

Amendment offered by Mr. Riley of New York

Amendment description

This amendment would allow USDA, working with their state partners, to select up to 2 watersheds in a state (up to 30 total watersheds nationwide) as a type of demonstration program. This program will evaluate and prove the benefits incentivize adoption of more high-value conservation practices and help de-risk adoption of conservation practices.

AMENDMENT

OFFERED BY MR. Riley

Insert after section 2402 the following:

1 **SEC. 24** . **DEMONSTRATION PROGRAM.**

2 Chapter 5 of subtitle D of title XII of the Food Secu-
3 rity Act of 1985 (16 U.S.C. 3839bb et seq.) is amended
4 by inserting after section 1240O the following:

5 **“SEC. 1240P. DEMONSTRATION PROGRAM.**

6 “(a) **DEFINITIONS.**—In this section:

7 “(1) **ELIGIBLE WATERSHED.**—The term ‘eligi-
8 ble watershed’ means a watershed with significant
9 agricultural production, as determined by the Sec-
10 retary, that is located in a State or a United States
11 Territory.

12 “(2) **PROGRAM.**—The term ‘program’ means
13 the program established under subsection (b).

14 “(3) **SELECTED PRACTICE.**—The term ‘selected
15 practice’ means a practice that has one or more en-
16 vironmental benefit, including—

17 “(A) improved water quality and quantity,
18 soil health, air quality, climate resiliency, and
19 biodiversity;

20 “(B) increased agricultural yields;

1 “(C) restored or enhanced wildlife habitat;

2 and

3 “(D) any other environmental benefit, as

4 determined by the Secretary.

5 “(b) DEMONSTRATION PROGRAM.—

6 “(1) IN GENERAL.—The Secretary shall estab-
7 lish a program under which the Secretary enters
8 into a contract with a producer to implement a se-
9 lected practice on an eligible watershed, selected in
10 accordance with paragraph (2), for the purpose of
11 demonstrating the effects of implementing such se-
12 lected practice.

13 “(2) ELIGIBLE WATERSHED.—

14 “(A) IN GENERAL.—Subject to subpara-
15 graph (B), not later than one year after the
16 date of enactment of this section, the Secretary
17 shall, in carrying out the program, select—

18 “(i) not more than 2 eligible water-
19 sheds in a State or territory; and

20 “(ii) not more than 30 eligible water-
21 sheds total.

22 “(B) WATERSHEDS FOR TRIBAL LANDS.—

23 In selecting an eligible watershed under sub-
24 paragraph (A), the Secretary shall not include
25 an eligible watershed that serves Tribal lands

1 towards the limitation described in clause (i) of
2 such subparagraph.

3 “(c) CONTRACT TERMS.—

4 “(1) PAYMENT.—In entering into a contract
5 with a producer under the program, the Secretary
6 shall provide direct payments to the producer for
7 adopting and implementing a selected practice on an
8 eligible watershed selected under subsection (b)(2).

9 “(2) TERM.—A contract under this subsection
10 shall be for a term of not less than 3 years and not
11 more than 5 years.

12 “(3) REQUIREMENTS.—Under a contract en-
13 tered into under subsection (b), the Secretary
14 shall—

15 “(A) provide to program participants the
16 opportunity to enhance or adopt additional ex-
17 isting conservation practices to improve envi-
18 ronmental outcomes given the best available
19 and accessible technology and practices, as ap-
20 propriate for the size and type of operation;

21 “(B) not prohibit a producer under the
22 program from participating in, and receiving
23 compensation from, an environmental services
24 market; and

1 “(C) to the extent practical, use perform-
2 ance-based metrics and tools to—

3 “(i) assess outcomes of implementing
4 selected practices; and

5 “(ii) support the payment amounts
6 that are determined pursuant to subsection
7 (d).

8 “(d) PAYMENTS TO PRODUCERS.—

9 “(1) PAYMENT AMOUNTS.—In determining
10 amounts for payments pursuant to subsection (c),
11 the Secretary shall establish an amount on a per
12 acre and per animal unit basis each year that re-
13 flects—

14 “(A) the cost of adopting, installing, com-
15 pleting, managing, and improving a selected
16 practice;

17 “(B) income foregone by the producer, if
18 applicable, to address—

19 “(i) increased economic risk;

20 “(ii) loss in revenue due to reductions
21 in yield; and

22 “(iii) economic losses during transi-
23 tion to new practices;

1 “(C) compensation to ensure long-term
2 continued management, maintenance, and im-
3 provement of the selected practice; and

4 “(D) the environmental benefit, any green-
5 house gas emissions reductions, and carbon se-
6 questration derived from implementing the se-
7 lected practice.

8 “(2) REVIEW OF PAYMENT AMOUNT.—Not later
9 than 1 year after the date of enactment of the
10 Farm, Food, and National Security Act of 2026,
11 and annually thereafter, the Secretary shall, after a
12 producer adopts selected practices pursuant to the
13 contract entered into under subsection (b), review,
14 and adjust if determined necessary, payment
15 amounts provided under subsection (c) with respect
16 to accounting for agricultural producer costs, associ-
17 ated technology, and any other factors as determined
18 by the Secretary.

19 “(3) SPECIAL RATE FOR CERTAIN FARMERS
20 AND RANCHERS.—In the case of a producer that is
21 a limited resource or socially disadvantaged farmer
22 or rancher, the Secretary shall increase the amount
23 that would otherwise be provided to a producer
24 under this subsection to 15 percent above the other-
25 wise applicable rate.

1 “(e) DUTIES OF SECRETARY.—Not later than 1 year
2 after the date of enactment of the Farm, Food, and Na-
3 tional Security Act of 2026, the Secretary shall, to the
4 maximum extent practical—

5 “(1) implement a simple application and accept-
6 ance process, administered by the Natural Resources
7 Conservation Service, to approve applications, sub-
8 ject to the availability of funding, submitted by pro-
9 ducers;

10 “(2) ensure 10 percent of funds are reserved
11 for contracts with producers who are limited re-
12 source or socially disadvantaged farmers or ranchers
13 through targeted outreach and education;

14 “(3) establish a minimum contract payment for
15 contracts entered into with producers as an incentive
16 to increase accessibility to the program;

17 “(4) provide technical assistance to the applica-
18 ble producer, that has entered into a contract under
19 this section, for implementing and developing a com-
20 prehensive conservation plan for any acres of land or
21 animal units related to the eligible watershed se-
22 lected by the Secretary under subsection (b)(2) that
23 takes effect between the second year of the applica-
24 ble contract and the end date of such contract; and

1 “(5) authorize technical assistance to be pro-
2 vided by—

3 “(A) State or local government, including
4 conservation districts;

5 “(B) third-party providers, including agri-
6 cultural producer associations;

7 “(C) commercial entities, including farmer
8 cooperatives; and

9 “(D) nonprofit entities with technical ex-
10 pertise.

11 “(f) REPORTS.—Not later than December 30, and
12 annually thereafter, the Secretary shall submit a report
13 to the Committee on Agriculture, Nutrition, and Forestry
14 of the Senate and the Committee on Agriculture of the
15 House of Representatives summarizing the accomplish-
16 ments of the program, including the number of operations,
17 acres and animal units enrolled, the accrued environ-
18 mental benefits, the additional and net greenhouse gas
19 benefits accrued, participant demographics, and limita-
20 tions to adoption, especially within the animal feeding in-
21 dustry.

22 “(g) FUNDING.—Of the funds from the Commodity
23 Credit Corporation, the following funds shall be made
24 available until expended:

1 “(1) \$1,000,000 for fiscal year 2026, for the
2 purpose of establishing program regulations, policy,
3 and administrative procedures.

4 “(2) \$150,000,000 for each of fiscal years 2027
5 through 2029.”.

