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with technical modifications to clarify the provision allows producers to purchase separate policies for each intended use, as determined by the FCIC, and any indemnity paid under those policies for each intended use shall not be considered to be for the same loss for the purposes of section 508(n) of the Act. (Section 11109)

The Managers note there are a suite of programs administered by FSA or offered by RMA that address risks faced by livestock owners and forage producers. The Managers believe the Secretary should take into consideration the different causes of loss covered by these programs when carrying out the limitation on multiple benefits for the same loss.

*(15) Pasture, rangeland, and forage policy for members of Indian tribes*

The Senate amendment amends section 508(e)(7) of the Act to provide premium subsidy at the rate of 90 percent for a member of an Indian tribe for the first purchase of Pasture, Rangeland, and Forage insurance. (Section 11111)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

*(16) Continued authority*

The House bill amends section 508(g) to require FCIC to establish: (1) underwriting rules to provide producers with an election to limit the decrease in actual production history (APH) to not more than 10 percent of the prior crop year's APH, provided that the production decline was the result of drought, flood, natural disaster, or other insurable loss; and (2) actuarially sound premiums to cover the additional risk. (Section 10005)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 11112)

The Managers note that RMA has a long history of offering producers protection from a decrease of more than 10% in their APH. The Managers intend for RMA to continue offering this option to producers in conjunction with other APH adjustments in statute.

*(17) Submission of policies and materials to the board*

The Senate amendment amends section 508(h) of the Act to authorize the FCIC Board, in the case of a policy, pilot program, and other materials relating to the production of hemp, to waive the viability and marketability requirements under section 508(h). (Section 11112)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 11113)

*(18) Whole farm revenue agent incentives*

The Senate amendment amends section 508(k) of the Act to provide an additional reimbursement to an agent that sells a Whole Farm Revenue Policy. (Section 11113)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

*(19) Crop production on native sod*

The Senate amendment amends section 508(o)(2)(A) of the Act to provide that: (1) during the period beginning on February 8, 2014, and ending on the date of enactment of the 2018 farm bill, native sod acreage that has been tilled for the production of an insurable crop shall be subject to 4 cumulative years of a reduction in benefits. Additionally, the Senate amendment provides that, as a condition on the receipt of crop insurance benefits, a producer that has tilled native sod acreage for the production of an insurable crop shall certify that acreage to the Secretary using a specified acreage report form and 1 or more maps, and submit corrections or updates as appropriate. It also requires the Secretary to submit an annual report to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry (the “Agriculture Committees”) describing the tilled native sod acreage that has been certified in each county and State. (Section 11114)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments to clarify that native sod acreage that has been tilled would be subject to a reduction in benefits for not more than four cumulative years during the first ten years after initial tillage. The amendment also removes the option for a governor of a State to elect to have the requirements apply to the State, if the State is not currently subject to the requirements. (Section 11114)

The Managers intend for producers in Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota who till native sod to have either a reduction in crop insurance benefits or have the land not participate in crop insurance for a significant period. By making the reduction in benefits cover any insurable crop rather than annual crops, the Managers intend to remove the possibility of a producer avoiding these ramifications by planting a perennial crop.

*(20) Use of national agricultural statistics service data to combat waste, fraud, and abuse*

The Senate amendment amends section 515(d)(1) of the Act to include the use of published aggregate data from NASS or any other data source to: (1) detect yield disparities or other data anomalies that indicate potential fraud; and (2) target the relevant counties, crops, regions, companies, or agents associated with that potential fraud for audits and other enforcement actions. (Section 11115)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 11115)

The Managers encourage the FCIC to incorporate or include published aggregate data from the NASS in existing data mining efforts and other activities to combat waste, fraud, and abuse. The Managers do not intend for the additional data sets to duplicate, substitute, or replace ongoing fraud reduction efforts and activities, such as data mining currently carried out by the Center for Agribusiness Excellence.

*(21) Submission of information to corporation*

The Senate amendment amends section 515(g) of the Act to require Approved Insurance Providers (“AIPs”) to submit to FCIC the actual production history used to establish insurable yields not later than 30 days after the applicable production reporting date for the crop to be insured. (Section 11116)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to limit the submission requirements with respect to a policy for a covered commodity (as defined in section 1111 of the Agricultural Act of 2014 (7 U.S.C. 9011)) and to allow AIPs the ability to correct errors in the information. (Section 11116)

The Managers intend for the FCIC to establish procedures to collect actual production history to be used to establish insurable yields from AIPs. The Managers intend for the information to be shared with FSA for use in administering commodity programs. The Managers expect the FCIC to implement this provision in a reasonable manner without penalty to producers or AIPs, while continuing to allow AIPs the ability to correct errors in the information.

*(22) Acreage report streamlining initiative*

The Senate amendment amends section 515(j)(1)(B)(ii) of the Act to: (1) provide that producers may report acreage and other information to the Department electronically (including in the form of geospatial data) or conventionally; (2) require the Administrators of the RMA and the FSA to implement a consistent method for determining crop acreage, acreage yields, farm acreage, property descriptions, and other common informational requirements, including measures of common land units; and (3) require each AIP to accept from a producer or an authorized agent of a producer reports of crop acreage, acreage yields, and other information electronically (including in the form of geospatial data) or conventionally. (Section 11117)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

The Managers note that direction on this joint initiative between RMA and FSA has been consolidated in title I. The Managers expect RMA and the FCIC to continue to coordinate with FSA and to make significant progress to streamline processes for producers.

*(23) Continuing education for loss adjusters and agents*

The Senate amendment amends section 515 of the Act to further require FCIC to establish requirements for continuing education for loss adjusters and agents of AIPs to ensure that both are familiar with appropriate conservation activities and agronomic practices that are common and appropriate to the area in which the insured crop being inspected is produced, and include organic and sustainable practices. (Section 11118)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with a modification to broaden the education topics. (Section 11117)

*(24) Funding for information technology*

The Senate amendment bill amends section 515(k) of the Act to provide \$1 million for each of fiscal years 2019 and 2020. (Section 11119)

The House bill contains no comparable provision.  
The Conference substitute deletes the Senate amendment.

*(25) Program administration*

The House bill reduces the amount that FCIC may use under section 516(b)(2)(C)(i) to not more than \$7 million per fiscal year. (Section 11119)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 11118)

*(26) Agricultural commodity*

The Senate amendment adds hemp to the list of commodities enumerated in section 518. (Section 11120)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 11119)

The Managers expect that in determining the insurability of a crop of hemp under the Act, and in providing insurance options to hemp producers, RMA will collaborate with the appropriate USDA, state, or tribal authorities as necessary to do so consistent with the regulations and guidelines established in subtitle G of the Agricultural Marketing Act of 1946. The Managers note that USDA or the appropriate state or tribal authority, and not AIPs, agents, or loss adjusters, bear the responsibility of determining that a crop grown as hemp complies with the applicable regulations and guidelines under Subtitle G.

The Managers also intend for “aquacultural species” to include algae species as determined appropriate by the Board.

*(27) Maintenance of policies; Reimbursement of research, development, and maintenance costs*

House bill section 10007(a) amends section 522(b) of the Act to—

(1) allow for reimbursement of “reasonable and actual research and development costs” for policies that have been approved by the FCIC Board;

(2) require that costs of the applicant shall be considered “reasonable and actual costs” if the costs are based on—

(A) wage rates equal to 2 times the hourly wage rate plus benefits, as provided by the Bureau of Labor Statistics; or

(B) actual documented costs incurred by the applicant;

(3) designate the applicant (as opposed to the AIP) authority to determine whether to maintain a policy, and to establish the fee to be paid for maintenance of the policy;

(4) require the FCIC Board to approve the amount of a fee unless the Board determines, based on substantial evidence in the record, that the amount of the fee unnecessarily inhibits the use of the policy; and

(5) prohibit the FCIC Board from disapproving a user fee based on its comparison to a maintenance fee, or on the potential for the fee to result in a financial gain or loss to the applicant.

The House bill also provides that the amendments shall apply to reimbursement requests made on or after October 1, 2016, and that requests for reimbursement previously denied between October 1, 2016, and the date of enactment of this Act may be resubmitted. (Section 10007).

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with amendments to clarify reasonable costs apply to any employees or contracted personnel costs. The amendment also modifies the requirements for the Board to approve or disapprove the amount of a maintenance fee, by including that the fee shall remain in effect and not be reviewed by the Board unless specified criteria are met. (Section 11120)

The Managers believe the remuneration provided to the submitters of policies developed under the 508(h) process ensures that underserved commodities have a fair opportunity to benefit from innovative risk management solutions. The Managers expect RMA and the FCIC Board to work with private submitters and those maintaining the policies developed to determine fair compensation for work on these policies.

*(28) Maintenance of policies; reimbursement of research, development, and maintenance costs*

The Senate amendment amends 522(b) of the Act to waive the viability and marketability requirements for hemp under paragraphs (2) and (3). (Section 11121)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 11121)

*(29) Research and development priorities and authorities*

The House bill amends paragraph (7) of the Act (as redesignated from current paragraph (19)) to define “beginning farmer or rancher” for purposes of research and development of whole farm insurance plans as having actively operated and managed a farm or ranch for less than 10 years. This is longer for these purposes than the Act’s underlying definition as having actively operated and managed a farm or ranch for up to 5 years. (Section 10008)

The Senate amendment amends paragraph (7) (as redesignated from current paragraph (19)) of the Act to require FCIC, within 2 years, to hold stakeholder meetings to solicit feedback, review and modify procedures and paperwork requirements to decrease burdens, and increase flexibility and effectiveness.

(Section 11122)

The Conference substitute adopts both provisions with amendments to include additional factors the FCIC Board shall consider during review of the whole farm revenue protection policy. (Section 11122)

The Managers note the continued growth of Whole Farm Revenue Policies (WFRP). The Managers believe that this policy has the potential to provide vital risk management to producers who are underserved by crop insurance and enhance options for existing policy holders. The Managers note that WFRP has the potential to provide meaningful risk protection for non-traditional agricultural commodities (e.g. aquaculture) or production and marketing systems (e.g. urban, local food, or greenhouses), that are not served as well under current yield or revenue-based policies for individual crops.

The Managers believe that RMA should make WFRP policies more effective. In carrying out the review described in new section 522(c)(7)(E) of the Act, the Managers urge RMA to expedite the analysis of removing the cap on livestock and nursery revenue, incorporating crop insurance indemnities and NAP payments into historical revenue, and allowing all producers, regardless of total average revenue, to insure up to the maximum amount of liability. Additionally, the Managers expect RMA to solicit input from the diverse group of producers participating in WFRP and take appropriate steps to

streamline, add flexibility or tailor program rules to diverse producers' needs and circumstances.

The Managers also expect RMA to work with FSA to notify the existing beginning farmers registered with FSA of the additional benefits under WFRP related to the newly aligned beginning farmer definition.

*(30) Tropical storm or hurricane insurance*

The House bill adds a new section 522(c)(9) of the Act to require FCIC to enter into 1 or more contracts with qualified entities to carry out research and development of policies (including for tomato, pepper, and citrus crops) (1) against losses due to a tropical storm or hurricane; (2) to evaluate the effectiveness of a risk management tool for a low frequency, catastrophic loss weather event; and (3) to provide protection for production or revenue losses, or both. (Section 10008(c))

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with technical modifications. (Section 11122)

The Managers note hurricanes and tropical storms caused significant agricultural damage in 2017 and 2018 to crops with high levels of crop insurance participation, but low levels of coverage, which led to passage of additional ad hoc disaster assistance. The Managers expect RMA to identify policies that could provide cost effective insurance options for catastrophic weather events such as tropical storms and hurricanes to alleviate the need for such disaster assistance in the future.

*(31) Subsurface irrigation practices*

The House bill adds a new section 522(c)(10) of the Act to require that FCIC offer to enter into a contract with a qualified entity to conduct research and development on the creation of a separate practice for subsurface irrigation, including the establishment of a separate transitional yield within the county that is reflective of the average gain in productivity and yield associated with the installation of a subsurface irrigation system. (Section 10008(c))

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with technical modifications. (Section 11122)

The Managers note that instantaneous gains in productivity can be achieved through the adoption of subsurface irrigation systems. The Managers expect these methods to be carefully examined and, if appropriate, treated as a separate irrigation practice so that a producer's APH may more accurately reflect the yield and revenue potential of the crop following the installation of such system.

*(32) Irrigated grain sorghum crop insurance policy*

The Senate amendment adds a new section 522(c)(9) of the Act to require FCIC to carry out, or to enter into 1 or more contracts with qualified entities to carry out, research and development regarding improvements to 1 or more policies to insure irrigated grain sorghum, and alternative methods for producers with not more than 4 years of production history to insure irrigated grain sorghum. It also requires the FCIC to submit within 1 year to the Agriculture Committees a report that describes the results of the study and any related recommendations. (Section 11122(4))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with technical modifications and an amendment to study grain sorghum rates and yields compared to policies for other feed grains. (Section 11112)

*(33) Study and report on grain sorghum rates and yields*

The House bill adds a new section 522(c)(11) of the Act to require that FCIC enter into a contract with a qualified entity to conduct a study to assess the differences in rates, average yields, and coverage levels of grain sorghum policies as compared to other feed grains within a county. It also requires FCIC to submit to the Agriculture Committees a report that describes the results of the study within 1 year. (Section 10008(c))

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(34) Limited irrigation practices*

The Senate amendment adds a new section 522(c)(10) of the Act to require FCIC to: expand the availability of the limited irrigation insurance program to not fewer than 2 neighboring States; carry out, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out, research on the marketability of the existing limited irrigation insurance program; and make recommendations on how to improve participation in the program. It also requires a qualified person, in carrying out the research, to collaborate with certain researchers, and State and Federal officials; provide recommendations to encourage limited irrigation and water conservation; and develop applicable web-based applications. Additionally, the section requires FCIC to submit within 18 months to the Agriculture Committees a report that describes the results of the study, recommendations, and any actions taken by FCIC to carry out the recommendations. (Section 11122(10))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments to include “consider expanding” and remove the requirement of expansion to not fewer than two states. (Section 11122)

*(35) Quality loss*

The House bill adds a new section 522(c)(12) to the Act to require that FCIC offer to enter into a contract with a qualified entity to conduct research and development on the establishment of an alternative method of adjusting for quality losses that does not impact the average production history of producers. Notwithstanding subsections (g) and (m) of section 508 of the Act, it requires that if FCIC uses any method developed as a result of the contract to adjust for quality losses, such method shall be optional for producers to elect to use, and offered at an actuarially sound premium rate. (Section 10008(c))

The Senate amendment adds a new section 522(c)(11) to the Act to require FCIC to carry out, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out, research and development on establishing alternative methods of adjusting for quality losses.

Notwithstanding subsections (g) and (m) of section 508 of the Act, any method developed under the research and development that is used by FCIC shall be optional for

a producer to use, and offered at an actuarially sound premium rate. The section states not later than 1 year after the date of enactment, FCIC shall submit to the Agriculture Committees a report that describes the results of the research and development. (Section 11122(4))

The Conference substitute adopts the Senate amendment with a modification regarding actual loss. (Section 11122)

The Managers intend for the research and development required under new section 522(c)(10) of the Act to include, but not be limited to, wheat for alternative methods of adjusting for quality losses. The Managers also intend the requirements in subparagraph (B) of the new section 522(c)(10) to be considered during the research and development.

*(36) Citrus*

The Senate amendment adds a new section 522(c)(12) to the Act to require FCIC to carry out, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out, research and development on the insurance of citrus fruit, including improvements to 1 or more existing policies, including the Whole-Farm Revenue Protection pilot policy; alternative methods of insuring revenue for citrus; and the development of new, or expansion of existing, revenue policies for citrus fruit. It requires FCIC to submit within 1 year to the Agriculture Committees a report that describes the results of the study and any related recommendations. (Section 11122(4))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 11122)

*(37) Greenhouse policy*

The Senate amendment adds a new section 522(c)(13) to the Act to require FCIC to carry out, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out, research and development on a policy to insure in a controlled environment such as a greenhouse the production of floriculture, nursery, and bedding plants; or the establishment of cuttings, seedlings or tissue culture in a growing medium. It requires FCIC to make a policy or plan of insurance available notwithstanding law that otherwise requires that: losses must be due to drought, flood, or other natural disaster (508(a)(1)); and insurance shall not extend beyond the period during which the insured commodity is in the field. The section requires FCIC to submit within 1 year to the Agriculture Committees a report that describes the results of the research and development and any related recommendations. (Section 11122(4))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 11122)

The Managers intend for the research and development to consider policies or plans for coverage that are limited to losses outside of the producer's control or management, and that the producer follow good farming practices. The Managers expect RMA to consider all potential eligible losses and encourage the review of circumstances related to the Ralstonia outbreak in 2005 in Michigan and other states as it develops a policy.

*(38) Hops*

The Senate amendment adds a new section 522(c)(14) to the Act to require FCIC to carry out, or to enter into 1 or more contracts with qualified persons to carry out, research and development regarding a policy to insure the production of hops or revenue derived from the production of hops. It requires FCIC to submit within 1 year to the Agriculture Committees a report that describes the results of the research and development and any related recommendations. (Section 11122(4))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 11122)

*(39) Local foods*

The House bill contains no comparable provision.

The Senate amendment adds a new section 522(c)(15) to the Act to require FCIC to carry out, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out, research and development on a policy to insure production of floriculture, fruits, vegetables, poultry, livestock, or the products of floriculture, fruits, vegetables, poultry, or livestock, that is targeted toward local consumers and markets. Additionally, the section requires that the research and development evaluate the effectiveness of policies and plans of insurance for production targeted toward local consumers and markets, based on a detailed list of factors. The section requires FCIC to submit within 1 year to the Agriculture Committees a report that examines whether a version of existing policies such as the Whole-Farm Revenue Protection insurance plan may provide improved coverage for producers of local foods, describes the results of the research and development, and any related recommendations. (Section 11122(4))

The Conference substitute adopts the Senate amendment with modifications to the research and development as a feasibility study and to remove a specific list of marketing strategies to be evaluated. (Section 11122)

The Managers intend for the feasibility study to consider a variety of marketing strategies for local foods including direct-to-consumer; farmers markets; farm-to-institution; and community-supported agriculture.

*(40) Insurable irrigation practices for rice*

The Senate amendment adds a new section 522(c)(16) to the Act to require FCIC to carry out, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out, research and development to include new and innovative irrigation practices under the current rice policy, or the development of a distinct plan of insurance or policy endorsement rated for rice produced using alternate wetting and drying practices (also referred to as "intermittent flooding"), and furrow irrigation practices. It requires FCIC to submit within 1 year to the Agriculture Committees a report that describes the results of the research and development and any related recommendations. (Section 11122(4))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 11122)

*(41) High-risk, highly productive batture land policy*

The Senate amendment adds to the Act a new section 522(c)(17) to require FCIC to carry out, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out, research and development to insure producers of corn, cotton, and soybeans

with operations on highly productive batture land within the Lower Mississippi River Valley that have a history of production of not less than 5 years, and that have been impacted by more frequent flooding over the past 10 years due to sedimentation and federally constructed engineering improvements. It requires FCIC to make a policy or plan of insurance available notwithstanding law that otherwise requires that: losses must be due to drought, flood, or other natural disaster (508(a)(1)); and insurance shall not extend beyond the period during which the insured commodity is in the field. Additionally the section requires FCIC to submit within 1 year to the Agriculture Committees a report that examines whether a version of existing policies may be tailored to provide improved coverage for batture-land producers, describes the results of the research and development, and any related recommendations. (Section 11122(4))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with a provision to remove the reference to a specific river mile location within the Lower Mississippi River Valley. (Section 11122)

*(42) Extension of funding for research and development*

The House bill repeals section 522(d) of the Act and reduces funding from \$12.5 million to \$8 million annually. (Section 10009)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to maintain the authority for partnerships for risk management development. (Section 11123)

The Managers note that under the partnerships authority in section 522(d), RMA is not required to offer Risk Management Education grants, and that crop insurance education grants for underserved producers have been consolidated under the Partnerships for Risk Management Education in section 524. In allocating the funding available under section 522, the Managers expect RMA to prioritize research and development activities.

*(43) Education and risk management assistance*

The House bill amends section 524 of the Act to: eliminate the crop insurance education program for underserved states (section 524(a)(2)) and its funding; eliminate the Agricultural Management Assistance (AMA) program (section 524(b)) and its funding; and maintain the competitive grant program to educate agricultural producers and its \$5 million in annual funding. (Section 10010)

The Senate amendment amends section 524(a)(3)(A) of the Act to add “conservation activities” to the list of allowable activities funded under the partnerships for risk management education. (Section 11123).

The Conference substitute adopts the House provision with amendments to consolidate the crop insurance education grants for underserved producers with the Partnerships for Risk Management Education in section 524 of the Act and to maintain the authority and funding for the Agriculture Management Assistance program. (Section 11125)

The Managers intend for educational programs for underserved producers in this title to include users of dairy risk management policies or plans for coverage.

*(44) Cropland report annual updates*

The Senate amendment amends section 11014(c)(2) of the Act to extend the annual reporting requirement through 2023. (Section 11124)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment striking the cropland report authority and annual requirements. (Section 11126)

The Managers note that the cropland report was consolidated with the native sod report and appears in new section 1614(f) of the Agricultural Act of 2014, as added by section 1706(f) in title 1 of this bill.

## Title XII – Miscellaneous

### *(1) Sheep production and marketing grant program*

The House bill provides \$2 million in CCC mandatory funds for FY 2019 to carry out section 209 of the Agricultural Act of 1946, to remain available until expended. (Section 11304(e)(3))

The Senate amendment amends section 209 to authorize appropriations of \$1.5 million for each of fiscal years 2019 through 2023. (Section 12101)

The Conference substitute adopts the House provision with amendment. The House bill established a Textile Trust Fund, of which the Sheep Marketing and Production Grant Program was an underlying subsection. The Conference substitute provides \$2 million in CCC mandatory funds for FY 2019 to carry out section 209 of the Agricultural Act of 1946, to remain available until expended, but does so within the existing authority, rather than as a subsection of a Textile Trust Fund. (Section 12102)

### *(2) National Animal Health Laboratory Network*

The House bill addresses funding of the National Animal Health Laboratory Network (NAHLN) by amending section 10417 of the Animal Health Protection Act and providing mandatory funding of \$30 million for fiscal year 2019, to remain available until expended. Additionally, the bill provides funding of up to \$20 million for each of fiscal years 2020 through 2023 to carry out the NAHLN, the National Animal Health Vaccine Bank, or the National Animal Disease Preparedness and Response Program. The bill further reauthorizes the authorization for appropriations of \$15 million for each of fiscal years 2019-2023, to remain available until expended. The existing authorization of appropriations for NAHLN in section 10409A(d) is repealed through a conforming amendment. (Section 11101)

The Senate amendment amends section 10409A(d) to increase the authorization of appropriations to \$30 million per year for fiscal years 2019 through 2023. (Section 12102)

The Conference substitute amends the existing NAHLN authority to establish a program addressing animal disease prevention and management. It further establishes the National Animal Disease Preparedness and Response Program (NADPRP) and the National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB). The substitute provides \$120 million of mandatory funding for the period of fiscal years 2019-2022, of which \$100 million is to be allocated among the NAHLN, the NADPRP and the NAVVCB. It further provides \$30 million of mandatory funding for fiscal year 2023 and each year thereafter, of which \$12 million is to be allocated among the NAHLN, the NADPRP and the NAVVCB. Additionally, the authorization for appropriations for the NAHLN is increased to \$30 million per year for fiscal years 2019-2023, to remain available until expended. Finally, conforming amendments are made to the existing authorization for appropriations for NAHLN in section 10409A (Section 12101).

The National Animal Health Laboratory Network (NAHLN) serves to connect state, federal and university laboratories to coordinate animal disease surveillance and testing capabilities, and supports the National Veterinary Services Laboratory by providing early confirmation of animal diseases. During the 2015 outbreak of Highly Pathogenic Avian Influenza, many disease confirmation tests were conducted by laboratories operating under the NAHLN, and this rapid confirmation allowed for

depopulation of infected flocks and establishment of safety protocols around infected farms. These timely actions were made possible by NAHLN laboratories providing early diagnosis of the disease and were critical in curtailing the outbreak.

The Managers recognize the need for modernization of laboratory testing capabilities and information technology infrastructure across the NAHLN. Section 12101 of this act provides \$120 million of Commodity Credit Corporation funds for the period of fiscal years 2019-2022, of which \$100 million is to be allocated among the NAHLN, the National Animal Disease Preparedness and Response Program (NADPRP) and the National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB). For fiscal year 2023 and each year thereafter, the Managers provide \$30 million of Commodity Credit Corporation funds, of which \$12 million is to be allocated among the NAHLN, the NADPRP and the NAVVCB. Additionally, the authorization for appropriations for the NAHLN is increased to \$30 million per year for fiscal years 2019-2023.

The Managers intend for the Secretary to make annual assessments on how best to allocate a portion of the funds provided under Section 12101 in order to address animal disease preparedness and response needs that may vary from year to year.

*(3) National animal disease preparedness, response, and recovery program; national animal vaccine and veterinary countermeasures bank*

The House bill establishes the National Animal Disease Preparedness and Response Program and the National Animal Health Vaccine Bank, to address the risk of introduction and spread of animal pests and disease affecting the economic interests of the U.S. livestock and related industries, including the maintenance and expansion of export markets. The bill requires that the program be carried out by the Secretary through cooperative agreements with eligible entities, including a State department of agriculture or universities. Specific activities that are to be carried out through cooperative agreements are described in this subsection. Section 10409B further describes program application processes and priorities, use of funds, and reporting requirements similar to those provided by the Senate Amendment.

The House bill further establishes the National Animal Health Vaccine Bank for the benefit of the domestic interests of the United States and to help protect the U.S. agriculture and food system against terrorist attack, major disaster, and other emergencies. The bill requires that the Vaccine Bank maintains sufficient quantities of animal vaccine, antiviral, therapeutic, or diagnostic products to appropriately and rapidly respond to animal disease outbreaks that would have the most damaging effect on human health or the economy. The Secretary is instructed to prioritize the acquisition of sufficient quantities of Foot and Mouth Disease vaccine, and accompanying diagnostic products, and the Secretary shall consider contracting with one or more entities that are capable of producing foot-and-mouth disease vaccine and that have surge production capacity of the vaccine.

The mandatory funding in the House bill includes \$30 million for the National Animal Health Laboratory Network (NAHLN), \$70 million for the National Animal Disease Preparedness and Response Program, and \$150 million for the National Animal Health Vaccine Bank in fiscal year 2019. In each of fiscal years 2020 through 2023, \$50 million in mandatory funding is provided to carry out the NAHLN, the National Animal Disease Preparedness and Response Program, and the National Animal Health Vaccine

Bank, of which not less than \$30 million is for the National Animal Disease Preparedness and Response Program. Additionally, this subsection authorizes appropriations of \$15 million for each of fiscal years 2019-2023 to carry out the NAHLN. All funds provided are to remain available until expended. Finally, section 10417(d) limits the Secretary's use of funds for administrative expenses to not more than 4 percent of amounts made available, limits eligible entities from retaining more than 10 percent of funds received under an agreement to pay administrative costs, prohibits funds from being used for construction of new facilities, and directs proceeds from the sale of vaccine or antigen by the Bank to be credited to an account for the operation of the Bank. (Section 11101)

The Senate amendment establishes a National Animal Disease Preparedness, Response and Recovery Program under subsection 10409B(a) and a National Animal Vaccine and Veterinary Countermeasures Bank under subsection 10409B(b). The National Animal Disease Preparedness, Response and Recovery Program is established to prevent the introduction into or the dissemination within the United States of any pest or disease of animals affecting the economic interests of the livestock and related industries, including the maintenance and expansion of export market potential. The Secretary shall carry out the program through cooperative agreements with eligible entities including a State department of agriculture or universities, among others. Similar to the House Bill, specific activities that are to be carried out through cooperative agreements are described in this subsection, in addition to including emerging veterinary countermeasures among the animal health technologies to be enhanced and developed. The subsection further lays out Program application processes and priorities, use of funds, and reporting requirements similar to those provided in the House Bill.

Section 10409B(b) establishes a National Animal Vaccine and Veterinary Countermeasures Bank to benefit the domestic interests of the U.S. The Vaccine and Veterinary Countermeasures Bank is to maintain a sufficient quantity of animal vaccine, antiviral, therapeutic products, diagnostic products, and veterinary countermeasures to appropriately respond to the most damaging animal diseases affecting human health or the economy, and that will be capable of rapid deployment in the event of an outbreak. The Secretary is required to prioritize the maintenance of sufficient quantities of foot-and-mouth disease vaccine and accompanying diagnostic products. Finally, the Secretary shall consider contracting with one or more entities that are capable of producing foot-and-mouth disease vaccine and that have surge production capacity of the vaccine.

Section 10409(c) limits the Secretary's use of funds for administrative expenses to not more than 4 percent of amounts made available, limits eligible entities from retaining more than 10 percent of funds received under an agreement to pay administrative costs, prohibits funds from being used for construction of new facilities, and directs proceeds from the sale of vaccine or antigen by the Bank to be credited to an account for the operation of the Bank. Section 10409(d) authorizes such sums as necessary to be appropriated to carry out the National Animal Disease Preparedness, Response, and Recovery Program and the National Animal Vaccine and Veterinary Countermeasures Bank. (Section 12103)

The Conference substitute adopts the House provision with amendment. Section 10403 of the Animal Health Protection Act is amended to establish a new definition for "veterinary countermeasures". The Conference substitute further restructures the statute related to the new authorities.

The National Animal Disease Preparedness and Response Program (NADPRP) is established under subsection (b) to address the increasing risk of the introduction and spread within the United States of animal pests and diseases affecting the economic interests of the livestock and related industries of the United States, including the maintenance and expansion of export markets. The NADPRP shall be carried out by the Secretary through cooperative agreements with eligible entities including a State department of agriculture or universities, among others. Specific activities that are to be carried out through cooperative agreements are described in this subsection. Further, the subsection lays out the application processes and priorities, use of funds, and reporting requirements

The National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB) is established under subsection (c) to benefit the domestic interests of the United States. Through the NAVVCB the Secretary shall maintain sufficient quantities of veterinary countermeasures to appropriately and rapidly respond to the most damaging animal diseases, with a priority for Foot and Mouth Disease. As part of such prioritization, the Secretary may offer to enter into one or more contracts with one or more entities that are capable of producing foot and mouth disease vaccine and that have surge production capacity of the vaccine.

Subsection (d) provides \$120 million in mandatory funding for the period of fiscal years 2019-2022, with a minimum of \$5 million reserved in each year for the NADPRPP. For fiscal year 2023 and each year thereafter, \$30 million in mandatory funding is provided, with a minimum of \$18 million reserved in each year for the NADPRPP. Additionally, the authorization of appropriations for NAHLN is increased to \$30 million per year for fiscal years 2019-2023, and an authorization for appropriations is established for the NADPRP and the NAVVCB for such sums as are necessary for each of fiscal years 2019-2023. All funds provided are to remain available until expended, and the funds authorized for appropriation under this paragraph are in addition to any funds authorized or otherwise made available under section 10417 of the Animal Health Protection Act. This subsection limits the Secretary's use of funds for administrative expenses to not more than 4 percent of amounts made available, limits eligible entities from retaining more than 10 percent of funds received under an agreement to pay administrative costs, prohibits funds from being used for construction of new facilities, and directs proceeds from the sale of vaccine or antigen from the NAVVCB to be credited to an account for the operation of the NAVVCB.

Subsection (e) describes the authority for the Secretary to enter into cooperative agreements under this section for fiscal year 2019 through 2023, and this limitation shall have no impact on cooperative agreements that are established beyond fiscal year 2023 (Section 12101).

In recent years, animal disease outbreaks have posed significant challenges to the livestock and poultry industries. Various regions of the country and species have been impacted by disease, and responding to those outbreaks is a costly and complex endeavor for farmers and ranchers, veterinarians, and state and federal governments. The Managers recognize the need to enhance our national animal disease preparedness and response capabilities. Further, the Managers recognize that such enhancement is an endeavor that the federal government must conduct in coordination with state and local governments, farmers and ranchers, universities, laboratories and other cooperators.

The Animal Disease Prevention and Management program builds upon the existing National Animal Health Laboratory Network (NAHLN) and establishes the National Animal Disease Preparedness and Response Program (NADPRP) and the National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB). The existing NAHLN authority is revised to establish the NADPRP and the NAVVCB, which will improve how the U.S. protects against, prepares for, and responds to animal and zoonotic disease outbreaks.

Protecting U.S. agriculture from animal and zoonotic disease threats involves numerous efforts including improving disease testing capabilities, improving states' disease response measures including the development and implementation of continuity of business and secure food supply plans, researching new practices and technologies to protect livestock and poultry, and stockpiling necessary equipment and drugs to respond to animal disease outbreaks. The NADPRP will allow for a coordinated effort to be carried out by the Secretary through cooperative agreements with state governments and state animal health officials, universities, organizations representing the livestock and poultry industries, veterinarians and other eligible entities, to consider all of these factors and needs and establish a coordinated strategy to bolster animal disease protection.

Further, the Managers recognize that animal disease threats evolve and become increasingly complex, especially zoonotic diseases, and the equipment and drugs currently at our disposal may be inadequate in responding to the disease threats of the future. Thus, the Managers instruct the establishment of the NAVVCB, which will allow for the stockpiling of a variety of equipment and animal drugs needed to respond to animal disease outbreaks, with a priority for stockpiling vaccine necessary to respond to an outbreak of Foot and Mouth Disease (FMD). The Managers envision the term 'veterinary countermeasure' to mean any biological product (including an animal vaccine and diagnostic), pharmaceutical product (including an animal therapeutic, antimicrobial, antiviral and antitoxin), non-pharmaceutical product (including a disinfectant or pesticide, response equipment and personal protective equipment) or other product or equipment to prevent, detect, diagnose, contain, control, treat, recover from, or mitigate harm or damage resulting from (including adverse effects impacting public health or animal health, the environment, or the economy), animal pests or diseases.

The Managers encourage the Secretary to consider all options for stockpiling veterinary countermeasures. The funds provided under Section 12101 should be used to establish the optimal complement of products to address the highest risk strains of FMD and other diseases of consequence. In considering stockpiling options, the Managers expect the Secretary to review the procurement process annually to identify potential efficiencies and improvements, particularly any needed changes to allow for maximum contract flexibility and product innovation over time. While the Managers expect funding provided under Section 12101 to significantly enhance the Secretary's ability to stockpile vaccine and related products, the Managers understand that greater investment for such purposes may be desired and warranted in the future. As such, the Managers encourage the Secretary and interested stakeholders to work together to identify alternative funding sources to achieve such investment.

Section 12101 of this act provides \$120 million of Commodity Credit Corporation funds for the period of fiscal years 2019-2022, of which \$20 million is reserved for the NADPRP, and \$100 million is to be allocated among the NAHLN, the NADPRP and the NAVVCB. For fiscal year 2023 and each year thereafter, the Managers provide \$30

million of Commodity Credit Corporation funds, of which \$18 million is reserved for the NADPRP, and \$12 million is to be allocated among the NAHLN, the NADPRP and the NAVVCB. Additionally, the authorization of appropriations for NAHLN is increased to \$30 million per year for fiscal years 2019-2023, and an authorization for appropriations is established for the NADPRP and the NAVVCB for such sums as are necessary for each of fiscal years 2019-2023.

The Managers expect the Secretary to develop a long range plan to carry out Section 12101 to identify priorities related to animal disease preparedness and response, and address those needs by optimizing the capabilities of the NAHLN, the NADPRP, and the NAVVCB. On an annual basis, the Secretary shall review this plan and determine how to best allocate the funds provided under Section 12101 in light of changes to animal disease threat profiles.

*(4) Study on livestock dealer statutory trust*

The Senate amendment directs the Secretary to conduct a study on the feasibility of establishing a Livestock Dealer Statutory Trust. The amendment requires the study to analyze the potential impacts such a trust would have on livestock producers, dealers, markets, financiers, and others in the livestock sector, specifically with regard to credit availability. It also requires the Secretary, no later than 540 days after the date of enactment, to submit to the Agriculture Committees a report describing the findings of the study. (Section 12104)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendment. The substitute directs additional considerations under the study including: how the establishment of a livestock dealer statutory trust would affect seller recovery in the event of a livestock dealer payment default; whether authorizing the Secretary to appoint an independent trustee under the livestock dealer statutory trust would improve seller recovery; and how the establishment of a livestock dealer statutory trust would affect the treatment of sellers of livestock as it relates to preferential transfer in bankruptcy. The study shall be completed 1 year after the date of enactment of the Act. (Section 12103)

The Managers recognize the burdens felt by unpaid sellers of livestock affected by livestock dealer default. In response, the Managers instruct the Secretary to conduct a study of the feasibility of establishing a livestock dealer statutory trust, modeled after the existing packer statutory trust.

The study shall review recent livestock dealer defaults and consider whether seller recovery would have been improved in those experiences had a livestock dealer statutory trust been in place. Further, the study shall review how preferential transfers in bankruptcy proceedings are impacting unpaid sellers of livestock. Finally, the study shall review challenges encountered when the Packer trust has been employed, and whether any changes should be considered to improve effectiveness of a potential livestock dealer statutory trust. Such improvements may include allowing the appointment of an independent trustee and encouraging greater communication and data sharing between the Secretary and unpaid sellers of livestock when a dealer statutory trust is employed. The study should also include an assessment of the cost and benefits of establishing a dealer statutory trust and the Department's ability to implement and oversee such a trust. In conducting the study, the Managers expect the Secretary to utilize the expertise of the Packers and Stockyards Division of the Agricultural Marketing Service and to engage

with and solicit input from industry stakeholders that would be subject to a dealer statutory trust.

*(5) Definition of livestock*

The Senate amendment amends the Emergency Livestock Feed Assistance Act of 1988 to specifically include alpacas, llamas, live fish, and crawfish in the definition for livestock, and remove the Secretarial designation requirement regarding other animals that are part of a foundation herd or purchased as part of a normal operation. (Section 12105)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12104)

*(6) National aquatic animal health plan*

The House bill extends the authorization of appropriations through FY 2023. (Section 11102)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with amendment repealing the authorization for appropriations. (Section 12105)

*(7) Veterinary training*

The House bill amends section 10504 of the 2002 Farm Bill to include, in all regions of the United States, veterinary teams, including those based at colleges of veterinary medicine, capable of providing effective services before, during, and after emergencies. (Section 11103)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 12106)

*(8) Report on FSIS guidance and outreach to small meat processors*

The House bill requires the USDA Inspector General, not later than 1 year after the date of the enactment of this Act, to conduct a study on the effectiveness of existing FSIS guidance materials and other tools used by small and very small establishments, as defined by FSIS regulations, and provide recommendations on measures the Food Safety and Inspection Service (FSIS) should take to improve regulatory clarity and consistency. (Section 11104)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with amendment. The substitute directs the Secretary to enter into contract with a land-grant college or university or a non-land-grant college of agriculture to review the effectiveness of existing FSIS guidance materials used by small and very small establishments operating under Federal inspection and provide recommendations on measures FSIS should take to improve regulatory clarity and consistency. (Section 12107)

The Conference Substitute requires a report considering the effectiveness of USDA outreach to small meat processors operating under federal inspection. The Secretary shall contract with a land-grant college or university or a NLGCA with expertise in food safety and inspection to conduct the report. In conducting outreach to develop the report, the college or university shall consult with the USDA Food Safety Inspection Service Evaluation Working Group. The report shall be provided to the House

Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry.

*(9) Regional cattle and carcass grading correlation and training centers*

The House bill requires the Secretary to establish up to three regional centers to be known as “Cattle and Carcass Grading Correlation and Training Centers” to: (1) provide education and training for cattle and carcass beef graders of AMS, cattle producers, and other professionals involved in the reporting, delivery, and grading of feeder cattle, live cattle, and carcasses for the purpose of limiting the subjectivity in the application of beef grading standards; (2) provide producers with greater confidence in the price of the producers’ cattle; (3) provide investors with both long and short positions more assurance in the cattle delivery system; and (4) coordinate USDA and state and local resources. The House bill also requires that no funds are to be used for construction of any new facilities. (Section 11105)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 12108)

*(10) Repeal of office of homeland security*

The Senate amendment repeals the Office of Homeland Security created in the 2008 Food, Conservation, and Energy Act. (Section 12201)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 12201)

The Senate amendment moves the authorization of the Office of Homeland Security (the Office) from the Food, Conservation, and Energy Act of 2008 (7 USC 8911) to subtitle A of the Department of Agriculture Reorganization Act of 1994 with updated authorities. The Managers do not intend for the Office to physically close and reopen.

*(11) Office of homeland security*

The Senate amendment establishes an Office of Homeland Security and authorizes an Agriculture and Food Threat Awareness Partnership Program. (Section 12202)

The House bill contains no comparable provision.

The Conference substitute adopts Senate amendment with minor technical modification. (Section 12202)

Managers expect the Executive Director of the Office to serve as the principal advisor to the Secretary on homeland security, including emergency management and agriculture and food defense, and to coordinate activities of the Department related to homeland security and emergency response. The Office is expected to proactively engage USDA’s agencies with critical missions important to homeland security, as well as to engage and assert the USDA roles, responsibilities, and needs within interagency discussions, including those with the Executive Office of the President and the intelligence community agencies.

*(12) Agriculture and food defense*

The Senate amendment: (1) provides several definitions; (2) requires the Secretary to develop, in collaboration with appropriate Federal, State, regional, and local

officials, a comprehensive strategic response plan or plans, as appropriate, for certain diseases or pests of concern; (3) requires the Secretary to provide information to a State or regional authority to assist in developing a comprehensive strategic response plan or plans that shall include several factors such as concepts of operations for each disease of concern and describing decision matrixes, roles, and interactions for each level of government and industry; (4) authorizes the National Plant Diagnostic Network (NPDN), headed by the Director of the National Institute of Food and Agriculture in partnership with the Animal and Plant Health Inspection Service (APHIS) to provide passive surveillance and early identification of plant diseases and pests; and (5) establishes the National Plant Disease Recovery System (NPDRS) to focus on and plan for long term recovery from high-consequence plant transboundary disease and directs the NPDRS to coordinate diseases of concern response planning and develop research plans for recovery through the identification and use of novel resistant genetic material to stabilize and improve crops in the face of potential plant disease pressure. (Section 12203)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with a modification that State plans include a concept of operations, and address, as appropriate, the requirements in the Senate amendment. (Section 12203)

The Senate amendment establishes strategic response planning for plant and animal diseases and pests of particular concern at the national level, as well as support for State, or States, interested in more detailed response planning adapted to the individual needs of that State, or States. The Managers understand a response plan designed to the detail of a concept of operations cannot totally anticipate real events and that there is not a response plan that will remain totally effective for long after an initial disease or pest detection is made during a real event. Every situation or emergency is different. Adjustments to the response will need to be made to accommodate a situation in real time. Nevertheless, developing a response plan to the detail of a concept of operations is an important preparedness step to establish and maintain a state of readiness. A concept of operations should outline the process to be followed in implementing a response and should define the roles of the stakeholders involved throughout the process. It has been demonstrated repeatedly by law enforcement, emergency response, and defense planners that exercised plans, even when the plan is divergent from an actual event, provide value and improve a response participant's ability to react and adapt, increasing the success of containing and managing a real threat or event. Establishing key performance metrics for a response will be paramount for consistent evaluation and to accomplish ongoing improvement of a response plan. Therefore the Managers expect the response planning developed for plant and animal diseases and pests of concern to provide for benchmarking of performance in order to measure and make positive change or to maintain an expected standard.

### *(13) Biological agents and toxins list*

The Senate amendment amends the underlying law by adding a new consideration for selecting a pathogenic biological agent to be added to the list of biological agents and toxins. (Section 12204)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with a modification regarding its considerations for inclusion on the list. (Section 12204)

The Managers expect that when a biological agent is examined for inclusion on the Biological Agents and Select Toxins List that consideration is given to the potential impact on performance of research on the causative agent of the disease.

*(14) Authorization of appropriations*

The Senate amendment authorizes appropriations of \$5 million for each of fiscal years 2019 through 2023. (Section 12205)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment. (Section 12205)

The Managers note that several of the functions directed in this subtitle already receive funding through other authorizations of appropriations and other sources, such as funding directed towards OHSEC, APHIS, ARS and NIFA for activities in this subtitle currently carried out by those entities. The Managers support those authorizations of funding and appropriations and expect them to continue. The Managers expect the authorizations in this section will be weighted towards new responsibilities authorized in this subtitle and intend this authorization to supplement, not supplant those other sources.

*(15) Farming opportunities training and outreach*

The House bill amends section 7405 of the Farm Security and Rural Investment Act of 2002 to: (1) prioritize grants for agricultural education for youth for agricultural employment and volunteer opportunities, and for projects that demonstrate experience in providing such education and opportunities for socially disadvantaged youth; (2) authorize the Secretary to waive the matching requirement to effectively reach an underserved area or population; (3) include retiring farmers and non-farming landowners, and adds authority for training and technical assistance, as well as education programs and workshops; and (4) reauthorize \$10 million in mandatory spending each year for FY2019-2023 and reauthorizes appropriations of \$20 million each for FY2019-2023 for the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers program, also known as the 2501 Program. The House bill amends section 2501(a)(4) of the Food Agriculture, Conservation, and Trade Act of 1990 to include priority for grants, contracts, and other agreements for projects that deliver agricultural education to youth in underserved communities, and reauthorizes \$20 million in mandatory spending and \$30 million in discretionary appropriations for FY2019-2023 for Beginning Farmer and Rancher Development Program. (Sections 7507 & 11201)

The Senate amendment repeals section 7405 of the Farm Security and Rural Investment Act of 2002 and inserts this section into Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 under the newly established "Farming Opportunities Training and Outreach." The Senate amendment: (1) authorizes the Secretary to encourage and assist socially disadvantaged, veteran, and beginning farmers and ranchers through education and training and equitable participation in agricultural programs; (2) moves the definition of beginning farmer and authorizes the equivalent of existing Beginning Farmer and Rancher Development grant program with a few differences including that the Secretary should act through the Director of the National Institute of Food and Agriculture in carrying out the grant program, providing that the grants can be used to assist beginning farmers and ranchers in acquiring land from retiring farmers and ranchers, and for food safety and recordkeeping; (3) requires a simplified application process for grants under \$50,000; (4) provides \$50 million in

mandatory funding in fiscal year 2018 and each year thereafter and authorizes \$50 million a year in appropriations for FY2018-2023, reserved equally between Beginning Farmer and Rancher Development Grant Program and the authority under subsection (c) (socially disadvantaged and veteran farmers and ranchers); (5) authorizes same 5 percent set-asides as in current law from beginning farmer program; (6) requires that 5 percent of funds allocated to the Socially Disadvantaged Farmer Research and Policy Center go to limited resource and socially disadvantaged farmers and ranchers, and farmworkers; (7) requires that 5 percent of projects awarded through education teams and curriculum development go towards veterans; (8) places a 5 percent cap on administrative expenses; (9) limits indirect costs to 10%; and (10) the Secretary should act through the Director of the National Institute of Food and Agriculture in carrying out the Beginning Farmer and Rancher Development grant program. The Senate amendment requires that grants for socially disadvantaged farmers and ranchers are for a term no longer than 3 years and in an amount no more than \$250,000 for each year of the grant; and requires the Secretary to give priority in awarding grants to nongovernmental and community based organizations with expertise in working with socially disadvantaged, or veteran, farmers and ranchers. (Section 12301)

The conference substitute adopts the Senate provision with an amendment that authorizes the Secretary to waive the matching requirement in the Beginning Farmer and Rancher Development program of the Farming Opportunities Training Outreach program to effectively reach an underserved area or population; requires a simplified application process for all grants under \$50,000; provides \$30 million in mandatory funding in fiscal years 2019 and 2020, \$35 million in fiscal year 2021, \$40 million for fiscal year 2022, and \$50 million for fiscal year 2023 and each year thereafter and authorizes \$50 million a year in appropriations for FY 2019-2023, reserved equally between Beginning Farmer and Rancher Development Grant Program and the authority under subsection (c) (socially disadvantaged and veterans). (Section 12301)

The Managers recognize the increasing demand for programming for beginning and socially disadvantaged farmers, so the Conference agreement includes \$435 million in mandatory funding for the Farming Opportunities Training Outreach program, which combines the Beginning Farmer and Rancher Development Program and the Outreach Program for Socially Disadvantaged Farmers and Veterans. The Managers have provided permanent funding for this program to ensure that the program has baseline funding hereafter. The Managers also intend that the Secretary will continue to administer the Beginning Farmer and Rancher Development Program through the National Institute of Food and Agriculture and that the Outreach Program for Socially Disadvantaged Farmers and Veterans be administered through the Office of Partnerships and Public Engagement.

#### *(16) Urban agriculture*

The Senate amendment adds a new section 222 in the Department of Agriculture Reorganization Act of 1994 to: (1) establish an Office and Director of Urban Agriculture and Innovative Production to encourage and promote urban, indoor, and other emerging agricultural production practices; (2) establish an Urban Agriculture and Innovative Production Advisory Committee; (3) provide for the assignment of a farm number for rooftop, indoor, and other urban farms; (4) provide authority to award competitive grants to operate community gardens or nonprofit farms, educate a community on food systems, nutrition, environmental impacts, and agricultural production, and help offset start-up

costs for new and beginning farmers; (5) establish pilot projects to increase compost and reduce food waste, and create urban and suburban county committees; and (6) authorize appropriations of \$25 million a year. (Section 12302)

The House bill does not contain a comparable provision.

The Conference substitute adopts the Senate provision with an amendment that adjusts the Director's responsibilities, reduces the committee to 12 members, amends the reporting requirement, removes provision relating to the assignment of farm numbers, removes community organizations and institutions of higher learning from consideration for grants, removes funding priority provision, and limits authorization of appropriations to fiscal years 2019 through 2023. (Section 12302)

The Managers recognize that urban agriculture and innovative production methods like indoor and rooftop farming create new economic opportunities in urban, suburban, and rural communities. The Managers acknowledge that urban agriculture and innovative production methods also increase access to food in low-income communities and improve availability of fresh products throughout the entire year, and recognize that these agricultural opportunities help build a new generation of farmers.

The Managers intend that the Office of Urban Agriculture and Innovative Production be responsible for policy and program development, as well as interagency collaboration, and provide customer service to external stakeholders on issues pertaining to urban agriculture and innovative production. The Managers direct the Secretary to update Farm Service Agency procedures that allow for assignment of farm numbers (as defined in section 718.2 of title 7, Code of Federal Regulations) to include rooftop farms, indoor farms, and other urban farms.

The Managers direct that individual grants awarded through the Office of Urban Agriculture and Innovative Production serve multiple farmers or gardeners for the purposes of community service, education, farm incubation, or making a profit. The Managers encourage the Secretary to use these grants to assist with costs related to agricultural production including but not limited to land acquisition, equipment, utilities, seeds and plants, supplies, basic transportation, and farm cooperative development. The Managers expect the Secretary to establish criteria and guidelines to meet the suggested purposes of the grant program.

The Managers recognize composting is not the only available technology for food waste recovery. It is the Managers' intent that any pilot project under this section does not adversely impact existing commercial relationships of other food waste recovery efforts, including those of commercial renderers who collect and process animal and food waste from commercial and farm sources. It is the Manager's intent that activities occurring through pilot projects selected under this paragraph shall take into consideration the most-preferred food waste recovery activities as described in the Food Recovery Hierarchy of the Environmental Protection Agency (as of the date of enactment or any successor guidance or outreach materials).

#### *(17) Office of advocacy and outreach*

The House bill amends section 226B of the Department of Agriculture Reorganization Act of 1994 to: (1) change the name of the office to the "Office of Partnerships and Public Engagement", and makes applicable conforming amendments; (2) extend outreach to limited resource producers, veteran farmers and ranchers, and Tribal farmers and ranchers, and promotes outreach specifically to youth; (3) expand the

duties of the office to include veteran farmers and ranchers and Tribal farmers and ranchers; (4) expand the Office's monitoring of goals and objectives to veteran farmers and ranchers and Tribal farmers and ranchers; (5) expand the Office's measuring of outcomes to veteran farmers and ranchers and Tribal farmers and ranchers; and (6) reauthorize appropriations at existing levels through FY2023. (Section 11203)

The Senate amendment reauthorizes appropriations at existing levels through FY2023. (Section 12303)

The Conference substitute adopts the House provision with an amendment that does not separately define Tribal farmers and ranchers aside from the definition of socially disadvantaged farmers and ranchers, which includes tribal farmers and ranchers. (Section 12406)

The Managers acknowledge that it is important for the Office of Partnerships and Public Engagement (OPPE) to improve access to USDA programs for tribal farmers and ranchers and direct this office to conduct these outreach efforts. Tribal farmers and ranchers are already included in the definition of a socially disadvantaged farmer and rancher, so the conferees did not adopt the addition of tribal farmers and ranchers from the House bill.

The Managers recognize that the Office of Tribal Relations (OTR) is an important function of USDA and should be within the Office of the Secretary. The Director of OTR serves as USDA's primary point of contact for consultation and coordination with Tribal Governments and should continue to directly advise the Secretary on tribal issues and policies. The Managers agree that OTR should coordinate with OPPE to provide outreach and assistance to tribes and tribal farmers and ranchers to improve access to USDA programs and resources.

#### *(18) Tribal advisory committee*

The House bill amends section 309 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 to transfer the Office of Tribal Relations into the newly established Office of Partnerships and Public Engagement. (Section 11204)

The Senate amendment amends section 309 of the Department of Agriculture Reorganization Act of 1994 to establish the USDA Tribal Advisory Committee to advise the Secretary on tribal agricultural topics and annually report recommendations to the Secretary. (Section 12304)

The Conference substitute adopts the Senate provision with an amendment altering the manner in which the membership of the committee is established. (Section 12303)

#### *(19) Youth outreach and beginning farmer coordination*

The House bill amends the Department of Agriculture Reorganization Act of 1994 by inserting after section 220 a new section 221 to: (1) establish the position of Agricultural Youth Coordinator to promote the role of youth-serving organizations and school-based agricultural education; (2) direct the Coordinator to identify short-term and long-term interests of the Department; (3) direct the Coordinator to assist "young farmers"; (4) direct "particular emphasis on beginning farmer and rancher programs"; (5) outline contracts and cooperative agreements the Coordinator may engage in with land-grant universities, research centers of the Agricultural Research Service, and nonprofit

organizations; and (6) with regard to contracts and cooperative agreements (Section 221(c)(1)), include “the conduct of regional research on the profitability of small farms.” (Section 11206)

The Senate amendment amends the Farm Security and Rural Investment Act of 2002 by inserting after section 7404 a new 7405 to: (1) establish an Agricultural Youth Coordinator to promote and coordinate outreach through the use of contracts and cooperative agreements; (2) authorize the Agricultural Youth Coordinator to use contracts for youth education; (3) direct assistance to “youth involved in food and agriculture organizations”; and (4) list areas of emphasis including: beginning farmer and rancher programs, agriculture education, nutrition education science, technology, engineering, and mathematics education, and other food and agriculture programs for youth. (Section 12306)

The Conference substitute adopts the House provision with an amendment that exchanges the term "young farmers" for "youth." (Section 12305)

The Managers recognize the importance of involving youth in farming and ranching through programs like 4-H, FFA, and Farm to School. The Managers intend for the Agricultural Youth Organization Coordinator to promote youth-serving organizations and school-based agricultural education, serve as a resource for assisting youth organizations in agriculture in applying for participation in agricultural programs, and advocate on behalf of youth organizations in agriculture in interactions with employees of the Department.

#### *(20) State beginning farmer and rancher coordination*

The House bill amends section 226 of the Department of Agriculture Reorganization Act of 1994 to direct the Secretary, through the FSA, to designate one employee, who receives sufficient training, from among employees of FSA, NRCS, RMA, RBCS or RUS, in each state as the State Beginning Farmer and Rancher Coordinator responsible for developing a State plan to coordinate outreach and technical assistance in county and area Department offices. (Section 11202)

The Senate amendment amends the Farm Security and Rural Investment Act of 2002 by inserting after section 7404 a new 7405 to: establish a National Beginning Farmer and Rancher Coordinator to provide outreach and technical assistance to help beginning farmers and ranchers participate in Department programs. The Senate provision for directing the Secretary is the same as contained in the House bill, but Senate language does not require the Secretary to work through the FSA. (Section 12306)

The Conference substitute adopts the Senate provision with an amendment that adopts the definition of "beginning farmer or rancher" as defined in section 2501(a) of the Food, Agriculture, Conservation, and Trade Act of 1990. (Section 12304)

The Managers recognize that America’s farmers and ranchers are aging while, at the same time, aspiring and beginning farmers face challenges in establishing successful operations. The Managers intend for the National Beginning Farmer and Rancher Coordinator and the associated State Coordinators to assist new and beginning farmers and ranchers with technical assistance and make them aware of USDA programs.

#### *(21) Availability of department of agriculture programs for veteran farmers and ranchers*

The Senate amendment: (1) amends the definition of veteran as any individual who has obtained veteran status within the previous 10 years, as defined in section 2501

of the Food, Agriculture, Conservation, and Trade Act of 1990; (2) extends benefits to veterans including Farm Service Agency down payment loans, reduced interest rates on guaranteed loans, increased coverage under Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish, reduced premiums and fees for the Noninsured Crop Disaster Assistance Program, and increased educational focus from the Food Safety Outreach Program and the Federal Crop Insurance Education Program; and (3) amends the definition of veteran, for the purpose of Risk Management Agency programs, as any individual who has gained veteran status within the previous 5 years and extends to veterans eligibility for increased premium subsidy, lower administrative fees, and assistance in establishing baseline yields. (Section 12307)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12306)

The Managers encourage the Department to expand support to new veteran farmers and have therefore made veterans eligible for additional farm program priorities and discounts. The Conference Substitute also changes the definition of a veteran farmer to include all new veterans who are farmers.

*(22) Office of congressional relations and intergovernmental affairs*

The Senate amendment amends section 218 of the Department of Agriculture Reorganization Act of 1994 to rename the Assistant Secretary of Congressional Relations as the Assistant Secretary of Congressional Relations and Intergovernmental Affairs and allows for the succession of the current Senate confirmed Assistant Secretary into the newly titled role. (Section 12401)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12401)

*(23) Military veterans agricultural liaison*

The Senate amendment amends section 219 of the Department of Agriculture Reorganization Act of 1994 to improve coordination between USDA and other federal agencies to assist in providing information to veterans about agricultural vocational and rehabilitation programs and directs the Military Veterans Liaison to report collected information annually and publish it on a dedicated website. (Section 12402)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12402)

The Managers intend for the website authorized under this section to improve coordination between USDA and other federal agencies to assist in providing information to veterans about agricultural programs. The Managers recognize that improving communication channels between USDA officials and veterans will ensure that USDA is better able to assist veterans who are looking to return home and start a new career in agriculture.

*(24) Civil rights analysis*

The Senate amendment amends the Department of Agriculture Reorganization Act of 1994 by inserting after section 222 a new section 223 that requires the Secretary to conduct a civil rights analysis of certain actions of USDA, allows the Assistant Secretary of Civil Rights to grant, on a case-by-case basis, an expedited civil rights analysis or a waiver of the civil rights analysis, and requires the Comptroller General of the United

States to conduct a study of various actions and efforts of USDA concerning civil rights. (Section 12403)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that requires the Department to conduct civil rights impact analyses in accordance with the Department's current policy, Departmental Regulation 4300-004, issued by USDA on October 16, 2016. (Section 12403)

The Managers recognize the history of discriminatory actions at the Department and want to ensure that the Department is in compliance with civil rights requirements. The conference report thus adopts two provisions, a civil rights impact analysis, and a Comptroller General report.

First, the Managers recognize the importance of evaluating the potential discriminatory effects of certain actions, policies, or decisions under consideration by the Department of Agriculture and therefore require the Secretary to conduct civil rights impact analyses in accordance with Departmental Regulation 4300-004, as in effect on October 17, 2016, the Department's current policy.

The Managers understand that any proposed action or policy could have unintended adverse or disproportionate impacts on employees, applicants, contractors, or beneficiaries of the Department based on their membership in a group that is protected from discrimination under Federal law. The Managers therefore intend for the Secretary to use the civil rights impact analyses as an opportunity to proactively identify these impacts and, if applicable, implement changes to the proposed activity to ensure the Department's actions and policies do not have a negative civil rights impact.

Second, the conference report also requires the Comptroller General to conduct a study describing the effectiveness of the Department in processing and resolving civil rights complaints, minority participation rates in farm programs, the implications of the realignment of civil rights functions of the Department, and the Department's efforts to identify and reduce the incidence of civil rights violations.

*(25) Farm service agency*

The Senate amendment provides conforming technical corrections related to administrative reorganization actions, renaming the Consolidated Farm Service Agency as the Farm Service Agency. (Section 12404)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12404)

*(26) Under Secretary of agriculture for farm production and conservation*

The House bill changes references to the former Under Secretary of Agriculture for Farm and Foreign Agricultural Services in various laws to either the Under Secretary of Agriculture for Production and Conservation or the Under Secretary for Trade and Foreign Agricultural Affairs, and amends references to the Under Secretary for Rural Development in the Agricultural Act of 1961, the Agricultural Marketing Act of 1946, the Native American Business Development, Trade Promotion, and Tourism Act of 2000, and the Rehabilitation Act of 1973 by inserting "or other official designated by the Secretary". (Section 11601)

The Senate amendment provides conforming technical corrections related to previously carried out administrative reorganization actions including the creation of the

FPAC mission area, and the creation of the Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs. (Section 12405)

The Conference substitute adopts the Senate provision. (Section 12405)

*(27) Under Secretary of agriculture for rural development*

The Senate amendment directs the Secretary to establish the position of Under Secretary of Agriculture for Rural Development as a permanent, mandatory position. (Section 12406)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12407)

Section 12407 requires the Department to reestablish the position of Under Secretary for Rural Development, a position formerly established in the Department. The Managers intend for this position to be a permanent, mandatory position and not subject to any administrative reorganizations.

The Managers recognize that Rural Development's more than \$222 billion dollar financial portfolio leverages significant investments throughout rural America, serving as an important source of capital for underserved communities, and provides essential technical assistance and supports families, farmers, ranchers, and businesses across America.

*(28) Administrator of the rural utilities service*

The Senate amendment allows the Administrator of the Rural Utilities Service to be paid a salary consistent with other administrators in the Department's Rural Development mission area. (Section 12407)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that properly aligns the provision with Title 5, and removes unnecessary conforming amendments. (Section 12408)

*(29) Rural health liaison*

The Senate amendment establishes a Rural Health Liaison to coordinate the Department's role in rural health with other Federal agencies and improve communication to and coordination with stakeholders. (Section 12408)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment changing the "Interagency Task Force on Agriculture and Rural Prosperity" to the "Council on Rural Community Innovation and Economic Development." (Section 12409)

*(30) Natural resources conservation services*

The Senate amendment requires the Secretary to provide a 60-day notice to the House and Senate Agriculture Committees before closing an office of the Natural Resources Conservation Service (NRCS) or relocating personnel employed within NRCS or the Rural Development mission area, and provides conforming technical amendments to applicable statutes related to previously carried out administrative reorganization actions including the creation of the FPAC mission area. (Section 12410)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment

reducing the "60 day" notice to "30 days", and terminating the authority for this provision on September 30, 2023. (Section 12410)

*(31) Office of the chief scientist*

The Senate amendment amends section 251 of the Department of Agriculture Reorganization Act of 1994 to update the name of the Research, Education, and Extension Office to the "Office of the Chief Scientist," change the term of service for Division Chiefs, and provide conforming technical corrections to the Department of Agriculture Reorganization Act of 1994 related to the creation of the Under Secretary for Trade and Foreign Agricultural Affairs created in the 2014 Farm Bill. (Section 12411)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12411)

*(32) Trade and foreign agricultural affairs*

The Senate amendment provides conforming technical corrections to the Department of Agriculture Reorganization Act of 1994 related to the creation of the Under Secretary for Trade and Foreign Agricultural Affairs in the 2014 Farm Bill. (Section 12412)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12413)

*(33) Repeals*

The Senate amendment repeals outdated authorities pursuant to the Department of Agriculture Reorganization Act of 1994, repeals Section 3208 of the Agricultural Act of 2014, and corrects prior statutory drafting errors amending Department of Agriculture Reorganization Act of 1994. (Section 12413)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment absorbing modified rule of construction language from the Effect of Subtitle provision. (Section 12414)

*(34) Technical corrections*

The Senate amendment corrects prior statutory drafting errors amending the Department of Agriculture Reorganization Act of 1994. (Section 12414)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12415)

*(35) Effect of subtitle*

The Senate amendment allows the technical amendments in Sections 12408 and 12414 to be effective retroactively. (Section 12415)

The House bill has no comparable provision.

The Conference substitute does not adopt the Senate provision and instead incorporates amended language in the Section 12414.

*(36) Termination of authority*

The House bill amends the Department of Agriculture Reorganization Act of 1994 to provide that the Secretary has the authority to carry out amendments made to that

Act by Section 772 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2018 and the Federal Agriculture Improvement Act of 2018. (Section 11602)

The Senate provision amends the Department of Agriculture Reorganization Act of 1994 to allow the Secretary to carry out the amendments made to that Act by the Federal Agriculture Improvement Act of 2018. (Section 12416)

The Conference substitute adopts the House provision as amended by the Senate amendment. (Section 12416)

*(37) ACER access and development program*

The Senate amendment reauthorizes ACER Access and Development Program to make competitive grants to promote the domestic maple syrup industry and extends the authority for appropriations through FY 2023. (Section 12501)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12501)

*(38) Pet and Women Safety*

The Senate amendment: (1) amends various sections of the U.S. criminal code to enact provisions regarding crimes targeting the pets of abuse victims, including Section 2261A of title 18 USC (crimes pertaining to interstate stalking) and Section 2262 of title 18 USC (crimes pertaining to interstate violation of protection orders); (2) amends section 2264 of title 18 USC (pertaining to court-ordered restitution for offenses) to include veterinary services relating to physical care for the victim's pet; (3) amends Section 2266 of title 18 USC (definitions) to establish a definition for pets; (4) directs the Secretary of Agriculture, in coordination with DOJ, HUD, and HHS, to award grants to eligible entities to carry out programs (emergency and transitional shelter and housing assistance) to provide assistance, which shall be provided for a period of not more than 24 months, with the option to extend for an additional 6 months, to victims of domestic violence and their pets, which includes construction or operating expenses of newly developed or existing emergency and transitional shelter and housing for domestic violence victims with pets, temporary boarding expenses of pets, and expenses for pet-related services such as transportation and veterinary care; (5) requires participating entities, not later than 1 year after receiving grants under this subsection and each year thereafter, to submit to the Secretary a report that contains details of assistance provided and program participants, and requires an annual compilation report be submitted to Congress; and (6) authorizes appropriations for \$3 million a year for FY2019-2023 for a grant program to provide emergency and transitional housing assistance for victims of domestic violence and their pets. (Section 12503)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to rename the provision "Protecting Animals with Shelter" and to authorize the Secretary to enter into a memorandum of understanding with the head of other relevant departments to facilitate the grant program to assist victims of domestic violence and their pets, and clarify the definition of pet to include certain companion animals, while also providing protections for other animals such as horses, service animals, and emotional support animals. (Section 12502)

The Managers recognize that victims of domestic violence often may be reluctant to leave an abusive relationship out of fear for the safety and welfare of their companion animals. Animal friendly housing can be difficult to secure, and the costs entailed with animal housing can factor into victims' decisions to leave abusive relationships. Section 12502 authorizes appropriations for \$3 million for each of fiscal years 2019 through 2023 to establish a grant program to provide emergency and transitional housing assistance for domestic violence victims with pets. The Secretary of Agriculture may enter into a memorandum of understanding with another Department or Agency to administer the grants under this section. The conference substitute clarifies the definition of pet to include certain companion animals, while also providing protections for other animals such as horses, service animals, and emotional support animals. Further, this section expands federal domestic violence and stalking protections to include crimes targeting pets, horses, service animals and emotional support animals.

*(39) Data on conservation practices*

The Senate amendment: (1) creates a secure data collection system through which the Department, pursuant to established privacy and confidentiality protocols; (2) allows for analysis and review of data from various agencies regarding the impact of covered conservation practices on crop yields, soil health, and farm and ranch profitability; (3) establishes protocols and procedures to allow for the collection of data from existing Departmental databases and for the voluntary submission of data from producers; (4) establishes a data warehouse to contain the data collected under this section that can be accessed by an academic institution or researcher; and (5) requires the Risk Management Agency to work with other agencies to conduct research and analyze how yield variability and risk are impacted by certain conservation practices. (Section 12504)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that reconfigures the provision to function as a report generated by the Secretary after the identification of available Departmental data on conservation practices and the effect of such practices on farm and ranch profitability including effects relating to crop yields, soil health. The report generated by the Secretary will summarize the data and the steps the Secretary will have to take to provide access to the data to university researchers, including technical, privacy or administrative considerations, the safeguards linked to providing access to data, appropriate procedures to maximize research benefits, and recommendations relating to Federal authorizations needed to allow access to data. (Section 12618)

In order to increase the knowledge of how conservation practices or suites of conservation practices may affect crop yields, soil health, and other risk-related factors, the Managers intend for USDA to identify a compilation of the available data sets within the Department, including the potential use of databases created in this act under Section 1240H (d) of the Environmental Quality Incentives' Conservation Innovation Grants (CIG) and the Conservation Effects Assessment Project (CEAP) or the database under the Acreage Crop Reporting Streamlining Initiative (ACRSI).

During the internal review of the data sets held by USDA, the Managers encourage the Secretary to also include any other ongoing initiatives of a similar nature inside and outside of the Federal government and consider any steps needed to expand or improve the collection of existing data to benefit the usefulness for research and analysis.

The Managers also encourage the Secretary to keep in mind the potential to integrate elements of activities encouraged under this section and other data-related initiatives, such as ACRSI, in order to avoid duplication. Nothing in this section is intended to replace or interfere with existing efforts and the Managers intend for such efforts as the conservation modeling under CEAP or the collaboration between the Natural Resources Conservation Service and the Risk Management Agency on existing or future collaborative research on soil types, cover crops or other management practices to continue. The Managers expect any review or analysis of any personally identifiable information or data set in this section to adhere and uphold to the maximum extent Department and agency privacy and confidentiality protocols that are in place. The Managers intend for limited access to apply to a narrow group of other researchers, such as those in academia. However, the Managers do not intend to provide controlled access under this authority to others directly or indirectly outside of the Federal government, such as non-governmental organizations.

*(40) Marketing orders*

The House bill adds “pecans” to the list of commodities. (Section 9202)

The Senate amendment adds “pecans” and “cherries” to the list of commodities. (Section 12505)

The Conference substitute adopts the Senate provision. (Section 12503)

The Managers intend that the term “cherries” includes all processed tart or sour cherries, including frozen and dried cherries (with or without added sweetener), cherry juice (concentrate or single strength), and canned cherries.

*(41) Study on food waste*

The Senate amendment directs the Secretary to conduct a study to evaluate and determine methods of measuring food waste, factors creating food waste, particularly of fresh food products, and whether USDA programs disrupt existing food waste recovery and disposal by commercial, marketing, or business relationships and instructs the Secretary to issue an initial and an annual report. (Section 12506)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision into an amended section wherein the newly created Food Loss and Waste Reduction Liaison will conduct the study on food waste and issue an initial report and additional report relating to data collected on food waste, and efforts to reduce and prevent such waste. (Section 12504)

*(42) Establishment of food loss and waste reduction liaison*

The House bill authorizes USDA to establish, within the Office of the Secretary, a “Food Loss and Waste Reduction Liaison” to coordinate federal programs to measure and reduce the incidence of food loss and waste, provide information and resources, and raise awareness of the liability protections for donated foods. (Section 11607)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment directing the Secretary to conduct a food waste study, in consultation with the Food Loss and Waste Reduction Liaison, who will issue an initial report and additional report relating to data collected on food waste and efforts to reduce and prevent such waste. (Section 12504)

The Managers intend for the results of the Study on Food Waste to inform the development of best practices for food loss and waste reduction and food recovery efforts carried out under this section. The Managers encourage the Food Loss and Waste Reduction Liaison to continue to monitor and review the volume of food wasted and the results of the food waste reduction and loss prevention activities carried out by the Department subsequent to the submission of the report under subsection (e)(2).

*(43) Report on business centers*

The Senate amendment requires GAO to issue a report evaluating each USDA business center. Further, the amendment requires that the report examine the effectiveness of the Department's business centers, impacts on budgets and personnel, and recommendations to improve the operation and function of those business centers. (Section 12507)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12505)

*(44) Information technology modernization*

The Senate amendment requires GAO to issue reports evaluating the Department's information technology modernization efforts, and outlines the initial report, the updates, and the comprehensive reports to be issued. (Section 12508)

The House bill contains no comparable provision.

The Conference substitute does not adopt the Senate provision.

*(45) Report on personnel*

The Senate amendment requires the Department to biannually submit to the House and Senate Agriculture Committees a report describing the number of staff years and employees employed for each agency of the Department. (Section 12509)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12506)

*(46) Report on absent landlords*

The Senate amendment requires the Secretary to conduct a study on absent landlords within one year of enactment. In conducting the study, the Secretary shall consider certain impacts of absent landlords on land value, soil health, and economic viability and provide recommendations on how to mitigate these impacts. (Section 12510)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12507)

*(47) Restriction on use of certain poisons for predator control*

The Senate amendment restricts the use of sodium cyanide (M-44 devices) to kill predatory animals only in accordance with Wildlife Services (WS) Directive Number 2.415 of the Animal and Plant Health Inspection Service, dated February 27, 2018, and the implementation guidelines attached to that Directive. (Section 12511)

The House bill contains no comparable provision.

The Conference substitute does not adopt the Senate provision.

*(48) Century farms program*

The House bill establishes a program under which the Secretary recognizes any farm that a state program or similar agricultural organization recognizes as a century farm, or a farm as defined under section 7 CFR 4284.902, and farms that have been in continuous operation by the same family for at least 100 years. (Section 11610)

The Senate amendment establishes a National Century Farms Program to recognize state programs and farms that have been in continuous operation by the same family for at least 100 years. (Section 12512)

The Conference substitute adopts the House provision. (Section 12508)

*(49) Report on importation of live dogs*

The House bill directs the Secretary, in conjunction with the Secretaries of Commerce, Health and Human Services and Homeland Security, to provide a report to Congress on the volume of live dogs imported to the U.S. (Section 11612)

The Senate amendment contains a comparable provision but excludes the inclusion of the importation of personal pets. (Section 12513)

The Conference substitute adopts the House provision with an amendment strengthening the coordination efforts between the Departments of Commerce, Health and Human Services, and Homeland Security to enable the Secretary to collect, compile, and disseminate this data to Congress in order to better understand the public health implications of importing dogs into the United States. (Section 12509)

The Managers recognize that little is known about the volume of live dogs imported into the United States, whether as personal pets or animals seeking adoption or purchase by American households. Animal and zoonotic diseases pose serious risks to the U.S., and greater understanding of the pathways these diseases could be entering the U.S., such as via imported live dogs, is warranted.

The Managers instruct the Secretary to develop a report on the importation of live dogs into the United States to be submitted to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry no later than 1 year after the date of enactment of this Act. The Secretary of Commerce, the Secretary of Health and Human Services and the Secretary of Homeland Security shall provide to the Secretary of Agriculture all available data and information relating to the importation of live dogs into the U.S to complete the report.

*(50) Promise zones*

The Senate amendment codifies the Tribal Promise Zones program and provides for the continuation of currently existing Tribal Promise Zones to leverage public-private investment. (Section 12515)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment striking the section addressing competitive enhancement in federal awards to tribal promise zones. (Section 12510)

*(51) Precision agriculture connectivity*

The House bill highlights the importance of precision agriculture and the need so agriculture cost can be lowered by 2050, and establishes a Task Force for Reviewing the Connectivity and Technology Needs of Precision Agriculture to identify gaps in rural

technology and make policy recommendations to help address these issues. (Sections 6801 & 6802)

The Senate amendment: (1) highlights the importance of precision agriculture and the need so agriculture cost can be lowered by 2050; (2) establishes a Task Force for Reviewing the Connectivity and Technology Needs of Precision Agriculture in the U.S. to identify gaps in rural technology and make policy recommendations to help address these issues; (3) ensures that no provider of broadband internet access service is required to duplicate the reporting of data; (4) holds that the Task Force and the "Commission" (FCC) shall not interpret the use of the term "future programs of the Commission" to include universal service programs under the Communications Act of 1934 (47 U.S.C. 254); and (5) requires an agricultural producer representing tribal agriculture to be on the Task Force. (Section 12516)

The Conference substitute adopts the Senate provision with an amendment clarifying the definition of the term "broadband Internet access service". (Section 12511)

As the USDA develops financing, policy and other aspects related to rural broadband development, the Managers request USDA take into account Sec. 2110 of the FAA Extension, Safety, and Security Act of 2016. This will ensure communication towers providing broadband services in rural areas that meet the specifications described in Section 2110 are properly marked and entered into a FAA database to protect the safety of aerial applicators, aerial firefighters, public health applicators, medevac units, law enforcement and other low-flying aircraft.

Section 12511 requires the Federal Communications Commission (FCC), in collaboration with the Department, to form a task force to evaluate the best ways to meet the broadband needs of precision agriculture in the United States. The task force is focused on identifying and measuring gaps in broadband coverage, and developing policy recommendations to promote rapid, expanded deployment of broadband in agricultural areas.

The Managers believe many rural businesses do not have access to broadband services. Both the FCC and the U.S. Department of Agriculture, through the Rural Utilities Service (RUS), provide Federal support to bring broadband to rural areas. In rural areas, broadband has the potential to enable precision agriculture for farmers and ranchers by integrating emerging technologies and global position systems (GPS) to assist in the most efficient use of their land.

The Managers direct the Commission and the Department to review House Report 115-837 for additional details about the history, purpose, and implementation of this section.

#### *(52) Improved soil moisture and precipitation monitoring*

The Senate amendment allows the Secretary to consider findings from additional drought monitoring stations and to establish new stations, to improve the accuracy of the U.S. Drought Monitor utilized in determining grazing disaster assistance for livestock producers, and authorizes \$5 million in appropriations for FY2019-2013. (Section 12517)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment simplifying the Secretary's efforts from those imposed by the Senate provision, and instructs the Secretary to coordinate with the Director of the National Drought Mitigation Center and the Administrator of the National Oceanic and Atmospheric Administration to

enhance the collection of data to improve the accuracy of the United States Drought Monitor, review the type of data utilized by the Drought Monitor and the geographic coverage of data sites, and make improvements. (Section 12512)

*(53) Dairy business innovation initiatives*

The Senate amendment requires the Agricultural Marketing Service to establish at least three regionally located dairy product and business innovation initiatives to provide grants and nonmonetary assistance to dairy businesses, provides direction for the selection of initiatives, entities eligible to host initiatives, activities of the initiatives, distribution of funds and reporting requirements, and authorizes \$20 million in appropriations for each fiscal year. (Section 12519)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that streamlines the establishment and selection of the initiatives, amends language related to eligible and ineligible entities, streamlines the eligible types of assistance that are allowed, edits the priorities to be considered for the awarding of grants, and simplifies the reporting requirements. (Section 12513)

*(54) Report on funding for the national institute of food and agriculture and other extension programs.*

The Senate amendment instructs that no later than 2 years after the 2017 Census of Agriculture is released under the Census of Agriculture Act of 1997, the Secretary submit to Congress a report describing the funding necessary to adequately address NIFA's needs, activities, and ability to provide adequate services for the growth and development of the economies of rural communities based on the changing demographic in the rural and farming communities in the various States, paying particular attention to carrying out activities relating to small and diverse farms and ranches, veteran farmers and ranchers, value-added agriculture, direct-to-consumer sales, and specialty crops. (Section 12520)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12514)

*(55) Prohibition on slaughter of dogs and cats for human consumption*

The House bill: (1) adds a new section 30 to the Animal Welfare Act to prohibit a person from knowingly slaughtering a dog or cat for human consumption, or knowingly shipping, transporting, moving, delivering, receiving, possessing, purchasing, selling, or donating a dog or cat to be slaughtered for human consumption, or dog or cat parts for human consumption; (2) sets forth that such prohibition shall apply only with respect to conduct in or affecting interstate or foreign commerce, or within the special maritime and territorial jurisdiction of the United States; (3) establishes that any person who violates this section shall be subject to imprisonment for not more than 1 year, or a fine of not more than \$2,500, or both; and (4) provides that this section does not limit any State or local law or regulations from protecting the welfare of animals, or prevent a State or local governing body from adopting and enforcing more stringent laws or regulations. (Section 11613)

The Senate amendment: (1) sets forth that no person may knowingly slaughter a dog or cat for human consumption, or knowingly ship, transport, move, deliver, receive,

possess, purchase, sell, or donate a dog or cat to be slaughtered for human consumption, or a dog or cat part for human consumption; (2) provides that such prohibition shall apply only with respect to conduct in interstate commerce or foreign commerce; or within the special maritime and territorial jurisdiction of the United States; (3) provides that the prohibition shall not apply to an Indian (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)) carrying out any activity described in subsection (a) for the purpose of a religious ceremony; (4) establishes that any person who violates the prohibition shall be subject to a fine in an amount not greater than \$5,000 for each violation; and (5) provides that this section does not limit any State or local law or regulation protecting the welfare of animals; or prevent a State or unit of local government from adopting and enforcing more stringent laws or regulations. (Section 12521)

The Conference substitute adopts the Senate provision with an amendment relating to interstate commerce. (Section 12515)

*(56) Report on honey and maple syrup*

The House bill requires the Secretary to submit a report, not later than 60 days after enactment, to the House and Senate Agriculture Committees examining the effect of final FDA regulation, “Food Labeling: Revision of the Nutrition and Supplement Facts Labels” (81 Federal Register 33742), has on consumer perception regarding the “added sugar” statement required to be included on panels by the final rule with respect to packaged food in which no sugar is added during processing, including pure honey and maple syrup. (Section 9203)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House bill with an amendment that incorporates language permitting the food labeling requirements under section 403(q) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343(q)) to not require that the nutrition facts label of any single ingredient sugar, honey, agave, and syrup, including maple syrup, that is packaged and offered for sale as a single ingredient food bear the declaration “Includes Xg Added Sugars.” (Section 12516)

The Managers take note of numerous surveys highlighting high incidence of consumer confusion resulting from a mandatory declaration specifying "added sugar" on nutrition facts panel labels on single ingredient products such as pure honey and pure maple syrup. While the Managers are willing to consider future proposals by the Food and Drug Administration (FDA) to specify percent daily value in relation to the sugar content in these single ingredient products, the Managers’ intent is to stop FDA from requiring any form of a mandatory declaration of "added sugar" content on single ingredient products. The Managers further suggest that future efforts by the FDA to regulate added sugar aspects of the nutrition facts label should be informed by research documenting consumer interpretation of proposed label statements.

*(57) Expedited exportation of certain species*

The Senate amendment instructs the Director of the Fish and Wildlife Service (FWS) to issue a rule proposing to amend FWS requirements pertaining to export permissions for certain species. The rule is to consider establishing expedited procedures for exporting sea urchins and sea cucumbers intended for human and animal food. (Section 12601)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment amending Fish and Wildlife Service (FWS) regulations relating to export permission requirements for green sea urchins, only, to facilitate their exportation, and requires data on the conservation and management of green sea urchins be provided to relevant government entities. (Section 12617)

*(58) Baiting of migratory game birds*

The Senate amendment: (1) provides definitions for normal agricultural operation, post-disaster flooding, and certain agricultural practices related to rice production; (2) requires the Secretary of the Interior, in consultation with the Secretary of Agriculture, to revise agency regulations clarifying that certain practices for rice producers, when carried out as part of a normal agricultural operation, do not constitute baiting; and (3) directs the Secretary to issue reports related to the provisions of the section. (Section 12602)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with a minor amendment to the reporting requirements of the Secretaries of Agriculture and the Interior. (Section 12601)

*(59) Pima agriculture cotton trust fund*

The House bill repeals the program and creates “Textile Trust Fund” in section 11304. (Section 11301)

The Senate amendment reauthorizes section 12314 of the Agricultural Act of 2014, clarifies how funds shall be distributed to yarn spinners, amends the requirements of the affidavit, makes technical changes and updates, and provides funding for the trust fund for each calendar year through 2023. (Section 12603)

The Conference substitute adopts the Senate provision. (Section 12602)

*(60) Agriculture wool apparel manufacturers trust fund*

The House bill repeals the program and creates “Textile Trust Fund” in Section 11304. (Section 11302)

The Senate amendment reauthorizes section 12315 of the Agricultural Act of 2014, makes technical changes and updates, and provides funding for the trust fund for each calendar year through 2023. (Section 12604)

The Conference substitute adopts the Senate provision. (Section 12603)

*(61) Wool research and promotion*

The House bill repeals the program and creates “Textile Trust Fund” in Section 11304. (Section 11303)

The Senate amendment reauthorizes section 12316 of the Agricultural Act of 2014 and extends the \$2.25 million in mandatory funding for each of calendar years 2019 through 2023. (Section 12605)

The Conference substitute adopts the Senate provision. (Section 12604)

*(62) Textile trust fund*

The House bill: (1) establishes the Textile Trust Fund for the purposes of reducing injury for certain domestic manufacturers resulting from tariffs on certain cotton and

wool products that are higher than tariffs on certain cotton and wool apparel articles made from those products; (2) provides for the distribution of funds from the Textile Trust Fund for manufacturers of pima cotton and wool products, and for wool research and promotion; (3) provides for the timing of distributions of funds from the Textile Trust Fund; (4) authorizes the Textile Trust Fund through calendar year 2023 and provides funding; and (5) directs the Secretary, for each calendar year 2019 through 2023, to transfer from CCC to the Textile Trust Fund \$25.5 million to be allocated as such, with funds to remain available until expended; \$8 million to eligible manufacturers of pima cotton; \$15 million to eligible wool manufacturers; and \$2.25 million in grants for wool research and promotion. (Section 11304)

The Senate amendment contains no comparable provision to the creation of the Textile Trust Fund, but contains related provisions in sections 12603, 12604, and 12605.

The Conference substitute does not adopt the House provision.

*(63) Emergency citrus disease research and extension program (research and development trust fund)*

The House bill reauthorizes the Emergency Citrus Disease Research and Extension Program through 2023, extends the authorization of the appropriation of \$25 million in funding per year through 2023, and extends the \$25 million of mandatory funding for the Citrus Disease Research and Extension Program for each fiscal year through 2023. (Section 7305)

The Senate amendment: (1) establishes a citrus trust fund and directs the Secretary to make payments annually for the purpose of citrus research and extension activities, technical assistance, and development activities to combat certain pests and diseases as well as to support dissemination and commercialization of certain relevant discoveries; (2) prioritizes payments for the same research priorities established by the Citrus Disease Subcommittee of the Specialty Crop Committee of the National Agricultural Research, Extension, Education, and Economics Advisory Board per Section 1408A(g)(4) of the National Agricultural Research, Extension and Teaching Policy Act of 1977; (3) requires the Secretary, when determining how to distribute payments from the trust funds, to seek input from the Federal and State agencies and others involved in citrus disease response, and consider other public and private citrus-related research and extension; (4) requires the Secretary to ensure that funds provided from the trust fund not supplant funds made available to carry out other citrus disease activities carried out by USDA; and (5) requires the Secretary to transfer to the Citrus Trust Fund \$25 million from the Commodity Credit Corporation for each of fiscal years 2019 through 2023. (Section 12606)

The Conference substitute adopts the Senate provision with an amendment striking certain language from the Senate provision, simplifying the program, and directing the Secretary to carry out the Emergency Citrus Disease Research Extension Program in section 412(j) of the Agricultural Research, Extension and Education Reform Act of 1998. (Section 12605)

*(64) Extension of merchandise processing fees*

The Senate amendment extends section 503 of the United States-Korea Free Trade Agreement Implementation Act (Public Law 112-41; 19 U.S.C. 3805 note) for 13 weeks to May 26, 2027. (Section 12607)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12606)

*(65) Conforming changes to controlled substances act*

The Senate amendment amends the existing exemptions to include hemp as defined in section 297A of the Agricultural Marketing Act of 1946 and tetrahydrocannabinols in hemp (as defined under section 297A of the Agricultural Marketing Act of 1946). (Section 12608)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12619)

*(66) National flood insurance program reauthorization*

The Senate amendment extends financing authority of the program through January 31, 2019 and extends the program through January 31, 2019. (Section 12609)

The House bill contains no comparable provision.

The Conference substitute does not adopt the Senate provision.

*(67) Eligibility for operators on heirs property land to obtain a farm number*

The Senate amendment defines “eligible documentation” to include: (1) in states that have adopted the Uniform Partition of Heirs Property Act, a court order verifying the land meets the definition of heirs property or certification from the local recorder of deeds that the recorded landowner is deceased and not less than one heir has initiated a procedure to retitle the land; (2) a tenancy-in-common agreement that sets out ownership rights and responsibilities among all of the land owners; (3) tax returns for the preceding five years; (4) self-certification that the farm operator has control of the land; and (5) any other documentation identified by the Secretary as an alternative form of eligible documentation.

The Senate provision also requires the Secretary to provide for the assignment of a farm number to any farm operator who provides an form of eligible documentation, for purposes of demonstrating that the farm operator has control of the land for purpose of defining that land as a farm, and requires the Secretary to identify alternative forms of eligible documentation that a farm operator may provide in seeking the assignment of a farm number. (Section 12623)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12615)

The Managers recognize that farm operators on land that has been passed down through multiple generations without formal probate proceedings may not have clear title to the land. The Managers intend for this section to ensure operators of such land, commonly referred to as heirs’ property, who provide certain documentation to the Secretary are eligible to receive farm numbers for the purposes of accessing programs offered by the Farm Service Agency, Natural Resources Conservation Service, and Risk Management Agency. In determining States that have enacted or adopted the Uniform Partition of Heirs Property Act, the Managers intend that USDA consider “State” to mean any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, Republic of Palau, Federated States of Micronesia, and the Republic of the Marshall Islands.

*(68) Farmland ownership data collection*

The Senate amendment instructs the Secretary to collect, and not less frequently than once every 5 years report, data and analysis on farmland ownership, tenure, transition, and entry of beginning farmers and ranchers and socially disadvantaged farmers and ranchers. (Section 12625)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment merging the Senate provision with Section 2506 of Title II, and House Section 7604. (Section 12607)

*(69) National Oilheat Research Alliance*

The Senate amendment repeals section 713 of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469), allowing it to become permanent law, and inserts new section 708 addressing limitations on the obligations of funds. (Section 12627)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment extending the covered period to 10 years. (Section 12531)

*(70) Reauthorization of rural emergency medical services training and equipment assistance program*

The Senate amendment inserts a short title for the section, adds “or to residents of rural areas”, reauthorizes the program through FY2019-2023, and strikes subsections (b) through (f) and inserts: (b) provides that eligible applicants shall be emergency medical services agencies; (c) allows funds to be used to train medical emergency personnel, conduct training courses, recruit personnel, and purchase emergency medical equipment; (d) caps grants at \$200,000 per award; (f) requires 25 percent match by the grantee; and (e) defines emergency medical services as resources used to deliver medical services outside of a medical facility; includes services delivered by other provider certified by State. (Section 12628)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment reducing the 25 percent match to 10 percent. (Section 12608)

*(71) Definition of retail facilities*

The House bill amends section 6 of OSHA Act of 1970 to codify an existing exemption for agricultural retailers from the U.S. Occupational Safety and Health Administration’s (OSHA) Process Safety Management (PSM) of Hazardous Chemicals standard. (Section 9131)

The Senate amendment contains no comparable provision.

The Conference substitute does not adopt the House provision.

*(72) Commission on farm transitions – Needs for 2050*

The House bill establishes a commission and sets an organizational framework, to be known as the Commission on Farm Transitions – Needs for 2050 to conduct a study and issue a report on a variety of issues impacting the transition of agricultural operations

from established farmers and ranchers to the next generation of farmers and ranchers. (Section 11205)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment clarifying the applicable exemptions to the Federal Advisory Committee Act, and terminating the commission on September 30, 2023. (Section 12609)

*(73) Restoring certain exceptions to United States Grain Standard Act*

The House bill allows certain grain handling facilities to restore a prior exception with an official agency designated under the rule entitled “Exceptions to Geographic Areas for Official Agencies Under the USGSA” published by the Department of Agriculture in the Federal Register on April 18, 2003 (68 Fed. Reg. 19137) if certain criteria are met. (Section 11401)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment restoring the nonuse of service exception to the geographic boundary provisions of the United States Grain Standards Act and allows a grain handling facility that lost a nonuse of service exception after October 1, 2015, to notify the Federal Grain Inspection Service to restore the prior exception. (Section 12610)

The Managers remain concerned with the Department's implementation of the U.S. Grain Standards Act provisions that provided for a “written agreement” exception program, which replaced the former “non-use of service” exception program. In USDA’s notice of the final rule to implement “Reauthorization of the United States Grain Standards Act”, 81 Fed. Reg. 49855 (July 29, 2016) USDA indicated its intention to “continue to honor” the 95 current agreements for agencies to operate outside of their assigned geographic territories. However, Federal Grain Inspection Service (FGIS) Directive 9290.18, which was issued to provide instructions on how to implement the new requirements, contradicted the intention expressed in the notice of final rule and created uncertainty for grain handling facilities. Specifically, FGIS permitted unilateral termination of these agreements by an incumbent designated agency- a practice that Congress did not intend, did not agree with, and subsequently prevented through appropriations language.

Unilateral termination created uncertainty for grain handling facilities -- the primary customers of the officially designated inspection agencies. The conference substitute reinstates the “non-use of service exception and establishes a new policy that precludes unilateral termination of these exception agreements. The Managers believe that it is important for grain handling facilities and the excepted official agency to have input into this process and that FGIS should not permit one party to terminate an exception agreement.

The Managers do not intend for the restoration of exceptions to require a formal rulemaking process. The Managers intend to provide a near term option for grain handling facilities to go back to a previously approved by the Department non-use of service exception agreement, provided that the former excepted official agency agrees. Grain handling facilities would have 90 days from enactment to notify the Secretary of its preferred date to restore the exception and within 90 days of this notification, the Secretary must restore this exception. The Managers do not intend for the Secretary to

wait 90 days to restore an exception. The Managers urge FGIS and the Secretary to work with the grain handling facilities and excepted agencies to expedite this process. The Managers intend that if an official agency loses its designation, any exceptions that agency has are terminated by the Secretary. If that agency regains its designation the Secretary may restore the exceptions it had. The Managers expect the Department to work closely with and give considerable weight to the input provided by the customer that previously utilized these exceptions when taking into account whether or not to restore the exception.

The Managers expect the Department to issue an updated directive noting the restored exception category and the process to reinstate exceptions that had been terminated. The Managers expect FGIS to carefully review requests to reinstate an exception when one or more parties to the previous exception have changed ownership and to reinstate the exception as appropriate.

*(74) Conference report requirement threshold*

The House bill amends the section to raise the threshold for conferences excluded from the report from those costing less than \$10,000, to those costing less than \$75,000. (Section 11603)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment reducing the threshold to \$50,000. (Section 12611)

*(75) National agriculture imagery program*

The House bill: (1) instructs the Secretary, working through FSA, to institute a national agriculture imagery program to annually acquire aerial imagery during agricultural growing seasons from the continental United States; (2) requires that the aerial imagery acquired under this section shall consist of high resolution processed digital imagery, be made available in a format that can be provided to Federal, State, and private sector entities, be technologically compatible with geospatial information technology, and be consistent with the standards established by the Federal Geographic Data Committee; and (3) authorizes appropriations of \$23 million for fiscal year 2019 and each fiscal year thereafter. (Section 11604)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 12612)

*(76) Report on inclusion of natural stone products in Commodity Promotion, Research, and Information Act of 1996*

The House bill instructs that no later than 180 days after enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives only, a report examining the effect of the establishment of a Natural Stone Research and Promotion Board pursuant to the Commodity Promotion, Research, and Information Act of 1996 would have on the natural stone industry, on economic development in rural areas, and on benefits to consumers. (Section 11605)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 12613)

*(77) Establishment of food access liaison*

The House bill amends subtitle A of the Department of Agriculture Reorganization Act of 1994 by adding a new section establishing a Food Access Liaison to coordinate USDA programs, to reduce barriers to food access, and to monitor and evaluate the progress of such programs. (Section 11608)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 12614)

*(78) Cotton classification services*

The House bill amends section 3a to provide that employees hired to provide cotton classification services may work up to 240 calendar days in a service year and may be rehired non-competitively every year if they meet performance and conduct expectations. (Section 11609)

The Senate amendment contains no comparable provision.

The Conference substitute does not adopt the House provision.

*(79) Report on agricultural innovation*

The House bill instructs that no later than 180 days after enactment of this Act, the Secretary, in consultation with the Administrator of the EPA and the Commissioner of the FDA, shall prepare and submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. The report shall focus on plans for improving the Federal government's policies and procedures relating to gene editing and other precision plant breeding methods. (Section 11611)

The Senate amendment contains no comparable provision.

The Conference substitute does not adopt the House provision.

*(80) Consideration of the totality of conservation measures*

The House bill amends section 7(b)(3) of the Endangered Species Act to add considerations when determining whether a Federal agency action is likely to jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of the critical habitat of a species. (Section 11614)

The Senate amendment contains no comparable provision.

The Conference substitute does not adopt the House provision.

*(81) Depredation permits for black vultures*

The House bill authorizes the Secretary of the Interior in conjunction with the Director of the United States Fish and Wildlife Service, to issue depredation permits to livestock farmers, authorizing, with limitations, takings of black vultures otherwise prohibited by Federal law to prevent such vultures from taking livestock during the calving season, provided that the permit holder report the taking of the vultures to appropriate enforcement agencies. (Section 11615)

The Senate amendment contains no comparable provision.

The conference substitute does not adopt the House provision.

*(82) Extending prohibition on animal fighting to the territories*

The House bill eliminates certain exceptions in order to extend the provision to states and territories where it may not have been applicable. (Section 11616)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to change the "effective date" to one year after enactment of this Act. (Section 12616)

*(83) Waters of the United States rule*

The House bill repeals the final rule issued by the EPA and the Secretary of the Army entitled "Clean Water Rule: Definition of 'Waters of the United States'", published on June 29, 2015, and any regulation or policy revised under, or otherwise affected as a result of, that rule shall be applied as if that rule had not been issued. (Section 11617)

The Senate amendment contains no comparable provision.

The Conference substitute does not adopt the House provision.

*(84) Prohibition against interference by state and local governments with production or manufacture of items in other states*

The House bill instructs that the government of a State or locality therein shall not impose a standard or condition on the production or manufacture of any agricultural product, sold or offered for sale in interstate commerce, if the production or manufacture occurs in another State and the standard or condition is in addition to Federal standards and the laws of the State and locality in which production or manufacture occurs.

The House bill also states that, pursuant to Section 207 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1626) the term "agricultural product" includes agricultural, horticultural, viticultural, and dairy products, livestock and poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured product thereof. (Section 11701)

The Senate amendment contains no comparable provision.

The Conference substitute does not adopt the House provision.

*(85) Federal cause of action to challenge state regulation of interstate commerce*

The House bill provides a private right of action, in the appropriate court, for individual persons, and a variety of entities, affected by a regulation of a State or unit of local government which regulates any aspect of an agricultural product, including any aspect of the method of production, which is sold in interstate commerce, or any means or instrumentality through which such an agriculture product is sold in interstate commerce, to invalidate such a regulation and seek damages for economic loss resulting from such regulation.

The House bill also provides preliminary injunctive relief to preclude enforcement of the regulation at issue pursuant to certain standards. The applicable statute of limitations is 10 years. (Section 11702)

The Senate amendment contains no comparable provision.

The Conference substitute does not adopt the House provision.

**Additional Report Language**

*Section 12520 Authorization of protection operations for the Secretary of Agriculture and others*

The Managers intend for the Department to exercise the protection authorities granted in section 12520 when warranted, including to individuals serving in Acting

Secretary or Deputy Secretary roles, consistent with threat assessments and applicable guidelines or requirements.

Section (a)(2) grants the authority to provide protection that is incidental to the protection provided to the Secretary or Deputy Secretary. Such authority should be used only when: (1) extenuating circumstances occur that pose an articulable threat to such individual; and (2) the security of the Secretary or Deputy Secretary would not be jeopardized in protecting other qualified individuals. Such extenuating circumstances may include, for example, a car accident, where individuals traveling with the Secretary have suffered physical harm and the Secretary's protection would not be jeopardized by protecting other qualified individuals. The Managers do not intend for the number of security personnel accompanying the Secretary or Deputy Secretary to increase because of any potential need to protect any additional persons in extenuating circumstances.

The Managers are wary of increasing security costs. The Department has represented to the Managers that it does not anticipate spending additional resources over its current budget and that in exercising this authority, it does not intend to automatically provide protection to additional Department officials. Although this authority is being provided, the Managers do not expect for the Department to alter the current level of protection or the number of officials protected, unless warranted.

The Managers further intend for the term “continuous protection” to mean protection at all times when there is an articulable threat of physical harm, as assessed through threat assessments, including at a personal residence and during periods of personal, non-official activities.

The Managers intend for the report required by subsection (e) to describe the individuals to whom protection was provided under this authority, the extent and frequency of such protections, and measures undertaken to determine the necessity of protection. The Department shall provide the Committee on Agriculture of the United States House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the United States Senate with timely briefings, upon request, regarding the use of this authority.

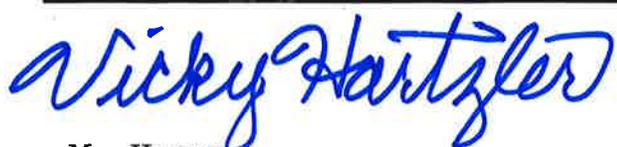
H. R. 2

<i>Managers on the part of the HOUSE</i>	<i>Managers on the part of the SENATE</i>
<p>From the Committee on Agriculture, for consideration of the House bill and the Senate amendment, and modifications committed to conference:</p>	
<p><i>K-7X4 TX-6</i> Mr. CONAWAY</p>	
<p><i>Don Thompson PA-05</i> Mr. THOMPSON of Pennsylvania</p>	
<p><i>Bob Goodlatte VA-6</i> Mr. GOODLATTE</p>	
<p><i>Lucas</i> Mr. LUCAS</p>	
<p><i>Mr. Rogers</i> Mr. ROGERS of Alabama</p>	
<p><i>Austin Scott</i> Mr. AUSTIN SCOTT of Georgia</p>	
<p><i>Mr. Crawford</i> Mr. CRAWFORD</p>	

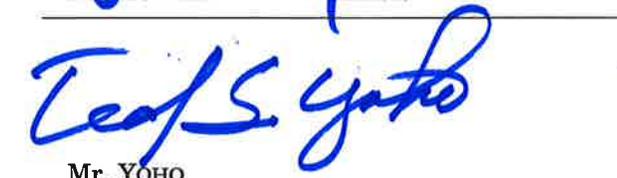
### H. R. 2—Continued

*Managers on the part of the  
HOUSE*

*Managers on the part of the  
SENATE*

  
Mrs. HARTZLER

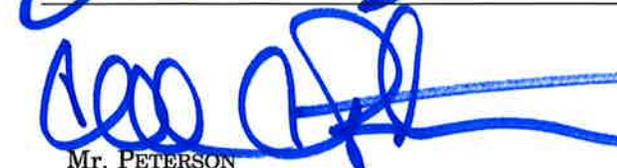
  
Mr. RODNEY DAVIS of Illinois

  
Mr. YOH0

  
Mr. ROUZER

  
Mr. MARSHALL

  
Mr. ARRINGTON

  
Mr. PETERSON

  
Mr. DAVID SCOTT of Georgia

H. R. 2—Continued

*Managers on the part of the  
HOUSE*

*Managers on the part of the  
SENATE*

Mr. COSTA

Ms. FUDGE

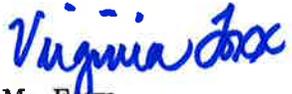
Mr. MCGOVERN

Mr. VELA

Ms. KUSTER of New Hampshire

Mr. O'HALLERAN

### H. R. 2—Continued

<i>Managers on the part of the</i> <b>HOUSE</b>	<i>Managers on the part of the</i> <b>SENATE</b>
From the Committee on Education and the Workforce, for consideration of secs. 4204, 4205, and 9131 of the House bill, and modifications committed to conference:	
 Ms. FOXX	
 Mr. ALLEN	
 Ms. ADAMS	



### H. R. 2—Continued

<i>Managers on the part of the HOUSE</i>	<i>Managers on the part of the SENATE</i>
From the Committee on Financial Services, for consideration of sec. 12609 of the Senate amendment, and modifications committed to conference:	
████████████████████	
██████████	
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### H. R. 2—Continued

<i>Managers on the part of the HOUSE</i>	<i>Managers on the part of the SENATE</i>
From the Committee on Oversight and Government Reform, for consideration of secs. 1601, 4022, 4026, 8502, and 11609 of the House bill, and secs. 3113, 7128, 8623, 8630, 8632, 12301, and 12407 of the Senate amendment, and modifications committed to conference:	
	
 Mr. COMER	
	

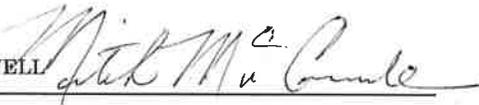
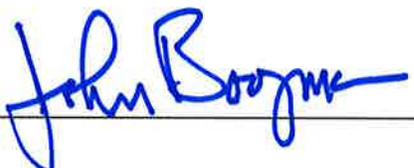
### H. R. 2—Continued

<i>Managers on the part of the</i> <b>HOUSE</b>	<i>Managers on the part of the</i> <b>SENATE</b>
From the Committee on Science, Space, and Technology, for consideration of sec. 7509 of the House bill, and sec. 7409 of the Senate amendment, and modifications committed to conference:	
 Mr. ABRAHAM	
 Mr. DUNN	
 Ms. EDDIE BERNICE JOHNSON of Texas	

### H. R. 2—Continued

<i>Managers on the part of the HOUSE</i>	<i>Managers on the part of the SENATE</i>
From the Committee on Transportation and Infrastructure, for consideration of secs. 2404, 6223, 6224, 6503, 9117, and 9118 of the House bill, and secs. 2415, 2416, 6124, 6304, and 7412 of the Senate amendment, and modifications committed to conference:	
 Mr. DENHAM	
 Mr. GIBBS	
 Mrs. BUSTOS	

### H. R. 2—Continued

<i>Managers on the part of the HOUSE</i>	<i>Managers on the part of the SENATE</i>
	Mr. ROBERTS 
	Mr. MCCONNELL 
	Mr. BOOZMAN 
	Mr. HOEVEN 
	Mrs. ERNST 
	Ms. STABENOW 
	Mr. LEAHY 
	Mr. BROWN 

### H. R. 2—Continued

*Managers on the part of the  
HOUSE*

*Managers on the part of the  
SENATE*

  
Ms. HEITKAMP 