AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 267
OFFERED BY M_. ________________

Strike all after the enacting clause and insert the following:

SECTION 1. DISASTER INDEMNITY PROGRAM.

(a) In general.—Except as otherwise provided in this section, with respect to the coverage period, the Secretary shall carry out—

(1) a disaster indemnity program in the same manner as the WHIP+ program is carried out under subpart O of part 760 of title 7, Code of Federal Regulations (as in effect on the date of the enactment of this section);

(2) an on-farm storage loss program in the same manner as the program carried out under subpart P of part 760 of title 7, Code of Federal Regulations (as in effect on the date of the enactment of this section); and

(3) a milk loss program in the same manner as the program carried out under subpart Q of part 760 of title 7, Code of Federal Regulations (as in effect on the date of the enactment of this section).
(b) COVERED LOSSES.—In carrying out the programs under this section, the Secretary shall make payments to producers in accordance with subsection (c) for qualified losses of covered crops, including milk, that occurred during the coverage period.

(c) PAYMENTS.—

(1) IN GENERAL.—Payments to producers for qualified losses of covered crops, including milk, under the programs under this section shall be administered, except as provided in paragraph (2), in the same manner as payments under the relevant programs in subsection (a).

(2) EXCEPTIONS.—

(A) DIRECT PAYMENTS REQUIRED.—The Secretary shall make payments under the programs under paragraphs (1), (2), and (3) of subsection (a) as direct payments to producers or processors, at the election of the processor.

(B) SPECIAL RULE FOR UNHARVESTED ACRES.—The Secretary shall make payments under this section with respect to qualified losses of unharvested acres of a covered crop in the same manner as payments are made with respect to eligible crop losses under the non-insured crop assistance program under section
of the Federal Agriculture Improvement 

(C) PAYMENT LIMITATIONS.—

(i) IN GENERAL.—Except as provided 
in clauses (ii), (iii), (iv), and (v), the Sec- 
retary shall impose payment limitations 
consistent with section 760.1507 of title 7, 
Code of Federal Regulations (as in effect 
on the date of the enactment of this sec- 

(ii) EXCEPTION FOR SPECIALTY 
crops or high value crops.—In the 

case of specialty crops or high value crops, 
as determined by the Secretary, the Sec- 
retary shall impose payment limitations 
consistent with section 760.1507(a)(2) of 
title 7, Code of Federal Regulations (as in 
effect on January 1, 2019).

(iii) TAX YEAR BASIS.—In applying 
the payment limitations under this sub- 
paragraph, the Secretary shall determine a 
person or legal entity’s average adjusted 
gross income and average adjusted gross 
farm income based on the 2017, 2018, and 
2019 tax years.
(iv) **Annual Renewal.**—With respect to the payment limitations described under this subparagraph, the Secretary shall apply separate payment limits for each of the years under the covered period.

(v) **Entity Rules.**—With respect to payments to a corporation, limited liability company, limited partnership, trust, or estate under this section, the Secretary shall—

(I) determine average adjusted gross income and average adjusted gross farm income in accordance with clause (iii); and

(II) apply rules in the same manner as subsections (d) and (e) of section 9.7 of title 7, Code of Federal Regulations.

(D) **Net Indemnities.**—In calculating payments under the programs under paragraphs (1), (2), and (3) of subsection (a), the Secretary shall net out crop insurance indemnities, less any insurance premiums paid by the producer.
(E) PAYMENTS TO SUGAR AND DAIRY PROCESSORS.—

(i) IN GENERAL.—At the election of a processor eligible for a loan under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) or a cooperative processor of dairy, in lieu of payments to producers provided under a program described in subsection (a), the Secretary shall make payments to a processor to be paid to producer members, as determined by such processors under the same terms and conditions as payments made to processors pursuant to section 791(c) of title VII of division B of the Further Consolidated Appropriations Act, 2020 (Public Law 116–94).

(ii) NON-ELECTION.—Notwithstanding section 760.1503(j) of title 7 of the Code of Federal Regulations, in the event that a processor described in clause (i) does not elect to receive payments under such clause, the Secretary shall make direct payments to producers under a program described in subsection (a).
(F) **Block Grants.**—The Secretary may provide payments in the form of block grants to States and processors described in subparagraph (E).

(d) **Authorization of Appropriations.**—

(1) **In General.**—There is authorized to be appropriated to carry out this section $8,500,000,000.

(2) **Administration.**—The Secretary may use not more than 1 percent of the funds appropriated pursuant to paragraph (1) to carry out the following:

   (A) Streamlining the application process.

   (B) Utilizing information technology to enable the electronic transfer of data used in such application process between the Risk Management Agency and the Farm Service Agency.

   (C) Activities that with respect to county office employees, reduce the workload of such employees in carrying out this section.

   (D) To the maximum extent practicable, providing the necessary information to, and assisting crop insurance agents with, providing application information on behalf of insured producers.
(e) EXEMPTION.—Notwithstanding the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109–282; 31 U.S.C. 6101 note), the requirements of parts 25 and 170 of title 2, Code of Federal Regulations (or successor regulations), shall not apply with respect to assistance received under this section.

(f) DEFINITIONS.—In this section:

(1) COVERAGE PERIOD.—In this section, the term “coverage period” means, with respect to a covered crop, including milk, and a qualifying disaster event described in paragraph (6)(A)(i), calendar years 2020 and 2021.

(2) COVERED CROP.—The term “covered crop” means a crop, tree, bush, or vine described in section 760.1503 of title 7, Code of Federal Regulations (as in effect on the date of the enactment of this section), including wine grapes, which shall include all insured acreage (regardless of whether such acreage is the initial acreage or not).

(3) MILK LOSS PROGRAM.—The term “milk loss program” means the milk loss program under subpart Q of part 760 of title 7, Code of Federal Regulations (as in effect on the date of the enactment of this section).
(4) ON-FARM STORAGE LOSS PROGRAM.—The term “on-farm storage loss program” means the on-farm storage loss program under subpart P of part 760 of title 7, Code of Federal Regulations (as in effect on the date of the enactment of this section).

(5) STATE.—In this section, the term “State” has the meaning given the term in section 1111(20) of the Agricultural Act of 2014.

(6) QUALIFIED LOSS.—The term “qualified loss”—

(A) with respect to a covered crop not described in subparagraph (B), the loss of such crop during the coverage period—

(i) due to a qualifying disaster event described in the definition of “qualifying disaster event” in section 760.1802 of title 7, Code of Federal Regulations (as in effect on the date of the enactment of this section);

(ii) due to high winds, derechos, excessive heat, or freeze (including a polar vortex);

(iii) due to a drought in—

(I) a county the Secretary designated for drought; or
(II) a county contiguous to a county described in subclause (I); or

(iv) due to other disruptions (including power outages or curtailments) that are associated with the effects of a qualified disaster event under this section; and

(B) with respect to smoke tainted wine grapes, the loss (including a quality loss) of such crop during the coverage period due to wildfire, as determined by the Secretary.

(7) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(8) WHIP+ PROGRAM.—The term “WHIP+ program” means the WHIP+ program under subpart O of part 760 of title 7, Code of Federal Regulations (as in effect on the date of the enactment of this section).