

**Amendment offered by Mr. Austin Scott of Georgia.**

**Amendment description**

The amendment would direct the U.S. Department of Agriculture (USDA) to evaluate how enhanced risk management practices can improve the financial stability and creditworthiness of producers participating in certain direct and guaranteed farm loan programs.

**AMENDMENT**

**OFFERED BY MR. AUSTIN SCOTT OF GEORGIA**

At the end of subtitle E of title V, add the following:

1 **SEC. \_\_\_. REPORT ON IMPROVING CREDITWORTHINESS OF**  
2 **DIRECT AND GUARANTEED LOAN BOR-**  
3 **ROWERS.**

4 (a) IN GENERAL.—Not later than 1 year after the  
5 date of enactment of this Act, the Secretary shall submit  
6 to the Committee on Agriculture of the House of Rep-  
7 resentatives and the Committee on Agriculture, Nutrition,  
8 and Forestry of the Senate a report evaluating the feasi-  
9 bility of requiring the adoption of certain risk manage-  
10 ment practices as a condition for approving certain direct  
11 and guaranteed farm loans.

12 (b) REQUIREMENT.—In the report under subsection  
13 (a), the Secretary shall evaluate the feasibility of requir-  
14 ing, as a condition for approving certain direct and guar-  
15 anteed farm loans, the adoption of 1 or more of the fol-  
16 lowing risk management practices:

17 (1) Hedging and marketing price or revenue  
18 risk management strategies.

19 (2) Insurance coverage optimization or coordi-  
20 nation.

1           (3) Periodic financial reporting or financial  
2 management practices.

3           (4) Cash management services to facilitate  
4 timely disbursement of funds and structured collec-  
5 tion of operating revenues.

6           (5) The use of integrated monitoring and ana-  
7 lytics tools to align risk management and financial  
8 decisions with observed environmental and produc-  
9 tion conditions.

10          (6) Other risk mitigation practices as deter-  
11 mined by the Secretary.

12          (7) Voluntary lender incentives to promote inte-  
13 grated risk management support without increasing  
14 costs or burdens for applicants.

15       (c) CERTIFICATION.—In completing the report under  
16 subsection (a), the Secretary shall also evaluate the feasi-  
17 bility of establishing a certification program that identifies  
18 loans approved contingent on the adoption of enhanced  
19 risk management practices, including through voluntary  
20 lender incentives to promote integrated risk management  
21 support without increasing costs or burdens for applicants.

22       (d) APPLICABILITY.—The requirements and evalua-  
23 tions under this section shall apply only to operating, pro-  
24 duction, and working capital loans made for agricultural  
25 production purposes and shall not apply to real estate

1 loans, rural development loans, housing loans, business  
2 and industry loans, or other non-operating credit pro-  
3 grams administered by the Secretary.

