

1 **TITLE II—CONSERVATION**

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2 **Subtitle A—Conservation Programs** 3 **of the Food Security Act of 1985**

4 **SEC. 2101. CONSERVATION RESERVE PROGRAM.**

5 (a) AUTHORIZATION AND ELIGIBLE LAND.—Section
6 1231 of the Food Security Act of 1985 (16 U.S.C. 3831)
7 is amended—

8 (1) in subsection (a)—

1 (A) by striking “2007” and inserting
2 “2012”; and

3 (B) by inserting before the period the fol-
4 lowing: “and to address issues raised by State,
5 regional, and national conservation initiatives”;

6 (2) in subsection (b)(1)(B), by striking “the
7 Farm Security and Rural Investment Act of 2002”
8 and inserting “the **2007 Farm Bill**”.

9 (b) MAXIMUM ENROLLMENT.—Section 1231(d) of
10 the Food Security Act of 1985 (16 U.S.C. 3831(d)) is
11 amended by striking “2007” and inserting “2012”.

12 (c) CONSERVATION PRIORITY AREAS.—Section
13 1231(f) of the Food Security Act of 1985 (16 U.S.C.
14 3831(f)) is amended by striking “the Chesapeake Bay Re-
15 gion (Pennsylvania, Maryland, and Virginia)” and insert-
16 ing “the Chesapeake Bay Region”.

17 (d) PILOT PROGRAM FOR ENROLLMENT OF WET-
18 LAND AND BUFFER ACREAGE IN CONSERVATION RE-
19 SERVE.—Section 1231(h)(1)(A) of the Food Security Act
20 of 1985 (16 U.S.C. 3831(h)(1)(A)) is amended by striking
21 “2007” and inserting “2012”.

22 (e) CONTROL OF INVASIVE SPECIES.—Section
23 1232(a)(7)(A) of the Food Security Act of 1985 (16
24 U.S.C. 3832(a)(7)(A)) is amended by inserting after “bio-

1 mass” the following: “and prescribed grazing for the con-
2 trol of invasive species”.

3 (f) FEDERAL PERCENTAGE OF COST SHARING PAY-
4 MENTS.—Section 1234(b) of the Food Security Act of
5 1985 (16 U.S.C. 3834(b)) is amended by striking “50 per-
6 cent” and inserting “75 percent”.

7 (g) RENTAL RATES.—Section 1234(c) of the Food
8 Security Act of 1985 (16 U.S.C. 3834(c)) is amended by
9 adding at the end the following new paragraph:

10 “(5) ANNUAL ESTIMATES OF COUNTY AVERAGE
11 MARKET DRY-LAND AND IRRIGATED CASH RENTAL
12 RATES.—Beginning not later than one year after the
13 date of the enactment of [the 2007 Farm Bill], the
14 National Agricultural Statistics Service shall conduct
15 an annual survey of per acre estimates of county av-
16 erage market dry-land and irrigated cash rental
17 rates for cropland and pastureland in all counties
18 within the 50 States with 20,000 acres or more of
19 cropland and pastureland. These estimates shall be
20 maintained on a website of the Department of Agri-
21 culture for use by the general public.”.

22 (h) CONSERVATION RESERVE PROGRAM TRANSITION
23 INCENTIVES.—Section 1235 of the Food Security Act of
24 1985 (16 U.S.C. 3835) is amended—

25 (1) in subsection (c)(1)(B)—

1 (A) in clause (ii), by striking “or” at the
2 end;

3 (B) by redesignating clause (iii) as clause
4 (iv); and

5 (C) by inserting after clause (ii) the fol-
6 lowing new clause:

7 “(iii) to facilitate a transition of land
8 subject to the contract from a retired or
9 retiring owner or operator to a beginning
10 farmer or rancher or socially disadvan-
11 tagged farmer or rancher for the purpose of
12 returning some or all of the land into pro-
13 duction using sustainable grazing or crop
14 production methods; or”; and

15 (2) by adding at the end the following new sub-
16 section:

17 “(f) TRANSITION OPTION FOR BEGINNING FARMERS
18 OR RANCHERS AND SOCIALLY DISADVANTAGED FARMERS
19 OR RANCHERS.—In the case of a contract modification ap-
20 proved in order to facilitate the transfer of land subject
21 to a contract from a retired or retiring owner or operator
22 to a beginning farmer or rancher or socially disadvantaged
23 farmer or rancher under subsection (c)(1)(B)(iii), the Sec-
24 retary shall—

1 “(1) beginning on the date that is 1 year before
2 the date of termination of the contract—

3 “(A) allow the beginning farmer or rancher
4 or socially disadvantaged farmer or rancher, in
5 conjunction with the retired or retiring owner
6 or operator, to make conservation and land im-
7 provements; and

8 “(B) allow the beginning farmer or ranch-
9 er or socially disadvantaged farmer or rancher,
10 at the election of the farmer or rancher, to
11 begin the certification process under the Or-
12 ganic Foods Production Act of 1990 (7 U.S.C.
13 6501 et seq.);

14 “(2) beginning on the date of termination of
15 the contract, require the retired or retiring owner or
16 operator to sell or lease (under a long-term lease or
17 a lease with an option to purchase) to the beginning
18 farmer or rancher or socially disadvantaged farmer
19 or rancher the land subject to the contract for pro-
20 duction purposes;

21 “(3) require the beginning farmer or rancher or
22 socially disadvantaged farmer or rancher to develop
23 and implement a comprehensive conservation plan
24 that meets such sustainability criteria as the Sec-
25 retary may establish; and

1 “(4) provide to the beginning farmer or rancher
2 or socially disadvantaged farmer or rancher an op-
3 portunity to enroll in the conservation security pro-
4 gram established under subchapter A of chapter 2 or
5 the environmental quality incentives program estab-
6 lished under chapter 4 by not later than the date on
7 which the farmer or rancher takes possession,
8 through ownership or lease, of the land.”.

9 (i) **EARLY TERMINATION.**—Section 1235(e)(1) of the
10 Food Security Act of 1985 (16 U.S.C. 3835(e)(1)) is
11 amended by striking “before January 1, 1995,”.

12 **SEC. 2102. WETLANDS RESERVE PROGRAM.**

13 (a) **ESTABLISHMENT AND PURPOSE.**—Subsection (a)
14 of section 1237 of the Food Security Act of 1985 (16
15 U.S.C. 3837) is amended to read as follows:

16 “(a) **ESTABLISHMENT AND PURPOSES.**—

17 “(1) **ESTABLISHMENT.**—The Secretary shall es-
18 tablish a wetlands reserve program to assist owners
19 of eligible lands in restoring and protecting wet-
20 lands.

21 “(2) **PURPOSES.**—The purposes of the wetlands
22 reserve program are—

23 “(A) to restore, to create, to protect, or to
24 enhance wetlands on lands that are eligible
25 under subsections (c) and (d); and

1 “(B) to authorize the Secretary, at the sole
2 discretion of the Secretary, to purchase flood-
3 plain easements.”.

4 (b) MAXIMUM ENROLLMENT.—Section 1237(b) of
5 the Food Security Act of 1985 (16 U.S.C. 3837(b)(1))
6 is amended—

7 (1) by striking paragraph (1) and inserting the
8 following new paragraph:

9 “(1) MAXIMUM ENROLLMENT.—The total num-
10 ber of acres enrolled in the wetlands reserve pro-
11 gram shall not exceed—

12 “(A) 3,775,000 acres, if changes in law
13 that meet the requirements of section 307 of
14 Senate Con. Res. 21 of the 110th Congress (the
15 Concurrent Resolution on the Budget for Fiscal
16 Year 2008) occur; or

17 “(B) 2,275,000 acres, if such changes in
18 law do not occur.”; and

19 (2) by adding at the end the following new
20 paragraphs:

21 “(3) ANNUAL ENROLLMENT GOAL.—Of the
22 total number of acres authorized by paragraph (1),
23 to the maximum extent practicable, the Secretary
24 shall enroll 250,000 acres in each fiscal year.

1 “(4) FLOOD-PLAIN EASEMENTS.—Of the acres
2 to be enrolled each fiscal year, not more than 10,000
3 acres may be enrolled using flood-plain easements.”.

4 (c) ELIGIBLE LANDS.—Subsection (c) of section
5 1237 of the Food Security Act of 1985 (16 U.S.C. 3837)
6 is amended to read as follows:

7 “(c) ELIGIBILITY.—For purposes of enrolling land
8 into the wetland reserve program established under this
9 subchapter during the 2008 through 2012 fiscal years,
10 land shall be eligible to be placed into such reserve if the
11 Secretary determines that—

12 “(1) in the case of wetlands—

13 “(A) the land maximizes wetland values
14 and functions and wildlife benefits;

15 “(B) the land is farmed wetland or con-
16 verted wetland, together with adjacent lands
17 that are functionally dependent on such wet-
18 lands, except that converted wetlands where the
19 conversion was not commenced prior to Decem-
20 ber 23, 1985, shall not be eligible to be enrolled
21 in the program under this section; and

22 “(C) the likelihood of the successful res-
23 toration of such land, and the resultant wetland
24 values, merit inclusion of the land into the pro-

1 gram taking into consideration the cost of such
2 restoration; or

3 “(2) in the case of flood-plain lands—

4 “(A) the flood-plain land has been dam-
5 aged by flooding at least once within the pre-
6 vious calendar year, or has been subject to flood
7 damage at least twice within the previous 10
8 years; or

9 “(B) the enrolment of other land within
10 the flood plain would contribute to the restora-
11 tion of the flood storage and flow or erosion
12 control.”.

13 (d) INELIGIBLE LANDS.—Subsection (e) of section
14 1237 of the Food Security Act of 1985 (16 U.S.C. 3837)
15 is amended to read as follows:

16 “(e) INELIGIBLE LAND.—The Secretary may not ac-
17 quire easements on—

18 “(1) in the case of wetlands—

19 “(A) land that contains timber stands es-
20 tablished under the conservation reserve under
21 subchapter B; or

22 “(B) pasture land established to trees
23 under the conservation reserve under sub-
24 chapter B; or

25 “(2) in the case of flood-plain lands—

1 “(A) land on which implementation of res-
2 toration practices would not be productive; or

3 “(B) land that is subject to an existing
4 easement or deed restriction, and the easement
5 or deed provides sufficient protection or res-
6 toration of the flood plain’s functions and val-
7 ues, as determined by the Secretary.”.

8 (e) EASEMENTS AND AGREEMENTS.—Section 1237A
9 of the Food Security Act of 1985 (16 U.S.C. 3837a) is
10 amended—

11 (1) in subsection (a)(2), by inserting “if appli-
12 cable,” after “(2)”;

13 (2) in subsection (b)—

14 (A) in the matter before paragraph (1), by
15 inserting “or flood plain land” after “values of
16 wetland”;

17 (B) in paragraph (1)(B), by inserting “or
18 flood plain land” after “wetland”; and

19 (C) in paragraph (3), by inserting “or
20 flood plain lands” after “wetlands”;

21 (3) in subsection (f)—

22 (A) by striking “Compensation for” in the
23 first sentence and inserting the following:

24 “(1) COMPENSATION PROVIDED; AMOUNT.—
25 Compensation for”;

1 (B) by striking the second sentence; and

2 (C) by adding at the end the following new
3 paragraphs:

4 “(2) DETERMINATION OF FAIR MARKET
5 VALUE.—The Secretary shall determine the fair
6 market value of land under paragraph (1) in accord-
7 ance with the method of valuation used by the Sec-
8 retary as of January 1, 2003. The Secretary shall
9 promulgate such rules as may be necessary to ensure
10 that the determination of fair market value uses the
11 method of valuation used by the Secretary as of
12 January 1, 2003.

13 ~~“(3) SUBMISSION OF BIDS.—Lands may be en-
14 rolled through the submission of bids under a proce-
15 dure established by the Secretary.”.~~

16 (4) by adding at the end the following new sub-
17 section:

18 “(h) ACCEPTANCE OF CONTRIBUTIONS.—The Sec-
19 retary may accept and use contributions of non-Federal
20 funds to administer the program under this subchapter.”.

21 (f) DUTIES OF THE SECRETARY.—Section 1237C of
22 the Food Security Act of 1985 (16 U.S.C. 3837c) is
23 amended—

24 (1) in subsection (a)(1)—

1 (A) by inserting “including necessary
2 maintenance activities,” after “values,”; and

3 (B) by inserting “or flood plains land”
4 after “wetland”;

5 (2) in subsection (b), by adding at the end the
6 following new paragraph:

7 “(4) MANAGEMENT COSTS.—The Secretary
8 may make payments to owners to cover not more
9 than 50 percent of the actual cost of undertaking
10 any ongoing or periodic management activities nec-
11 essary to maintain the functional values of wetland
12 enrolled in the wetlands reserve program.”; and

13 (3) by striking subsection (c) and inserting the
14 following new subsection:

15 “(c) RANKING OF OFFERS.—

16 “(1) IN GENERAL.—When evaluating offers
17 from landowners, the Secretary may consider—

18 “(A) the conservation benefits of obtaining
19 an easement or other interest in the land;

20 “(B) the cost-effectiveness of each ease-
21 ment or other interest in eligible land, so as to
22 maximize the environmental benefits per dollar
23 expended; and

24 “(C) whether the landowner or another
25 person is offering to contribute financially to

1 the cost of the easement or other interest in the
2 land to leverage Federal funds.

3 “(2) CONSERVATION BENEFITS.—In deter-
4 mining the acceptability of easement offers, the Sec-
5 retary may take into consideration—

6 “(A) in the case of wetlands—

7 “(i) the extent to which the purposes
8 of the easement program would be
9 achieved on the land;

10 “(ii) the productivity of the land; and

11 “(iii) the on-farm and off-farm envi-
12 ronmental threats if the land is used for
13 the production of agricultural commodities;
14 and

15 “(B) in the case of flood plain lands—

16 “(i) the extent to which the purposes
17 of the easement program would be
18 achieved on the land;

19 “(ii) whether the land has been re-
20 peatedly flooded over the last ten years;

21 “(iii) the extent to which an easement
22 on the flood plain land would contribute to
23 the restoration or management of land in
24 the area surrounding the flood plain land;
25 and

1 “(iv) other factors, as determined by
2 the Secretary.”.

3 (g) WETLANDS RESERVE ENHANCEMENT.—Section
4 1237D(c) of the Food Security Act of 1985 (16 U.S.C.
5 3837d(c)) is amended by striking paragraph (4) and in-
6 serting the following new paragraph:

7 “(4) WETLANDS RESERVE ENHANCEMENT.—

8 “(A) IN GENERAL.—The provisions of this
9 subchapter that limit payments to any person,
10 and section 1305(d) of the Agricultural Rec-
11 onciliation Act of 1987 (Public Law 100–203;
12 7 U.S.C. 1308 note), shall not apply to pay-
13 ments received by a State, political subdivision,
14 or agency thereof in connection with agree-
15 ments entered into under a special wetlands re-
16 serve enhancement program carried out by that
17 entity that has been approved by the Secretary.

18 “(B) AGREEMENTS.—The Secretary may
19 enter into agreements with States (including
20 political subdivisions and agencies of States) re-
21 garding payments described in subparagraph
22 (A) that the Secretary determines will advance
23 the purposes of this subchapter.”.

1 (h) AUTHORIZATION.—The Food Security Act of
2 1985 is amended by inserting after section 1237F (16
3 U.S.C. 3837f) the following new section:

4 **“SEC. 1237G. PERIOD OF AUTHORIZATION.**

5 “This subchapter is authorized to be carried out for
6 the 2008 through 2012 fiscal years.”.

7 **SEC. 2103. CONSERVATION SECURITY PROGRAM.**

8 (a) ESTABLISHMENT OF NEW CONSERVATION SECU-
9 RITY PROGRAM FOR FISCAL YEARS 2012 THROUGH
10 2017.—Subchapter A of chapter 2 of subtitle D of title
11 XII of the Food Security Act of 1985 (16 U.S.C. 3838
12 et seq.) is amended to read as follows:

13 **“Subchapter A—Conservation Security**
14 **Program**

15 **“SEC. 1238. DEFINITIONS.**

16 “In this subchapter:

17 “(1) BEGINNING FARMER OR RANCHER.—The
18 term ‘beginning farmer or rancher’ has the meaning
19 given the term under section 343(a) of the Consoli-
20 dated Farm and Rural Development Act (7 U.S.C.
21 1991(a)).

22 “(2) CONSERVATION PRACTICE.—The term
23 ‘conservation practice’ means a site-specific, ~~annual~~
24 land management practice or activity, or a sup-
25 porting structural practice, that is part of an ~~annu-~~

1 ~~ally~~ implemented management system designed to
2 address a priority resource of concern.

3 “(3) CONSERVATION SECURITY CONTRACT.—
4 The term ‘conservation security contract’ means a
5 contract entered into under this subchapter.

6 “(4) CONSERVATION SECURITY PROGRAM.—The
7 term ‘conservation security program’ means the pro-
8 gram established under section 1238A(a).

9 “(5) STRUCTURAL PRACTICE.—The term ‘struc-
10 tural practice’ means a site-specific, constructed con-
11 servation practice that is integrated with and essen-
12 tial to the successful implementation of the system
13 of land management practices and activities that are
14 the basis of a conservation security contract.

15 “(6) MANAGEMENT INTENSITY.—The term
16 ‘management intensity’ means the scope and com-
17 prehensiveness of practices or activities taken by a
18 producer to address a priority resource of concern.

19 “(7) NEW PRACTICE PAYMENT.—The term ‘new
20 practice payment’ means a payment determined in
21 accordance with section 1238C(c)(3).

22 “(8) NONDEGRADATION STANDARD.—The term
23 ‘nondegradation standard’ means the level of natural
24 resource conservation and environmental manage-
25 ment measures required to improve and sustain the

1 status and condition of natural and environmental
2 resources to a level that, as determined by the Sec-
3 retary—

4 “(A) prevents impairment of soil, water,
5 and air quality and the quality of fish and wild-
6 life habitat; and

7 “(B) sustains the long-term productivity of
8 agricultural resources.

9 “(9) PRIORITY RESOURCE OF CONCERN.—The
10 term ‘priority resource of concern’ means a resource
11 of concern identified by the Secretary, consistent
12 with the requirements of section 1238C(a), that
13 must be addressed by participants in the conserva-
14 tion security program in a particular watershed or
15 other area within that State.

16 “(10) PRODUCER.—The term ‘producer’ means
17 an owner, operator, landlord, tenant, or share-
18 cropper that—

19 “(A) shares in the risk of producing any
20 crop or livestock; and

21 “(B) is entitled to share in the crop or
22 livestock available for marketing from a farm
23 (or would have shared had the crop or livestock
24 been produced).

1 “(11) RESOURCE-SPECIFIC INDEX.—The term
2 ‘resource-specific index’ means an index developed
3 by the Secretary that estimates the comprehensive-
4 ness and intensity of the management measures em-
5 ployed by a producer to address a priority resource
6 of concern on an agricultural operation for purposes
7 of determining eligibility and payments for partici-
8 pants in the conservation security program.

9 “(12) STEWARDSHIP BASE PAYMENT.—The
10 term ‘stewardship base payment’ means a payment
11 determined in accordance with section 1238C(c)(2).

12 **“SEC. 1238A. CONSERVATION SECURITY PROGRAM.**

13 “(a) ESTABLISHMENT AND PURPOSE.—The Sec-
14 retary shall establish, and for each of fiscal years 2012
15 through 2017, carry out a conservation security program
16 to assist producers in improving environmental quality by
17 addressing priority resources of concern in a comprehen-
18 sive manner.

19 “(b) ELIGIBLE PRODUCERS.—To be eligible to par-
20 ticipate in the conservation security program, a producer
21 shall—

22 “(1) demonstrate that the producer is address-
23 ing at least one priority resource of concern to at
24 least the minimum level of management intensity re-
25 quired by section 1238C(b)(2);

1 “(2) develop and submit to the Secretary, and
2 obtain the approval of the Secretary of, a conserva-
3 tion plan that includes a schedule of new conserva-
4 tion practices and activities designed to increase,
5 over the term of the conservation security contract,
6 the level of management intensity with which the
7 producer is addressing ^aat least one priority resource *or resources*
8 of concern, consistent with the requirements of sub-
9 section (e); and

10 “(3) enter into a conservation security contract
11 with the Secretary.

12 “(c) ELIGIBLE LAND.—

13 “(1) IN GENERAL.—Except as provided in para-
14 graph (2), private agricultural land (including crop-
15 land, grassland, prairie land, improved pasture land,
16 forest land and rangeland) and land under the juris-
17 diction of an Indian tribe (as defined by the Sec-
18 retary) shall be eligible for enrollment in the con-
19 servation security program.

20 “(2) EXCLUSIONS.—

21 “(A) LAND ENROLLED IN OTHER CON-
22 SERVATION PROGRAMS.—Except as provided in
23 subsection (f)(3)(A), the following lands are not
24 eligible for enrollment in the conservation secu-
25 rity program:

1 “(i) Lands enrolled in the conserva-
2 tion reserve program under subchapter B
3 of chapter 1.

4 “(ii) Land enrolled in the wetlands re-
5 serve program established under sub-
6 chapter C of chapter 1.

7 “(iii) Land enrolled in the grassland
8 reserve program established under sub-
9 chapter C of chapter 2.

10 “(B) CONVERSION TO CROPLAND.—Land
11 used for crop production after October 1, 2011,
12 that had not been planted, considered to be
13 planted, or devoted to crop production for at
14 least 4 of the 6 years preceding that date (ex-
15 cept for land enrolled in the conservation re-
16 serve program or that has been maintained
17 using long-term crop rotation practices, as de-
18 termined by the Secretary) shall not be the
19 basis for any payment under the conservation
20 security program.

21 “(d) ECONOMIC USES.—With respect to eligible land
22 covered by a conservation security contract, the Secretary
23 shall permit economic uses of the land that—

24 “(1) maintain the agricultural nature of the
25 land; and

1 “(2) are consistent with the conservation pur-
2 poses of the conservation security program.

3 “(e) CONSERVATION SECURITY CONTRACTS.—

4 “(1) IN GENERAL.—After a determination that
5 a producer is eligible for the conservation security
6 program, and on approval of the conservation plan
7 of the producer, the Secretary shall enter into a con-
8 servation security contract with the producer to en-
9 roll the land to be covered by the contract in the
10 conservation security program. A producer may not
11 simultaneously be a party to more than one con-
12 servation security contract.

13 “(2) TERM.—A conservation security contract
14 shall be for a term of 5 years.

15 “(3) PROVISIONS.—The conservation security
16 contract of a producer shall—

17 “(A) ^{include a} ~~the~~ conservation plan approved by the
18 Secretary;

19 “(B) describe the land covered by the con-
20 servation security contract, except that all the
21 acres of the agricultural operation that are
22 under the producer’s effective control at the
23 time the producer enters into a conservation se-
24 curity contract shall be covered by the conserva-
25 tion security contract;

1 “(C) state the amount of the stewardship
2 base payment (determined in accordance with
3 section 1238C(e)(2)) the Secretary agrees to
4 make to the producer each year of the conserva-
5 tion security contract;

6 “(D) describe the new conservation prac-
7 tices and activities the producer agrees to im-
8 plement during the term of the conservation se-
9 curity contract in order to increase the level of
10 management intensity with which the producer
11 addresses ~~at least one~~ ^{the} priority resource ^{or resources} of con-
12 cern; *as designated by the Secretary under 1238C(a)(1);*

13 “(E) state the amounts of the new practice
14 payments the Secretary agrees to make to the
15 producer upon implementation of the new prac-
16 tices and activities described in the conservation
17 security contract; and

18 “(F) include such other provisions as the
19 Secretary determines necessary to ensure the
20 conservation purposes of the conservation secu-
21 rity program are met.

22 “(4) ON-FARM RESEARCH AND DEMONSTRA-
23 TION OR PILOT TESTING.—The Secretary may ap-
24 prove a conservation security contract that in-
25 cludes—

1 “(A) on-farm conservation research and
2 demonstration activities; and

3 “(B) pilot testing of new technologies or
4 innovative conservation practices.

5 “(f) MODIFICATION.—

6 “(1) MODIFICATION AT OPTION OF THE PRO-
7 DUCER PROHIBITED.—

8 “(A) IN GENERAL.—In order to reduce un-
9 necessary administrative and technical assist-
10 ance costs, the Secretary shall not allow con-
11 tract modifications at the option of the pro-
12 ducer for purposes of allowing the producer to
13 increase the stewardship or new practice pay-
14 ments above the amount established in the ini-
15 tial contract, but the Secretary shall allow con-
16 tract renewals at the end of the initial contract
17 consistent with subsection (i).

18 ~~“(B) EXCEPTION FOR EXISTING CON-~~
19 ~~TRACTS.—For conservation security contracts~~
20 ~~entered into before October 1, 2011, the Sec-~~
21 ~~retary shall allow a producer to modify a con-~~
22 ~~servation security contract, so long as the modi-~~
23 ~~fied contract meets all the requirements of this~~
24 ~~subchapter.~~

1 “(2) OTHER MODIFICATION AUTHORITY.—The
2 Secretary may allow a producer to modify a con-
3 servation security contract before the expiration of
4 the contract if the Secretary determines that—

5 “(A) a change made to the type, size, man-
6 agement, or other aspect of the agricultural op-
7 eration of the producer would, without the
8 modification of the contract, significantly inter-
9 fere with achieving the purposes of the con-
10 servation security program; or

11 ~~“(B) the contract was entered into before~~
12 ~~October 1, 2011, and without the modification~~
13 ~~of the contract, the contract will be inconsistent~~
14 ~~with the purposes of the conservation security~~
15 ~~program.~~

16 “(3) PARTICIPATION IN OTHER PROGRAMS.—If
17 appropriate payment reductions and other adjust-
18 ments (as determined by the Secretary) are made to
19 the conservation security contract of a producer, the
20 producer may—

21 “(A) simultaneously participate in—

22 “(i) the conservation security pro-
23 gram;

24 “(ii) the conservation reserve pro-
25 gram; and

1 “(iii) the wetlands reserve program;

2 and

3 “(B) may remove land enrolled in the con-
4 servation security program for enrollment in the
5 conservation reserve program or wetland reserve
6 program.

7 “(g) CONTRACT TERMINATION.—

8 “(1) OPTIONAL TERMINATION.—A producer
9 may terminate a conservation security contract and
10 retain payments already received under the con-
11 servation security contract, if—

12 “(A) the producer is in full compliance
13 with the terms and conditions (including any
14 maintenance requirements) of the conservation
15 security contract as of the date of the termi-
16 nation; and

17 “(B) the Secretary determines that termi-
18 nation of the contract would not defeat the pur-
19 poses of the conservation plan of the producer.

20 “(2) OTHER TERMINATION.—A producer that is
21 allowed to modify a conservation security contract
22 under subsection (g)(2) may, in lieu of modifying
23 the contract—

24 “(A) terminate the conservation security
25 contract; and

1 “(B) retain payments already received
2 under the conservation security contract, if the
3 producer has fully complied with the terms and
4 conditions of the conservation security contract
5 (including any maintenance requirements) be-
6 fore termination of the contract, as determined
7 by the Secretary.

8 “(3) TRANSFER OR CHANGE OF INTEREST IN
9 LAND SUBJECT TO CONSERVATION SECURITY CON-
10 TRACT.—

11 “(A) IN GENERAL.—Except as provided in
12 subparagraph (B), the transfer, or change in
13 the interest, of a producer in land subject to a
14 conservation security contract shall result in the
15 termination of the conservation security con-
16 tract.

17 “(B) TRANSFER OF DUTIES AND
18 RIGHTS.—Subparagraph (A) shall not apply if,
19 within a reasonable period of time after the
20 date of the transfer or change in the interest in
21 land, the transferee of the land provides written
22 notice to the Secretary that all duties and
23 rights under the conservation security contract
24 have been transferred to, and assumed by, the
25 transferee. The Secretary shall specify what will

1 be considered a reasonable period of time for
2 purposes of providing the notification required
3 by this subparagraph.

4 “(h) CONTRACT RENEWAL.—At the end of an initial
5 conservation security contract of a producer, the Secretary
6 may allow the producer to renew the contract for one addi-
7 tional five-year period if the producer—

8 “(1) demonstrates compliance with the terms of
9 the existing contract, including a demonstration that
10 the producer has complied with the schedule for the
11 implementation of new practices and activities in-
12 cluded in the conservation security contract and has
13 met the stated goals for increasing the level of man-
14 agement intensity with which the producer is ad-
15 dressing one or more of the designated priority ^{resource or} re-
16 sources of concern; and

17 “(2) agrees to implement additional new con-
18 servation practices and activities and to achieving ^{the}
19 higher levels of management intensity with which
20 the producer addresses ^{the designated} ~~at least one~~ priority resource ^{or resources}
21 of concern.

22 “(i) EFFECT OF NONCOMPLIANCE DUE TO CIR-
23 CUMSTANCES BEYOND THE CONTROL OF PRODUCERS.—
24 The Secretary shall include in the conservation security
25 contract a provision to ensure that a producer shall not

1 be considered in violation of a conservation security con-
2 tract for failure to comply with the conservation security
3 contract due to circumstances beyond the control of the
4 producer, including a disaster or related condition, as de-
5 termined by the Secretary.

6 “(j) EVALUATION OF OFFERS.—In evaluating appli-
7 cations by producers to enroll in the conservation security
8 program, the Secretary shall—

9 “(1) evaluate applications based on their overall
10 level of cost-effectiveness, by considering with re-
11 spect to each application the ratio of the expected
12 total cost of the conservation security contract to the
13 anticipated environmental benefits from the con-
14 tract;

15 “(2) evaluate applications based on the extent
16 to which the producer proposes to increase the man-
17 agement intensity with which the producer addresses
18 *the designated* *or resources*
~~at least one~~ priority resource of concern; and

19 “(3) develop any additional criteria for evalu-
20 ating applications that the Secretary determines are
21 necessary to ensure that national, State, and local
22 conservation priorities are effectively addressed.

23 **“SEC. 1238B. DUTIES OF PRODUCERS.**

24 “(a) AGREEMENT BY PRODUCER.—Under a con-
25 servation security contract, a producer shall agree—

1 “(1) to implement during the term of the con-
2 servation security contract the conservation plan ap-
3 proved by the Secretary;

4 “(2) to maintain, and make available to the
5 Secretary at such times as the Secretary may re-
6 quest, appropriate records showing the effective and
7 timely implementation of the conservation security
8 contract; and

9 “(3) not to engage in any activity during the
10 term of the conservation security contract that
11 would interfere with the purposes of the conservation
12 security program.

13 “(b) EFFECT OF VIOLATION.—On the violation of a
14 term or condition of the conservation security contract of
15 a producer—

16 “(1) if the Secretary determines that the viola-
17 tion warrants termination of the conservation secu-
18 rity contract, the producer shall—

19 “(A) forfeit all rights to receive payments
20 under the conservation security contract; and

21 “(B) refund to the Secretary all or a por-
22 tion of the payments received by the producer
23 under the conservation security contract, in-
24 cluding any advance payments and interest on
25 the payments, as determined by the Secretary;

1 “(2) if the Secretary determines that the viola-
2 tion does not warrant termination of the conserva-
3 tion security contract, the producer shall refund to
4 the Secretary, or accept adjustments to, the pay-
5 ments provided to the producer, as the Secretary de-
6 termines to be appropriate; or

7 “(3) some combination of the remedies author-
8 ized by paragraphs (1) and (2), as determined by
9 the Secretary to be appropriate.

10 **“SEC. 1238C. DUTIES OF THE SECRETARY.**

11 “(a) IDENTIFICATION OF PRIORITY RESOURCES OF
12 CONCERN.—

13 “(1) IDENTIFICATION AT STATE LEVEL.—The
14 Secretary shall ensure that the identification of pri-
15 ority resources of concern is made at the State level
16 so that each priority resource of concern—

17 “(A) represents a significant environmental
18 or wildlife habitat concern in the State to which
19 agricultural activities are contributing; and

20 “(B) is likely to be addressed successfully
21 through the implementation of conservation
22 practices and other activities by producers.

23 “(2) LIMITATION.—The Secretary may identify
24 no more than 5 resources of concern as priority re-

1 sources of concern in a State or geographical area
2 within the State.

3 “(3) RANKING OF PRIORITY RESOURCES OF
4 CONCERN.—The Secretary, with the advice of the
5 appropriate State technical committee and in con-
6 sultation with Federal and State agencies with ex-
7 pertise related to natural resources and environ-
8 mental quality, shall designate, to the extent prac-
9 ticable, each priority resource of concern identified
10 under subparagraph (A) as either a primary, sec-
11 ondary, or tertiary resource of concern.

12 “(b) DEVELOPMENT OF RESOURCE-SPECIFIC INDI-
13 CES.—The Secretary shall develop resource-specific indi-
14 ces to measure the management intensity with which spe-
15 cific resources of concern are addressed, for purposes of
16 determining eligibility and payments for participants in
17 the conservation security program.

18 “(c) PAYMENTS.—

19 “(1) TIMING OF PAYMENTS.—The Secretary
20 shall make payments under a conservation security
21 contract as soon as practicable after October 1 of
22 each fiscal year.

23 “(2) STEWARDSHIP BASE PAYMENT.—

24 “(A) IN GENERAL.—The Secretary shall
25 provide a stewardship base payment to a pro-

1 ducer under a conservation security contract
2 that reflects the degree to which the producer
3 is addressing, at the time the producer entered
4 into the contract, the priority resources of con-
5 cern, as measured by the applicable resource-
6 specific indices.

7 “(B) PAYMENT AMOUNT.—The annual
8 stewardship payment amount shall be deter-
9 mined by the Secretary and is intended to ad-
10 dress the cost of maintaining and continuing
11 the existing level of management intensity with
12 which the producer is addressing the designated
13 priority resources of concern.

14 “(3) NEW PRACTICE PAYMENT.—

15 “(A) ELIGIBLE CONSERVATION PRAC-
16 TICES.—

17 “(i) IN GENERAL.—The Secretary
18 shall make eligible for new practice pay-
19 ments under a conservation security con-
20 tract land management, vegetative, and
21 structural practices that are described in
22 the conservation security contract of the
23 producer.

24 “(ii) DETERMINATION.—In deter-
25 mining the eligibility of a practice de-

1 scribed in clause (i), the Secretary shall re-
2 quire, to the maximum extent practicable,
3 that the lowest cost alternatives be used to
4 fulfill the purposes of the conservation se-
5 curity contract, as determined by the Sec-
6 retary.

7 “(B) EXCLUSIONS.—A payment to a pro-
8 ducer under this paragraph shall not be pro-
9 vided for the design, construction, or mainte-
10 nance of animal waste storage or treatment fa-
11 cilities or associated waste transport or transfer
12 devices for animal feeding operations;

13 “(C) PAYMENT AMOUNT.—A new practice
14 payment under the conservation security pro-
15 gram shall consist of not more than 75 percent
16 (or, in the case of a beginning farmer or ranch-
17 er or socially disadvantaged farmer or rancher,
18 90 percent) of the cost of implementing (as de-
19 termined by the Secretary) each new conserva-
20 tion practice to be implemented under the con-
21 servation security contract, including the costs
22 of the adoption of new management, vegetative,
23 and land-based structural practices;

24 “(d) PAYMENT LIMITATIONS.—An individual or enti-
25 ty may not receive, directly or indirectly, stewardship or

1 new practice payments under a conservation security con-
2 tract that, in the aggregate, exceed \$150,000 for the 5-
3 year term of the conservation security contract.

4 “(e) REGULATIONS.—The Secretary shall promulgate
5 regulations that—

6 “(1) provide for adequate safeguards to protect
7 the interests of tenants and sharecroppers, including
8 provision for sharing payments, on a fair and equi-
9 table basis; and

10 “(2) prescribe such other rules as the Secretary
11 determines to be necessary to ensure a fair and rea-
12 sonable application of the limitations established
13 under subsection (d).

14 “(f) ALLOCATION TO STATES.—When making alloca-
15 tions to States of funds made available to carry out the
16 conservation security program, the Secretary shall give
17 significant consideration to the extent and magnitude of
18 the environmental needs associated with agricultural pro-
19 duction in each State and the degree to which implementa-
20 tion of the conservation security program in the State is,
21 or will be, effective in helping producers address these
22 needs.

23 “(g) TECHNICAL ASSISTANCE.—For each of fiscal
24 years 2012 through 2017, the Secretary shall provide ap-
25 propriate technical assistance to producers for the develop-

1 ment and implementation of conservation security con-
2 tracts, in an amount not to exceed 15 percent of the total
3 amount expended over the life of the conservation security
4 program contract.”.

5 ^h~~(b)~~ EFFECT ON EXISTING CONSERVATION SECURITY
6 CONTRACTS.—Subchapter A of chapter 2 of subtitle D of
7 title XII of the Food Security Act of 1985 (16 U.S.C.
8 3838 et seq.), as in effect on the day before the date of
9 the enactment of this Act, shall continue to apply to con-
10 servation security contracts entered into before October 1,
11 2007. The Secretary of Agriculture may continue to make
12 payments under such subchapter, as so in effect, with re-
13 spect to such a conservation security contracts during the
14 term of the contract.

15 ⁱ~~(c)~~ PROHIBITION ON NEW CONTRACTS.—A conserva-
16 tion security contract may not be entered into or renewed
17 under subchapter A of chapter 2 of subtitle D of title XII
18 of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.),
19 as in effect on the day before the date of the enactment
20 of this Act, after September 30, 2007.

21 **SEC. 2104. GRASSLAND RESERVE PROGRAM.**

22 (a) MAXIMUM ENROLLMENT.—Subsection (b) of sec-
23 tion 1238N of the Food Security Act of 1985 (16 U.S.C.
24 3838n) is amended by striking paragraph (1) and insert-
25 ing the following new paragraph:

1 “(1) MAXIMUM ENROLLMENT.—The total num-
2 ber of acres of restored or improved grassland,
3 rangeland, and pastureland enrolled in the program
4 shall not exceed—

5 “(A) 2,000,000 acres, plus an additional
6 5,000,000 acres, effective beginning October 1,
7 2007, if changes in law that meet the require-
8 ments of section 307 of Senate Con. Res. 21 of
9 the 110th Congress (the Concurrent Resolution
10 on the Budget for Fiscal Year 2008) occur; or

11 “(B) 2,000,000 acres, if such changes in
12 law do not occur.”.

13 (b) ENROLLMENT OF CONSERVATION RESERVE PRO-
14 GRAM LAND.—Section 1238N of the Food Security Act
15 of 1985 (16 U.S.C. 3838n) is amended by adding at the
16 end the following new subsection:

17 “(d) ENROLLMENT OF CONSERVATION RESERVE
18 PROGRAM LAND.—

19 “(1) ENROLLMENT AUTHORIZED.—Subject to
20 the eligibility requirements of subsection (c) and all
21 other requirements of this subchapter, land enrolled
22 in the conservation reserve program may be enrolled
23 in the grassland reserve program if the Secretary de-
24 termines that the land is of high ecological value and
25 under significant threat of conversion to other uses.

1 “(2) MAXIMUM ENROLLMENT.—The number of
2 acres of conservation reserve program land enrolled
3 under this subsection in a calendar year shall not ex-
4 ceed 10 percent of the total number of acres enrolled
5 in the grassland reserve program in that calendar
6 year.

7 “(3) PROHIBITION ON DUPLICATION OF PAY-
8 MENTS.—Land enrolled in the program under this
9 subsection shall no longer be eligible for payments
10 under the conservation reserve program.”.

11 (c) GRASSLANDS RESERVE ENHANCEMENT.—Section
12 1238N of the Food Security Act of 1985 (16 U.S.C.
13 3838n) is amended by inserting after subsection (d), as
14 added by subsection (b), the following new subsection:

15 “(e) GRASSLANDS RESERVE ENHANCEMENT.—The
16 Secretary may enter into such agreements with States, in-
17 cluding political subdivisions and agencies of States, that
18 the Secretary determines will advance the purposes of the
19 grassland reserve program. Section 1305(d) of the Agri-
20 cultural Reconciliation Act of 1987 (Public Law 100-203;
21 7 U.S.C. 1308 note) shall not apply to payments received
22 by a State or political subdivision or agency thereof in con-
23 nection with such an agreement.”.

24 (d) REQUIRED DELEGATION TO PRIVATE ORGANIZA-
25 TIONS OR STATE AGENCIES.—Section 1238Q(a) of the

1 Food Security Act of 1985 (16 U.S.C. 3838q(a)) is
2 amended by striking “may transfer” and inserting “shall
3 transfer”.

4 **SEC. 2105. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
5 **GRAM.**

6 (a) PURPOSES.—Section 1240 of the Food Security
7 Act of 1985 (16 U.S.C. 3839aa) is amended—

8 (1) in the matter preceding paragraph (1), by
9 inserting “, forest management,” after “agricultural
10 production”; and

11 (2) by striking paragraphs (3) and (4) and in-
12 serting the following new paragraphs:

13 “(3) providing flexible assistance to producers
14 to install and maintain conservation practices that,
15 while sustaining production of food and fiber—

16 “(A) enhance soil, water, and related nat-
17 ural resources, including grazing land,
18 forestland, wetland, and wildlife; and

19 “(B) conserve energy;

20 “(4) assisting producers to make beneficial, cost
21 effective changes to cropping systems, grazing man-
22 agement, energy use, forest management, nutrient
23 management associated with livestock, pest or irriga-
24 tion management, or other practices on agricultural
25 and forested land; and”.

1 (b) DEFINITIONS.—Section 1240A of the Food Secu-
2 rity Act of 1985 (16 U.S.C. 3839aa–1) is amended—

3 (1) by striking paragraph (3) and inserting the
4 following new paragraph:

5 “(3) LAND MANAGEMENT PRACTICE.—

6 “(A) IN GENERAL.—The term ‘land man-
7 agement practice’ means a site-specific nutrient
8 or manure management, integrated pest man-
9 agement, irrigation management, tillage or res-
10 idue management, grazing management, air
11 quality management, forest management, sil-
12 vicultural practice, or other land management
13 practice carried out on eligible land that the
14 Secretary determines is needed to protect from
15 degradation, in the most cost-effective manner,
16 water, soil, or related resources.

17 “(B) FOREST MANAGEMENT PRACTICES.—

18 For purposes of subparagraph (A), forest man-
19 agement practices may include activities that
20 the Secretary determines are needed to—

21 “(i) improve water quality;

22 “(ii) increase in-stream flows;

23 “(iii) restore forest biodiversity; or

24 “(iv) control invasive species.

1 “(C) COORDINATED IMPLEMENTATION.—A
2 land management practice may involve multiple
3 landowners implementing eligible conservation
4 activities in a coordinated fashion.”;

5 (2) in paragraph (4), by inserting “alpacas,”
6 after “sheep,”;

7 (3) by redesignating paragraph (6) as para-
8 graph (7); and

9 (4) by inserting after paragraph (5) the fol-
10 lowing new paragraph:

11 “(6) PRODUCER.—The term ‘producer’ means
12 an individual who derives income from the produc-
13 tion or management of an agricultural commodity or
14 livestock regardless of ownership or whether the in-
15 dividual bears the risk of economic loss from that
16 production or management.”.

17 (c) ELIGIBLE PRACTICES.—Section 1240B(a) of the
18 Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)) is
19 amended—

20 (1) in paragraph (1), by striking “2010” and
21 inserting “2012”; and

22 (2) in paragraph (2), by striking subparagraph
23 (B) and inserting the following new subparagraph:

24 “(B) a producer that implements a land
25 management practice, receives technical services

1 from an approved third-party provider, develops
2 a comprehensive nutrient management plan, or
3 implements energy efficiency improvements or
4 renewable energy systems, in accordance with
5 this chapter shall be eligible to receive incentive
6 payments.”.

7 (d) INCENTIVE PAYMENTS.—Section 1240B(e) of the
8 Food Security Act of 1985 (16 U.S.C. 3839aa–2(e)) is
9 amended by striking paragraph (1) and inserting the fol-
10 lowing new paragraph:

11 “(1) AVAILABILITY OF INCENTIVE PAY-
12 MENTS.—The Secretary shall make incentive pay-
13 ments in an amount and at a rate determined by the
14 Secretary to be necessary to encourage a producer—

15 “(A) to perform 1 or more land manage-
16 ment practices;

17 “(B) to receive technical services from an
18 approved third-party provider;

19 “(C) to develop a comprehensive nutrient
20 management plan; or

21 “(D) to implement energy efficiency im-
22 provements or renewable energy systems.”.

23 (e) BEGINNING FARMERS OR RANCHERS AND SO-
24 CIALY DISADVANTAGED FARMERS OR RANCHERS.—Sec-
25 tion 1240B(d)(2) of the Food Security Act of 1985 (16

1 U.S.C. 3839aa-2(d)(2)) is amended by striking subpara-
2 graph (A) and inserting the following new subparagraph:

3 “(A) BEGINNING FARMERS OR RANCHERS
4 AND SOCIALLY DISADVANTAGED FARMERS OR
5 RANCHERS.—The Secretary may increase the
6 amount provided under paragraph (1) to a pro-
7 ducer that is a beginning farmer or rancher or
8 a socially disadvantaged farmer or rancher, as
9 determined by the Secretary, to an amount not
10 more than the lesser of—

11 “(i) 90 percent of the cost of the
12 practice, as determined by the Secretary;
13 or

14 “(ii) 15 percent more than the rate
15 offered to other farmers or ranchers.”.

16 (f) ALLOCATION OF FUNDING.—Section 1240B(g) of
17 the Food Security Act of 1985 (16 U.S.C. 3839aa-2(g))
18 is amended by striking “2007” and inserting “2012”.

19 (g) EVALUATION OF APPLICATIONS FOR COST-
20 SHARE PAYMENTS AND INCENTIVE PAYMENTS.—Section
21 1240C of the Food Security Act of 1985 (16 U.S.C.
22 3839aa-3) is amended to read as follows:

1 **“SEC. 1240C. EVALUATION OF APPLICATIONS FOR COST-**
2 **SHARE PAYMENTS AND INCENTIVE PAY-**
3 **MENTS.**

4 “(a) PRIORITIES AND GROUPING OF APPLICA-
5 TIONS.—In evaluating applications for cost-share pay-
6 ments and incentive payments, the Secretary shall—

7 “(1) prioritize applications based on their over-
8 all level of cost-effectiveness to ensure that the con-
9 servation practices, systems, and approaches pro-
10 posed are the most efficient means of achieving the
11 anticipated environmental benefits of the project;

12 “(2) prioritize applications based on how effec-
13 tively and comprehensively the project addresses the
14 designated resource concern or resource concerns;

15 “(3) develop criteria for evaluating applications
16 that will ensure that national, State, and local con-
17 servation priorities are effectively addressed; and

18 “(4) to the greatest extent practicable, group
19 applications of similar crop or livestock operations
20 for evaluation purposes or otherwise evaluate appli-
21 cations relative to other applications for similar
22 farming operations.

23 “(b) EVALUATION PROCESS.—The Secretary shall
24 ensure that the evaluation process is as streamlined and
25 efficient as practicable in the case of applications that—

1 “(1) involve operations with substantial and
2 sound environmental management systems; and

3 “(2) seek a single practice or a limited number
4 of practices to further improve the environmental
5 performance of that system.”.

6 (h) DUTIES OF PRODUCERS.—Section 1240D(2) of
7 the Food Security Act of 1985 (16 U.S.C. 3839aa–4(2))
8 is amended by striking “or ranch” and inserting “, ranch,
9 or forestland”.

10 (i) PROGRAM PLAN.—Subsection (a) of section
11 1240E of the Food Security Act of 1985 (16 U.S.C.
12 3839aa–5) is amended to read as follows:

13 “(a) IN GENERAL.—To be eligible to receive cost-
14 share payments or incentive payments under the program,
15 a producer shall submit to the Secretary for approval a
16 plan of operations that—

17 “(1) specifies practices covered under the pro-
18 gram;

19 “(2) includes such terms and conditions as the
20 Secretary considers necessary to carry out the pro-
21 gram, including a description of the purposes to be
22 met by the implementation of the plan;

23 “(3) in the case of a confined livestock feeding
24 operation, provides for development and implementa-

1 tion of a comprehensive nutrient management plan,
2 if applicable; and

3 “(4) in the case of forestland, is consistent with
4 the provisions of a forest management plan meeting
5 with the approval of the Secretary, which may in-
6 clude a forest stewardship plan, as specified in sec-
7 tion 5 of the Cooperative Forestry Assistance Act of
8 1978 (16 U.S.C. 2103a), other practice plan ap-
9 proved by the State forester, or other plan deter-
10 mined appropriate by the Secretary.”.

11 (j) DUTIES OF THE SECRETARY.—Section 1240F of
12 the Food Security Act of 1985 (16 U.S.C. 3839aa–6) is
13 amended—

14 (1) by striking “To the extent” and inserting
15 “(a) PROVISION OF ASSISTANCE.—To the extent”;
16 and

17 (2) by adding at the end the following new sub-
18 section:

19 “(b) SPECIAL RULES FOR WATER CONSERVATION OR
20 IRRIGATION EFFICIENCY PRACTICE.—The Secretary may
21 provide assistance to a producer for a water conservation
22 or irrigation efficiency practice only if the Secretary deter-
23 mines that the assistance will facilitate a conservation
24 measure that results in—

1 “(1) a net savings in groundwater or surface
2 water resources in the agricultural operation of the
3 producer; and

4 “(2) increased groundwater or surface flows,
5 consistent with the law of the State in which the op-
6 eration is located.”.

7 (k) CONSERVATION INNOVATION GRANTS.—Section
8 1240H of the Food Security Act of 1985 (16 U.S.C.
9 3839aa–8) is amended to read as follows:

10 **“SEC. 1240H. CONSERVATION INNOVATION GRANTS.**

11 “(a) COMPETITIVE GRANTS.—The Secretary shall
12 pay the cost of competitive grants that are intended to
13 stimulate innovative approaches to leveraging Federal in-
14 vestment in environmental enhancement and protection, in
15 conjunction with agricultural production or forest resource
16 management, through the program.

17 “(b) USE.—The Secretary may provide grants under
18 this section to governmental and non-governmental orga-
19 nizations and persons, on a competitive basis, to carry out
20 projects that—

21 “(1) involve producers that are eligible for pay-
22 ments or technical assistance under the program;

23 “(2) leverage funds made available to carry out
24 the program under this chapter with matching funds
25 provided by State and local governments and private

1 organizations to promote environmental enhance-
2 ment and protection in conjunction with agricultural
3 production;

4 “(3) ensure efficient and effective transfer of
5 innovative technologies and approaches dem-
6 onstrated through projects that receive funding
7 under this section; and

8 “(4) provide environmental and resource con-
9 servation benefits through increased participation by
10 producers of specialty crops.

11 “(c) PILOT PROGRAM FOR COMPREHENSIVE CON-
12 SERVATION PLANNING.—

13 “(1) PILOT PROGRAM REQUIRED.—The Sec-
14 retary shall establish a pilot program to undertake
15 comprehensive conservation planning to assist pro-
16 ducers before they submit an application for assist-
17 ance under any of the conservation programs au-
18 thorized by this subtitle.

19 “(2) CONSERVATION PLANNING ASSISTANCE.—
20 The Secretary shall undertake pilot projects under
21 the pilot program in the locations specified in para-
22 graph (3) to assist producers by making a com-
23 prehensive assessment of the resource concerns,
24 needs, and alternative solutions for the producer’s
25 entire operation, as determined by the Secretary, fol-

1 lowing the procedures in the Natural Resources Con-
2 servation Service conservation planning manual. The
3 assistance shall be provided by the Secretary directly
4 or through third party providers certified by the Sec-
5 retary, and shall not be at the expense of the pro-
6 ducer. The results of the comprehensive planning as-
7 sistance shall be provided to the producer to enable
8 informed choices on the type of financial assistance
9 available under this subtitle that would most effec-
10 tively address the resource needs of the operation
11 consistent with the environmental goals for the area
12 in which the operation is located.

13 “(3) PILOT PROJECTS.—Pilot projects in com-
14 prehensive conservation planning shall be under-
15 taken in the Chesapeake Bay watershed.

16 “(4) REPORT.—The Secretary shall conduct an
17 assessment of the effectiveness of the pilot program
18 and publish a report, available to the public, of the
19 results of the assessment. Such assessments shall be
20 undertaken in the second year and the fifth year of
21 the pilot program.

22 “(d) FUNDING.—

23 “(1) AVAILABILITY OF FUNDS.—Of the funds
24 of the Commodity Corporation, the Secretary shall

1 use \$20,000,000 for each of fiscal years 2008
2 through 2012 to carry out this section.

3 “(2) OUTREACH FOR CERTAIN PRODUCERS.—
4 Of the funds made available under paragraph (1) for
5 a fiscal year, the Secretary shall use \$5,000,000 to
6 make grants to support effective outreach and inno-
7 vative approaches for outreach and to serve organic
8 producers and producers of specialty crops (as de-
9 fined in section 3 of the Specialty Crops Competi-
10 tiveness Act of 2004 (Public Law 108–465; 7 U.S.C.
11 1621 note).

12 “(3) COMPREHENSIVE CONSERVATION PLAN-
13 NING.—Of the funds made available under para-
14 graph (1) for a fiscal year, the Secretary shall use
15 \$5,000,000 to carry out the comprehensive conserva-
16 tion planning pilot program under subsection (c).”.

17 **SEC. 2106. REGIONAL GROUND AND SURFACE WATER EN-**
18 **HANCEMENT PROGRAM.**

19 (a) PURPOSE AND GOALS.—The purpose of this sec-
20 tion is to authorize a regional water enhancement pro-
21 gram, within the environmental quality incentives pro-
22 gram, to enhance performance-based, cost-effective con-
23 servation carried out through cooperative agreements en-
24 tered into by the Secretary of Agriculture with producers,
25 governmental entities, and Indian tribes. The goal of the

1 program is to improve water quality or ground and surface
2 water quantity through coordinated program activities on
3 agricultural lands. The Secretary will develop goals and
4 provide coordinated program assistance for water quality
5 or water quantity improvement projects.

6 (b) ESTABLISHMENT OF PROGRAM.—Section 1240I
7 of the Food Security Act of 1985 (16 U.S.C. 3839aa–9)
8 is amended to read as follows:

9 **“SEC. 1240I. REGIONAL GROUND AND SURFACE WATER EN-**
10 **HANCEMENT PROGRAM.**

11 “(a) DEFINITIONS.—In this section:

12 “(1) the term ‘regional water enhancement ac-

13 tivities’ includes resource condition assessment and

14 modeling, water quality, water quantity or water

15 conservation plan development, management system

16 and environmental monitoring and evaluation, cost-

17 share of restoration or enhancement projects, incen-

18 tive payments for land management practices, ease-

19 ment purchases, conservation contracts with land-

20 owners, improved irrigation systems, conversion of

21 irrigated lands to less water-intensive agricultural

22 commodities or dry-land farming, water banking and

23 other forms of water transactions, groundwater re-

24 charge and other conservation related activities that

25 the Secretary determines will help to achieve the

1 water quality or water quantity benefits on agricul-
2 tural lands identified in a partnership agreement.

3 “(2) The term ‘partnership agreement’ means
4 an agreement between the Secretary and a partner
5 under subsection (d).

6 “(3) The term ‘partner’ means an entity that
7 enters into a partnership agreement with the Sec-
8 retary to carry out regional water enhancement ac-
9 tivities. The term includes—

10 “(A) an agricultural producer, agricultural
11 or silvicultural producer association, or other
12 group of such producers;

13 “(B) a State or unit of local government;
14 or

15 “(C) a federally recognized Indian tribe.

16 “(b) ESTABLISHMENT OF PROGRAM.—

17 “(1) IDENTIFICATION OF WATER QUALITY PRI-
18 ORITY AREAS.—The Secretary shall identify areas
19 where protecting or improving water quality is a pri-
20 ority.

21 “(2) ESTABLISHMENT.—The Secretary shall es-
22 tablish a regional water enhancement program in ac-
23 cordance with this section to improve water quality
24 or water quantity on a regional scale to benefit

1 working agricultural land and other lands sur-
2 rounding agricultural land.

3 “(c) SELECTION OF AND GRANTS TO PARTNERS.—

4 “(1) SOLICITATION OF PARTNERSHIP PRO-
5 POSALS.—Not later than 90 days after the date of
6 the enactment of [the 2007 Farm Bill], the Sec-
7 retary shall invite prospective partners to submit
8 competitive grant proposals for regional water en-
9 hancement partnerships.

10 “(2) ELEMENTS.—To be eligible for consider-
11 ation for participation in the program, a proposal
12 submitted by a partner shall contain the following
13 elements:

14 “(A) Identification of the exact geographic
15 area for which the partnership is proposed,
16 which may be based on—

17 “(i) a watershed (or portion thereof);

18 “(ii) an irrigation, water, drainage
19 district, including service area;

20 “(iii) some other geographic area with
21 characteristics making it suitable for land-
22 scape-wide program implementation, as
23 may be determined by the Secretary.

1 “(B) Identification of the water quality or
2 water quantity issues that are of concern in the
3 area.

4 “(C) A method for determining a baseline
5 assessment of water quality, water quantity,
6 and other resource conditions in the region.

7 “(D) A detailed description of the proposed
8 regional water enhancement activities to be un-
9 dertaken in the area, including an estimated
10 timeline and budget for each activity.

11 “(E) A description of the performance
12 measures to be used to gauge the effectiveness
13 of the regional water enhancement activities.

14 “(F) A description of other regional water
15 enhancement activities carried out by the Sec-
16 retary.

17 “(G) A description of regional water en-
18 hancement activities carried out by partners
19 through other means.

20 “(3) SELECTION OF PROPOSALS.—The Sec-
21 retary shall award grants competitively, based on the
22 following criteria applied by the Secretary:

23 “(A) Proposals that will result in the inclu-
24 sion of the highest percentage of agricultural
25 lands in the area.

1 “(B) Proposals that will result in the high-
2 est percentage of on-the-ground activities versus
3 administrative costs.

4 “(C) Proposals that will provide the great-
5 est contribution to sustaining or enhancing ag-
6 ricultural production in the area or rural eco-
7 nomic development.

8 “(D) Proposals that include performance
9 measures that will allow post-activity conditions
10 to be satisfactorily measured to gauge overall
11 effectiveness.

12 “(4) DURATION.—Grants under this subsection
13 shall be made on a multi-year basis, not to exceed
14 5 years total, except that the Secretary may termi-
15 nate a grant earlier if the performance measures are
16 not being met.

17 “(d) PARTNERSHIP AGREEMENTS.—

18 “(1) GENERALLY.—Not later than 30 days
19 after the award of a grant to a partner under sub-
20 section (c), the Secretary shall enter into a partner-
21 ship agreement with the grant recipient. At a min-
22 imum, the agreement shall contain—

23 “(A) a description of the respective duties
24 and responsibilities of the Secretary and the

1 partner in carrying out regional water enhance-
2 ment activities; and

3 “(B) the criteria that the Secretary will
4 use to measure the overall effectiveness of the
5 regional water enhancement activities funded by
6 the grant in improving the water quality or
7 quantity conditions of the region relative to the
8 performance measures in the grant proposal.

9 “(2) ACCEPTANCE OF CONTRIBUTIONS.—The
10 Secretary may accept and use contributions of non-
11 Federal funds to administer the program under this
12 section.

13 “(e) MODIFICATION OF SECRETARIAL AUTHORITY.—
14 To the extent that the Secretary will be carrying out re-
15 gional water enhancement activities in an area, the Sec-
16 retary may use the general authorities provided in this
17 subtitle to ensure that all producers and landowners in
18 the region have the opportunity to participate in such ac-
19 tivities.

20 “(f) RELATIONSHIP WITH OTHER PROGRAMS.—The
21 Secretary shall ensure that, to the extent producers and
22 landowners are individually participating in other pro-
23 grams under this subtitle in a region where the regional
24 water enhancement program is in effect, any improve-
25 ments to water quality or water quantity attributable to

1 such individual participation is included in the evaluation
2 criteria developed under subparagraph (d)(1)(B).

3 “(g) CONSISTENCY WITH STATE LAW.—Any regional
4 water enhancement activity conducted under this section
5 shall be consistent with State water laws.

6 “(h) FUNDING.—

7 “(1) AVAILABILITY OF FUNDS.—In addition to
8 funds made available to carry out this chapter under
9 section 1241(a)(6), the Secretary shall use funds of
10 the Commodity Credit Corporation to carry out this
11 section in the amount of, to the maximum extent
12 practicable—

13 “(A) \$100,000,000 for each of fiscal years
14 2008 through 2012, except that such amount
15 for a fiscal year is contingent on changes in law
16 that meet the requirements of section 307 of
17 Senate Con. Res. 21 of the 110th Congress (the
18 Concurrent Resolution on the Budget for Fiscal
19 Year 2008); or

20 “(B) ~~\$~~79,000,000 for each of fiscal years
21 2008 through 2012, if such changes in law do
22 not occur.

23 “(2) LIMITATION ON ADMINISTRATIVE EX-
24 PENSES.—Not more than 3 percent of the funds
25 made available under paragraph (1) for a fiscal year

1 may be used for administrative expenses of the Sec-
2 retary.”.

3 (c) GRASSROOTS SOURCE WATER PROTECTION PRO-
4 GRAM.—Section 1240O(b) of the Food Security Act of
5 1985 (16 U.S.C. 3839bb–2(b)) is amended by striking
6 “\$5,000,000 for each of fiscal years 2002 through 2007”
7 and inserting “\$20,000,000 for each of fiscal years 2008
8 through 2012”.

9 **SEC. 2107. CONSERVATION OF PRIVATE GRAZING LAND.**

10 Section 1240M(e) of the Food Security Act of 1985
11 (16 U.S.C. 3839bb(e)) is amended by striking “2007” and
12 inserting “2012”.

13 **SEC. 2108. GREAT LAKES BASIN PROGRAM FOR SOIL ERO-**
14 **SION AND SEDIMENT CONTROL.**

15 Section 1240P(c) of the Food Security Act of 1985
16 (16 U.S.C. 3839bb–3(c)) is amended by striking “2007”
17 and inserting “2012”.

18 **SEC. 2109. FARM AND RANCLAND PROTECTION PROGRAM.**

19 Subchapter B of chapter 2 of subtitle D of title XII
20 of the Food Security Act of 1985 (16 U.S.C. 3838h et
21 seq.) is amended to read as follows:

22 **“Subchapter B—Farm and Ranchland**
23 **Protection Program**

24 **“SEC. 1238H. DEFINITIONS.**

25 “In this subchapter:

1 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
2 tity’ means any of the following:

3 “(A) An agency of a State or local govern-
4 ment or an Indian tribe (including a farmland
5 protection board or land resource council estab-
6 lished under State law).

7 “(B) An organization that is organized for,
8 and at all times since the formation of the orga-
9 nization has been operated principally for, 1 or
10 more of the conservation purposes specified in
11 clause (i), (ii), (iii), or (iv) of section
12 170(h)(4)(A) of the Internal Revenue Code of
13 1986.

14 “(C) An organization described in section
15 501(c)(3) of the Internal Revenue Code of 1986
16 that is exempt from taxation under section
17 501(a) of that Code.

18 “(D) An organization described in section
19 509(a)(2) of the Internal Revenue Code of
20 1986.

21 “(E) An organization described in section
22 509(a)(3) of the Internal Revenue Code of 1986
23 that is controlled by an organization described
24 in section 509(a)(2), of that Code.

1 “(2) ELIGIBLE LAND.—The term ‘eligible land’
2 means land on a farm or ranch that is—

3 “(A) cropland;

4 “(B) rangeland;

5 “(C) grassland;

6 “(D) pasture land; or

7 “(E) forest land that is an incidental part
8 of an agricultural operation, as determined by
9 the Secretary.

10 “(3) INDIAN TRIBE.—The term ‘Indian tribe’
11 has the meaning given the term in section 4 of the
12 Indian Self-Determination and Education Assistance
13 Act (25 U.S.C. 450b).

14 “(4) QUALIFIED STATE OR LOCAL ENTITY.—
15 The term ‘qualified State or local entity’ means an
16 eligible entity, whether public or private, that oper-
17 ates a farm and ranchland protection program that
18 has—

19 “(A) for at least 3 calendar or fiscal years
20 used or provided public or private funds to pur-
21 chase perpetual conservation easements or other
22 interests in land on a cumulative total of at
23 least 10 properties that have protected the agri-
24 cultural production capacity and related con-
25 servation values of farm and ranch land;

1 “(B) the necessary authority under State
2 law, as well as the technical and financial ca-
3 pacity, to monitor and enforce the terms of
4 such conservation easements or other interests
5 in land so that their purpose is carried out in
6 perpetuity, or in the case of a governmental en-
7 tity, to legally require other public or private
8 holders of such easements or interests in land
9 acquired with public funding to hold, monitor
10 and enforce them in perpetuity; and

11 “(C) financial control policies in place to
12 assure that on average the purchase price of
13 conservation easements and other interests in
14 land does not exceed their appraised fair mar-
15 ket value.

16 “(5) PROGRAM.—The term ‘program’ means
17 the farm and ranchland protection program estab-
18 lished under section 1238I(a).

19 “(6) SECRETARY.—The term ‘Secretary’ means
20 the Secretary of Agriculture, acting through the
21 Natural Resources Conservation Service.

22 **“SEC. 1238I. FARM AND RANCHLAND PROTECTION PRO-**
23 **GRAM.**

24 “(a) ESTABLISHMENT.—The Secretary shall estab-
25 lish and carry out a farm and ranchland protection pro-

1 gram under which the Secretary shall facilitate and pro-
2 vide funding for the purchase of conservation easements
3 or other interests in eligible land for the purpose of pro-
4 tecting the agricultural production capacity and related
5 conservation values of the land by limiting incompatible
6 nonagricultural uses of the land. The program shall give
7 the highest priority to protecting farm and ranchland with
8 prime, unique or other productive soils that are at risk
9 of non-farm development.

10 “(b) GRANTS.—As the preferred method of admin-
11 istering the program, the Secretary shall make grants to
12 qualified State and local entities. Such grants shall be dis-
13 tributed among States based on demonstrated need for
14 farm and ranch land protection and on the relative con-
15 tribution of funds dedicated by State and local entities for
16 this purpose. Grants may be made for multiple trans-
17 actions without regard for whether pending purchase of-
18 fers are outstanding, so long as all funds provided under
19 the program are used to purchase conservation easements
20 or other interests in land. Qualified State and local entities
21 may use up to 10 percent of a grant for reasonable costs
22 of purchasing and enforcing conservation easements. Any
23 funds not granted to qualified State or local entities under
24 this section shall be available to other eligible entities as

1 matching funds for individual purchases of conservation
2 easements and other interests in land.

3 “(c) CERTIFICATION.—In order to delineate eligible
4 entities for program participation under this section, the
5 Secretary shall implement a process, to be published in
6 the Federal Register, for certifying entities described in
7 subparagraphs (A) through (E) of section 1238H(1). The
8 certification requirements shall include at a minimum the
9 following:

10 “(1) Strategic planning and articulated objec-
11 tives.

12 “(2) Demonstrated long-term commitment and
13 organizational viability.

14 “(3) Track record of funds management and
15 accountability.

16 “(4) History of successfully completing agricul-
17 tural conservation projects.

18 “(5) Use of a conservation plan for any highly
19 erodible cropland for which a conservation easement
20 or other interest is purchased.

21 “(d) GRANT AGREEMENTS.—The Secretary may
22 enter into an agreement with a qualified State or local
23 entity, under which the entity may purchase conservation
24 easements using a combination of its own funds and grant
25 funds distributed by the Secretary under the program.

1 Such an agreement shall stipulate the terms and condi-
2 tions under which the qualified State or local entity shall
3 use funds provided by the Secretary under the program,
4 except that, under such an agreement—

5 “(1) the qualified State or local entity shall be
6 authorized to determine its own criteria and prior-
7 ities for purchasing conservation easements and
8 other interests in land;

9 “(2) qualified State or local entity shall be au-
10 thorized to use its own terms and conditions for con-
11 servation easements and other purchases of interests
12 in land, so long as—

13 “(A) such terms and conditions are ade-
14 quate under State law to achieve and permit ef-
15 fective enforcement of the conservation pur-
16 poses of such easements or other interests, and

17 “(B) the entity has in place a requirement
18 consistent with agricultural activities regarding
19 the impervious surfaces to be allowed for any
20 conservation easement or other interest in land
21 purchased using grant funds provided through
22 this section;

23 “(3) up to 10 percent of grant funds may be
24 used for reasonable costs of purchasing and enforce-
25 ing conservation easements; and

1 “(4) no Federal contingent right of enforcement
2 or reversionary interest in a conservation easement
3 or other purchase of an interest in land shall be re-
4 quired.

5 “(e) GRANT AGREEMENT REVIEW AND REVOCATION.—Every 3 years, the Secretary shall review the cer-
6 tification of a qualified State or local entity and of the
7 performance of the entity in meeting the terms and condi-
8 tions of a grant agreement under subsection (d). If, in
9 the determination of the Secretary, a qualified State or
10 local entity no longer meets the qualifications described
11 in subparagraphs (A) through (C) of section 1238H(4) or
12 is not meeting the terms and conditions of the grant
13 agreement, the Secretary may—

14 “(1) revoke the certification of the eligible enti-
15 ty as a qualified State or local entity; or

16 “(2) allow the entity a specified period of time
17 in which to take such actions as may be necessary
18 to retain its certification or to meet the terms and
19 conditions of the grant agreement.

20 “(f) INDIVIDUAL PURCHASES.—The Secretary may
21 enter into an agreement with an eligible entity under
22 which the Secretary shall provide matching funds for the
23 purpose of purchasing conservation easements or other in-
24 terests of land on individual farm and ranch properties.
25

1 The Secretary may agree to such terms as the Secretary
2 considers to be appropriate to assure that the purpose of
3 the program is carried out, except that subsection (d)(4)
4 shall apply to any easement held by a State or local agen-
5 cy, or in which a qualified State or local entity will hold
6 a contingent right of enforcement.

7 “(g) CONSERVATION PLAN.—Notwithstanding sub-
8 section (d)(2), any highly erodible cropland for which a
9 conservation easement or other interest is purchased
10 under this subchapter shall be subject to the requirements
11 of a conservation plan. In the case of an easement or other
12 interest in land that is perpetual in duration, the Sec-
13 retary may not require the conversion of the cropland to
14 less intensive uses if, under such plan, soil erosion can
15 be reduced to ‘T’ or below.

16 “(h) BIDDING DOWN.—If the Secretary determines
17 that 2 or more applications for the purchase of a conserva-
18 tion easement or other interest in eligible land are com-
19 parable in achieving the purposes of the program, the Sec-
20 retary shall not assign a higher priority to any one of those
21 applications solely on the basis of lesser cost to the pro-
22 gram.

23 “(i) DETERMINATION OF FAIR MARKET VALUE.—
24 The Secretary shall determine the fair market value of
25 land under the program in accordance with the method

1 of valuation used by the Secretary as of January 1, 2003.
2 The Secretary shall promulgate such rules as may be nec-
3 essary to ensure that the determination of fair market
4 value uses the method of valuation used by the Secretary
5 as of January 1, 2003.”.

6 **SEC. 2110. FARM VIABILITY PROGRAM.**

7 Section 1238J(b) of the Food Security Act of 1985
8 (16 U.S.C. 3838j(b)) is amended by striking “2007” and
9 inserting “2012”.

10 **SEC. 2111. REAUTHORIZATION OF WILDLIFE HABITAT IN-**
11 **CENTIVE PROGRAM.**

12 Section 1240N of the Food Security Act of 1985 (16
13 U.S.C. 3839bb–1) is amended by adding at the end the
14 following new subsection:

15 “(d) DURATION OF PROGRAM.—Using funds made
16 available under section 1241(a)(7), the Secretary shall
17 carry out the program during fiscal years 2008 through
18 2012.”.

19 **Subtitle B—Conservation Programs**
20 **Under Other Laws**

21 **SEC. 2201. AGRICULTURAL MANAGEMENT ASSISTANCE**
22 **PROGRAM.**

23 Section 524(b)(4) of the Federal Crop Insurance Act
24 (7 U.S.C. 1524(b)(4)) is amended by striking subpara-
25 graph (B) and inserting the following new subparagraphs:

1 “(B) FUNDING.—The Commodity Credit
2 Corporation shall make available, to the max-
3 imum extent practicable, to carry out this sub-
4 section—

5 “(i) \$30,000,000 for each of fiscal
6 years 2008 through 2012, except that such
7 amount for a fiscal year is contingent on
8 changes in law that meet the requirements
9 of section 307 of Senate Con. Res. 21 of
10 the 110th Congress (the Concurrent Reso-
11 lution on the Budget for Fiscal Year
12 2008); or.

13 “(ii) \$25,000,000 for each of fiscal
14 years 2008 through 2012, if such changes
15 in law do not occur.

16 “(C) CERTAIN USES.—Of the amounts
17 made available to carry out this subsection for
18 a fiscal year, the Commodity Credit Corpora-
19 tion shall use not less than—

20 “(i) **[\$14,000,000]** to carry out sub-
21 paragraphs (A), (B), and (C) of paragraph
22 (2) through the Natural Resources Con-
23 servation Service;

1 “(ii) **【\$1,000,000】** to provide organic
2 certification cost share assistance through
3 the Agricultural Marketing Service; and
4 “(iii) **【\$5,000,000】** to conduct activi-
5 ties to carry out subparagraph (F) of para-
6 graph (2) through the Risk Management
7 Agency.”.

8 **SEC. 2202. RESOURCE CONSERVATION AND DEVELOPMENT**
9 **PROGRAM.**

10 (a) **LOCALLY LED PLANNING PROCESS.**—Section
11 1528 of the Agriculture and Food Act of 1981 (16 U.S.C.
12 3451) is amended—

13 (1) in paragraph (1), by striking “planning
14 process” in the matter preceding subparagraph (A)
15 and inserting “locally led planning process”; and

16 (2) in paragraph (9), by striking “council” and
17 inserting “locally led council”.

18 (b) **AUTHORIZED TECHNICAL ASSISTANCE.**—Section
19 1528(13) of the Agriculture and Food Act of 1981 (16
20 U.S.C. 3451(13)) is amended by striking subparagraphs
21 (C) and (D) and inserting the following new subpara-
22 graphs:

23 “(C) providing assistance for the imple-
24 mentation of area plans and projects; and

1 “(D) providing services which bring to
2 bear the resources of Department of Agri-
3 culture programs in a local community, as de-
4 fined in the locally led planning process.”.

5 (c) IMPROVED PROVISION OF TECHNICAL ASSIST-
6 ANCE.—Section 1531 of the Agriculture and Food Act of
7 1981 (16 U.S.C. 3454) is amended—

8 (1) by inserting “(a) IN GENERAL.—” before
9 “In carrying”; and

10 (2) by adding at the end the following new sub-
11 section:

12 “(b) COORDINATOR.—To improve the provision of
13 technical assistance to councils under this subtitle, the
14 Secretary shall designate an individual, to be known as
15 the ‘Coordinator’, for each council. The Coordinator shall
16 be directly responsible for the provision of technical assist-
17 ance to the council.”.

18 (d) PROGRAM EVALUATION.—Section 1534 of the
19 Agriculture and Food Act of 1981 (16 U.S.C. 3457) is
20 repealed.

21 **SEC. 2203. SMALL WATERSHED REHABILITATION PRO-**
22 **GRAM.**

23 (a) AVAILABILITY OF COMMODITY CREDIT CORPORA-
24 TION FUNDS.—Section 14(h)(1) of the Watershed Protec-
25 tion and Flood Prevention Act (16 U.S.C. 1012(h)(1)) is

1 amended by striking subparagraph (F) and inserting the
2 following new subparagraph:

3 “(F) \$65,000,000 for each of fiscal years

4 ~~2008 through 2012.”.~~

5 (G) \$65,000,000 for each fy 2009-2012, subject to avail.
of reserve.

6 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
7 14(h)(2)(E) of the Watershed Protection and Flood Pre-
8 vention Act (16 U.S.C. 1012(h)(2)(E)) is amended by
9 striking “fiscal year 2007” and inserting “each of fiscal
years 2007 through 2012”.

10 **Subtitle C—Additional** 11 **Conservation Programs**

12 **SEC. 2301. CHESAPEAKE BAY PROGRAM FOR NUTRIENT RE-** 13 **DUCTION AND SEDIMENT CONTROL.**

14 Chapter 5 of subtitle D of the Food Security Act of
15 1985 is amended by inserting after section 1240P (16
16 U.S.C. 3839bb–3) the following new section:

17 **“SEC. 1240Q. RIVER RESTORATION IN THE CHESAPEAKE** 18 **BAY WATERSHED.**

19 “(a) CHESAPEAKE BAY WATERSHED DEFINED.—In
20 this section, the term ‘Chesapeake Bay watershed’ means
21 all tributaries, backwaters, and side channels, including
22 their watersheds, draining into the Chesapeake Bay.

23 ^(h)“(a) SENSE OF CONGRESS REGARDING CHESAPEAKE
24 BAY EXECUTIVE COUNCIL.—

25 “(1) FINDINGS.—Congress finds the following:

insert @
end of p. 75

1 “(A) One of the stated goals of the Chesapeake Bay Agreement is to ‘develop, promote,
2 and achieve sound land use practices which protect and restore watershed resources and water
3 quality, maintain reduced pollutant loadings for
4 the Bay and its tributaries, and restore and
5 preserve aquatic living resources’.

6 “(B) Department of Agriculture conservation programs are integral to the restoration of
7 the Chesapeake Bay and achieving the water
8 quality goals for the Chesapeake Bay program.

9 “(2) SENSE OF CONGRESS.—In light of the
10 findings specified in paragraph (1), it is the sense of
11 Congress that the Secretary of Agriculture should be
12 a member of the Chesapeake Bay Executive Council,
13 and is authorized to do so under section 1(3) of the
14 Soil Conservation and Domestic Allotment Act (16
15 U.S.C. 590a(3)).

16 “(b) COMPREHENSIVE PLAN FOR CHESAPEAKE BAY
17 WATERSHED.—

18 “(1) DEVELOPMENT.—The Secretary of Agriculture shall develop, as expeditiously as practicable,
19 a proposed comprehensive plan for the purpose of
20 restoring, preserving, and protecting the Chesapeake
21 bay watershed.

1 “(2) PROVEN TECHNOLOGIES AND INNOVATIVE
2 APPROACHES.—The comprehensive plan shall pro-
3 vide for the development of new technologies and in-
4 novative approaches to advance the following goals:

5 “(A) Improvement of water quality and
6 quantity within the Chesapeake Bay.

7 “(B) Restoration, enhancement, and pres-
8 ervation of habitat for plants and wildlife.

9 “(C) Increase economic opportunity for
10 producers and rural communities.

11 “(3) SPECIFIC COMPONENTS.—The comprehen-
12 sive plan shall include such features as are necessary
13 to provide for—

14 “(A) the development and implementation
15 of a program for erosion prevention and con-
16 trol, sediment control and sediment removal,
17 and reduction of nutrient loads;

18 “(B) the development and implementation
19 of a program for—

20 “(i) the planning, conservation, eval-
21 uation, and construction of measures for
22 fish and wildlife habitat conservation and
23 rehabilitation; and

24 “(ii) stabilization and enhancement of
25 land and water resources; and

1 “(C) the development and implementation
2 of a long-term resource monitoring program.

3 “(4) CONSULTATION.—The comprehensive plan
4 shall be developed by the Secretary in consultation
5 with appropriate Federal and State agencies.

6 “(c) SUBMISSION OF PLAN.—

7 “(1) SUBMISSION.—Not later than 2 years
8 after the date of enactment of [the 2007 Farm
9 Bill], the Secretary shall transmit to Congress a re-
10 port containing the comprehensive plan.

11 “(2) ADDITIONAL STUDIES AND ANALYSES.—
12 After submission of the report required by para-
13 graph (1), the Secretary shall continue to conduct
14 such studies and analyses related to the comprehen-
15 sive plan as are necessary, consistent with this sub-
16 section.

17 “(d) RESTORATION ENHANCEMENT AND PRESERVA-
18 TION PROJECTS.—

19 “(1) PROJECT AUTHORITY.—In cooperation
20 with appropriate Federal and State agencies, the
21 Secretary shall carry out restoration enhancement
22 and preservation projects for the Chesapeake Bay
23 watershed to address the goals specified in sub-
24 section (c)(2). To achieve the restoration, preserva-
25 tion, and protection benefits of a project, the Sec-

1 retary shall proceed expeditiously with the imple-
2 mentation of the project consistent with the com-
3 prehensive plan.

4 “(2) CRITICAL PROJECTS.—In carrying out this
5 subsection, the Secretary shall begin with the Sus-
6 quehanna River, the Shenandoah River, and the Pa-
7 tuxent River.

8 “(3) AUTHORIZATION OF APPROPRIATIONS.—
9 There is authorized to be appropriated a total of
10 \$100,000,000 for fiscal years 2008 through 2013 to
11 carry out projects under this subsection.

12 “(4) FEDERAL SHARE.—The Federal share of
13 the cost of carrying out any individual project under
14 this subsection shall not exceed \$5,000,000.

15 “(e) GENERAL PROVISIONS.—

16 “(1) WATER QUALITY.—In carrying out
17 projects and activities under this section, the Sec-
18 retary shall take into account the protection of water
19 quality by considering applicable State water quality
20 standards.

21 “(2) PUBLIC PARTICIPATION.—In developing
22 the comprehensive plan under subsection (c) and
23 carrying out projects under subsection (d), the Sec-
24 retary shall implement procedures to facilitate public
25 participation, including providing advance notice of

1 meetings, providing adequate opportunity for public
2 input and comment, maintaining appropriate
3 records, and making a record of the proceeding of
4 meetings available for public inspection.

5 “(f) COORDINATION.—The Secretary shall integrate
6 and coordinate projects and activities carried out under
7 this section with other Federal and State programs,
8 projects, and activities.

9 “(g) COST SHARING.—

10 “(1) NON-FEDERAL SHARE.—Subject to sub-
11 section (d)(4), the non-Federal share of the cost of
12 projects and activities carried out under this section
13 shall be not less than 35 percent.

14 “(2) OPERATION, MAINTENANCE, REHABILITA-
15 TION, AND REPLACEMENT.—The operation, mainte-
16 nance, rehabilitation, and replacement of projects
17 carried out under this section shall be a non-Federal
18 responsibility.

19 ~~“(h) ADDITIONAL FUNDS.—Funds made available~~
20 ~~under section 1240H for conservation innovation grants~~
21 ~~made be used to carry out this section.”.~~

(h) Sense of Congress . . .

1 **Subtitle D—Administration and**
2 **Funding**

3 **SEC. 2401. FUNDING OF CONSERVATION PROGRAMS UNDER**
4 **FOOD SECURITY ACT OF 1985.**

5 Section 1241(a) of the Food Security Act of 1985
6 (16 U.S.C. 3841(a)) is amended—

7 (1) in the matter preceding paragraph (1), by
8 striking “2007” and inserting “2012”;

9 (2) by striking paragraph (3) and inserting the
10 following new paragraph:

11 “(3) The conservation security program under
12 subchapter A of chapter 2, using, to the maximum
13 extent practicable—

14 “(A) in the case of conservation security
15 contracts entered into before October 1, 2007
16 under such subchapter, as in effect on the day
17 before the date of the enactment of the [2007
18 Farm Bill]—

19 “(i) \$1,454,000,000 for the period of
20 fiscal years 2007 through 2012; and

21 “(ii) \$1,927,000,000 for the period of
22 fiscal years 2007 through 2017; and

23 “(B) in the case of conservation security
24 contracts entered into on or after October 1,
25 2012 under such subchapter—

1 “(i) \$_____ for fiscal year
2 2012; and

3 “(ii) \$1_____ for the period of
4 fiscal years 2013 through 2017.”;

5 (3) by striking paragraph (4) and inserting the
6 following new paragraph:

7 “(4) The farm and ranchland protection pro-
8 gram under subchapter B of chapter 2, using, to the
9 maximum extent practicable—

10 “(A) \$300,000,000 in each of fiscal years
11 2008 through 2013, except that such amount
12 for a fiscal year is contingent on changes in law
13 that meet the requirements of section 307 of
14 Senate Con. Res. 21 of the 110th Congress (the
15 Concurrent Resolution on the Budget for Fiscal
16 Year 2008); or

17 “(B) if such changes in law do not occur—

18 “(i) \$150,000,000 in fiscal year 2008;

19 “(ii) \$200,000,000 in fiscal year
20 2009;

21 “(iii) \$240,000,000 in fiscal year
22 2010;

23 “(iv) \$280,000,000 in fiscal year
24 2011; and

1 “(v) \$300,000,000 in fiscal year
2 2012.”;

3 (4) in paragraph (5), by striking “2007” and
4 inserting “2012”;

5 (5) by striking paragraph (6) and inserting the
6 following new paragraph:

7 “(6) The environmental quality incentives pro-
8 gram under chapter 4, using, to the maximum ex-
9 tent practicable—

10 “(A) \$2,000,000,000 for each of fiscal
11 years 2008 through 2012, except that such
12 amount for a fiscal year is contingent on
13 changes in law that meet the requirements of
14 section 307 of Senate Con. Res. 21 of the
15 110th Congress (the Concurrent Resolution on
16 the Budget for Fiscal Year 2008); or

17 “(B) if such changes in law do not occur—

18 “(i) \$1,550,000,000 in fiscal year
19 2008;

20 “(ii) \$1,700,000,000 in fiscal year
21 2009;

22 “(iii) \$1,800,000,000 in fiscal year
23 2010;

24 “(iv) \$1,900,000,000 in fiscal year
25 2011; and

1 “(v) \$2,000,000,000 in fiscal year
2 2012.”; and
3 (6) in paragraph (7)(D), by striking “2007”
4 and inserting “2012”.

5 **SEC. 2402. COOPERATIVE CONSERVATION PARTNERSHIP**
6 **INITIATIVE.**

7 (a) TRANSFER OF EXISTING PROVISIONS.—Sub-
8 sections (b), (c), and (d) of section 1243 of the Food Secu-
9 rity Act of 1985 (16 U.S.C. 3843) are—

10 (1) redesignated as subsections (e), (d), and (e),
11 respectively; and

12 (2) transferred to appear at the end of section
13 1244 of such Act (16 U.S.C. 3844).

14 (b) ESTABLISHMENT OF PARTNERSHIP INITIA-
15 TIVE.—Section 1243 of the Food Security Act of 1985
16 (16 U.S.C. 3843) is amended to read as follows:

17 **“SEC. 1243. COOPERATIVE CONSERVATION PARTNERSHIP**
18 **INITIATIVE.**

19 “(a) GRANTS AND AGREEMENTS.—The Secretary
20 shall make grants and enter into agreements for not short-
21 er than 2-year or longer than 5-year terms with eligible
22 entities specified in subsection (c) to preferentially enroll
23 producers in 1 or more of the programs specified in sub-
24 section (b)—

1 “(1) to carry out special projects and initiatives
2 through which multiple producers and other inter-
3 ested persons cooperate to address specific resources
4 of concern related to agricultural production on a
5 local, State, or regional scale; and

6 “(2) to increase access to, and participation in,
7 the programs specified in subsection (b) by pro-
8 ducers of specialty crops (as defined in section 3 of
9 the Specialty Crops Competitiveness Act of 2004
10 (Public Law 108–465; 7 U.S.C. 1621 note).

11 “(b) COVERED PROGRAMS.—The conservation pro-
12 grams referred to in subsection (a) are the following:

13 “(1) Conservation reserve program, but only
14 the continuous signup portion of the program.

15 “(2) Conservation reserve enhancement pro-
16 gram.

17 “(3) Conservation security program.

18 “(4) Environmental quality incentives program.

19 “(5) Farm and ranchland protection program.

20 “(6) Grassland reserve program.

21 “(7) Regional water enhancement program.

22 “(8) Wetland reserve program.

23 “(9) Wildlife habitat incentive program.

1 “(c) ELIGIBLE PARTNERS.—Grants may be made or
2 agreements may be entered into under this section with
3 any of the following (or a combination thereof):

4 “(1) States and agencies of States.

5 “(2) Political subdivisions of States, including
6 counties and State- or county-sponsored conserva-
7 tion districts.

8 “(3) Indian tribes.

9 “(4) Nongovernmental organizations and asso-
10 ciations, including producer associations, farmer co-
11 operatives, extension associations, and conservation
12 organizations with a history of working cooperatively
13 with producers to effectively address resource con-
14 cerns related to agricultural production, as deter-
15 mined by the Secretary.

16 “(d) APPLICATIONS.—

17 “(1) COMPETITIVE PROCESS.—The Secretary
18 shall establish a competitive process for considering
19 applications for grants or agreements under this sec-
20 tion consistent with the evaluation criteria listed in
21 subsection (e).

22 “(2) PROGRAM ALLOCATION.—Applications
23 shall include—

24 “(A) specification of the amount of fund-
25 ing or acres, or both, of 1 or more covered pro-

1 grams specified in subsection (b) proposed to be
2 allocated to carry out the special project or ini-
3 tiative; and

4 “(B) a schedule for utilization of funding
5 or acres over the life of the proposed project or
6 initiative.

7 “(e) EVALUATION CRITERIA.—In evaluating applica-
8 tions for grants or agreements under this section the Sec-
9 retary shall consider the extent to which—

10 “(1) preferential enrollment in the covered pro-
11 grams specified in the application will effectively ad-
12 dress the environmental objectives established for
13 the special project or initiative; and

14 “(2) the special project or initiative covered by
15 the application—

16 “(A) enjoys local and regional support
17 from producers and other interested persons,
18 including governmental and nongovernmental
19 organizations with appropriate expertise on the
20 issues the project or initiative seeks to address;

21 “(B) includes clear environmental objec-
22 tives;

23 “(C) includes a well defined project or ini-
24 tiative plan that identifies sensitive areas re-
25 quiring treatment and prioritizes conservation

1 systems, practices, and activities needed to
2 achieve environmental objectives;

3 “(D) promises adequate and coordinated
4 participation to achieve the objectives of the
5 project or initiative;

6 “(E) coordinates integration of local,
7 State, and Federal efforts to make the best use
8 of available resources and maximize cost-effec-
9 tive investments;

10 “(F) leverages financial and technical re-
11 sources from sources other than the programs
12 authorized by this subtitle, including financial
13 and technical resources provided by Federal
14 and State agencies, local governments, non-
15 governmental organizations and associations,
16 and other private sector entities;

17 “(G) describes how all necessary technical
18 assistance will be provided to each producer
19 participating in the project or initiative, includ-
20 ing cost estimates for technical assistance and
21 whether such assistance will be provided by
22 technical service providers;

23 “(H) describes how the administrative
24 costs of the project or initiative will be mini-
25 mized;

1 “(I) addresses a local, State, regional, or
2 national environmental priority or priorities,
3 with particular emphasis on any priority for
4 which there is an existing State or federally ap-
5 proved plan in place for addressing that pri-
6 ority;

7 “(J) includes a plan to evaluate progress
8 and measure results; and

9 “(K) clearly demonstrates that enrollment
10 of producers in covered programs will be con-
11 sistent with the purposes and policies of each
12 individual program, as established in statute,
13 rules and regulations, and program guidance
14 promulgated by implementing agencies.

15 “(f) PRIORITIES.—To the maximum extent prac-
16 ticable, consistent with the requirements of subsection (d),
17 the Secretary shall ensure that, each fiscal year, grants
18 are awarded and agreements are entered into under this
19 section to support projects and initiatives that collectively
20 address the resource concerns facing producers, ranchers,
21 and nonindustrial private forest landowners, including
22 specifically projects and initiatives that are designed—

23 “(1) to achieve improvements in water quality
24 in watersheds impacted by agriculture, particularly
25 by increasing the participation of producers in im-

1 plementing best management practices in a water-
2 shed or developing environmentally and economically
3 viable alternative uses for manure and litter;

4 “(2) to achieve improvements in air quality in
5 a geographical area where agricultural operations
6 impact air quality;

7 “(3) to conserve water for environmental pur-
8 poses, such as enhanced in stream flows or aquifer
9 recharge in regions, States, or local areas where
10 water quantity is a concern;

11 “(4) to assist in carrying out a State Wildlife
12 Habitat Incentives Program plan or other State, re-
13 gional, or national conservation initiative.

14 “(5) to control invasive species on rangeland or
15 other agricultural land through the cooperative ef-
16 forts of multiple producers in a geographical area;

17 “(6) to address a specific resource of concern or
18 set of concerns on private, non-industrial forest land;

19 “(7) to reduce losses of pesticides to the envi-
20 ronment by engaging multiple producers in a geo-
21 graphic area in adoption of integrated pest manage-
22 ment practices and approaches;

23 “(8)) to protect farmland and ranch land fac-
24 ing development pressures from being converted to
25 non-agricultural use; or

1 “(9) to assist producers in carrying out good
2 management practices to enhance food safety.

3 “(g) COST SHARE.—The Secretary shall not require
4 more than 25 percent of the cost of a project or initiative
5 supported under a grant or agreement entered into under
6 this section to come from non-Federal sources. However,
7 the Secretary may give higher priority to projects or initia-
8 tives offering to cover a higher percentage of the cost of
9 the project or initiative from non-Federal sources.

10 “(h) FUNDING.—

11 “(1) SET-ASIDE.—Of the funds provided for
12 each of fiscal years 2008 through 2012 to implement
13 the programs specified in subsection (b), the Sec-
14 retary shall reserve 10 percent to ensure an ade-
15 quate source of funds for grants and agreements en-
16 tered into under this section.

17 “(2) ALLOCATION TO STATES.—The Secretary
18 shall allocate to States 90 percent of the funds re-
19 served under paragraph (1) for a fiscal year to allow
20 State Conservationists, with the advice of State tech-
21 nical committees, to select projects and initiatives
22 for funding under this section at the State level. The
23 allocation shall be made on a similar basis as what
24 would have been the case under the covered pro-
25 grams identified in subsection (b).

1 “(3) UNUSED FUNDING.—Any funds reserved
2 for a fiscal year under paragraph (1) that are not
3 obligated by April 1 of that fiscal year may be used
4 to carry out other activities under conservation pro-
5 grams under subtitle D during the remainder of that
6 fiscal year.”.

7 **SEC. 2403. REGIONAL EQUITY AND FLEXIBILITY.**

8 Section 1241(d) of the Food Security Act of 1985
9 (16 U.S.C. 3841(d)) is amended by striking
10 “\$12,000,000” and inserting “\$15,000,000”.

11 **SEC. 2404. SINGLE, SIMPLIFIED APPLICATION PROCESS**
12 **FOR CONSERVATION PROGRAMS.**

13 Section 1244 of the Food Security Act of 1985 (16
14 U.S.C. 3844) is amended by adding at the end the fol-
15 lowing new subsection:

16 “(c) SINGLE, SIMPLIFIED APPLICATION PROCESS.—

17 “(1) ESTABLISHMENT.—In carrying out any of
18 the conservation programs administered by the Nat-
19 ural Resources Conservation Service, the Secretary
20 shall establish a single, simplified application for eli-
21 gible persons to use in initially requesting assistance.

22 The Secretary shall ensure that—

23 “(A) conservation program applicants are
24 not required to provide information that dupli-
25 cates information and resources already avail-

1 able to the Secretary regarding that applicant
2 and for that specific operation; and

3 “(B) the application process is streamlined
4 to minimize complexity and redundancy.

5 “(2) REVIEW OF APPLICATION PROCESS.—The
6 Secretary shall review the conservation application
7 process and the forms and related mechanisms used
8 to receive assistance requests from eligible program
9 participants. The purpose of the review shall be to
10 determine what information the participant is actu-
11 ally required to submit during the application proc-
12 ess, including—

13 “(A) identification information for the ap-
14 plicant;

15 “(B) identification and location informa-
16 tion for the land parcel or tract of concern;

17 “(C) a general statement of the applicant’s
18 resource concern or concerns for the land parcel
19 or tract; and

20 “(D) the minimum amount of other infor-
21 mation the Secretary considers essential for the
22 applicant to provide.

23 “(3) REVISION AND STREAMLINING.—The Sec-
24 retary shall carry out a revision of the application
25 forms and processes for conservation programs cov-

1 ered in this subsection to enable utilization of infor-
2 mation technology as an avenue to incorporate ap-
3 propriate data and information concerning the con-
4 servation needs and solutions appropriate for the
5 land area identified by the applicant. The revision
6 shall seek to streamline the application process to
7 minimize the burden placed on the applicant.

8 “(4) CONSERVATION PROGRAM APPLICATION.—
9 When the needs of an applicant are adequately as-
10 sessed by the Secretary, directly or through a third-
11 party provider under section 1242, in order to deter-
12 mine the programs under this title that best matches
13 the needs of the applicant, with the approval of the
14 applicant, the Secretary may convert the initial ap-
15 plication into the specific application for assistance
16 for the program of choice. To the maximum extent
17 practical, the specific application for conservation
18 program assistance shall be carried out by the Sec-
19 retary by requesting only that specific further infor-
20 mation from the applicant that is not already avail-
21 able to the Secretary.

22 “(5) IMPLEMENTATION AND NOTIFICATION.—
23 Not later than one year after the date of the enact-
24 ment of [the Farm Bill], the Secretary shall com-
25 plete the requirements of this subsection and shall

1 submit to Congress a written notification of such
2 completion.”.

3 **SEC. 2405. PROMOTION OF MARKET-BASED APPROACHES**
4 **TO CONSERVATION.**

5 (a) FINDINGS.—Congress finds the following:

6 (1) Many of the conservation and environmental
7 benefits produced on farms, ranches, and private
8 forest lands in the United States do not have an as-
9 signed value in the market place or lack a private
10 market altogether.

11 (2) While private markets for environmental
12 goods and services are emerging, their viability has
13 been hampered by several barriers.

14 (3) The Federal Government can help overcome
15 these barriers and promote the establishment of
16 markets for agricultural and forestry conservation
17 activities.

18 (4) Generating substantial private-sector de-
19 mand for environmental goods and services hinges
20 on the ability to use environmental credits generated
21 by agricultural and forest conservation activities.

22 (b) MARKET-BASED APPROACHES.—Subtitle E of
23 title XII of the Food Security Act of 1985 is amended
24 by inserting after section 1244 (16 U.S.C. 3844) the fol-
25 lowing new section:

1 **“SEC. 1245. MARKET-BASED APPROACHES TO CONSERVA-**
2 **TION.**

3 “(a) IMPLEMENTATION.—To facilitate the develop-
4 ment and effective operation of private sector market-
5 based approaches for environmental goods and services
6 produced by farmers, ranchers, and owners of private for-
7 est land, the Secretary may conduct research and analysis,
8 enter into contracts and cooperative agreements, and
9 award grants for the purpose of—

10 “(1) promoting the development of consistent
11 standards and processes for quantifying environ-
12 mental benefits, including the creation of perform-
13 ance standards or baselines;

14 “(2) promoting the establishment of reporting
15 and credit registries, including third-party
16 verification and certification; and

17 “(3) promoting actions that facilitate the devel-
18 opment and functioning of private-sector market-
19 based approaches for environmental goods and serv-
20 ices involving agriculture and forestry.

21 “(b) ENVIRONMENTAL SERVICES STANDARDS
22 BOARD.—

23 “(1) ESTABLISHMENT.—There is to be estab-
24 lished an Environmental Services Standards Board
25 to develop consistent performance standards for
26 quantifying environmental services from land man-

1 agement and agricultural activities in order to facili-
2 tate the development of credit markets for conserva-
3 tion and land management activities that are agri-
4 culture or forest based.

5 “(2) CHAIRPERSON.—The Secretary of Agri-
6 culture shall serve as chair of the Environmental
7 Services Standards Board.

8 “(3) MEMBERSHIP.—The Environmental Serv-
9 ices Standards Board shall be comprised of the Sec-
10 retary of Agriculture, the Secretary of the Interior,
11 the Secretary of Energy, the Secretary of Com-
12 merce, the Secretary of Transportation, the Admin-
13 istrator of the Environmental Protection Agency, the
14 Commander of the Army Corps of Engineers, and
15 such other representatives as determined by the
16 President.

17 “(4) SUBCOMMITTEES.—The Environmental
18 Services Standards Board may form subcommittees
19 to address specific issues.

20 “(c) DISSEMINATION OF PERFORMANCE STAND-
21 ARDS.—Federal agencies are authorized to adopt perform-
22 ance standards developed by the Environmental Services
23 Standards Board for quantifying environmental services
24 that establish credits to meet requirements of environ-
25 mental and conservation programs.

1 “(d) FUNDING.—There is authorized to be appro-
2 priated \$50,000,000 to carry out this section. Amounts
3 so appropriated shall remain available until expended.

4 “(e) DEFINITIONS.—In this section:

5 “(1) BASELINE.—The term ‘baseline’ means a
6 level of effort or performance that is expected to be
7 met before an entity can generate marketable cred-
8 its.

9 “(2) PERFORMANCE STANDARD.—The term
10 ‘performance standard’ means a defined level of en-
11 vironmental performance, expressed as a narrative
12 or measurable number, which specifies the minimum
13 acceptable environmental performance of an oper-
14 ation or practice.”.

15 **SEC. 2406. ESTABLISHMENT OF STATE TECHNICAL COM-**
16 **MITTEES AND THEIR RESPONSIBILITIES.**

17 Subtitle G of title XII of the Farm Security Act of
18 1985 (16 U.S.C. 3861, 3862) is amended to read as fol-
19 lows:

20 **“Subtitle G—State Technical**
21 **Committees**

22 **“SEC. 1261. ESTABLISHMENT OF STATE TECHNICAL COM-**
23 **MITTEES.**

24 “(a) ESTABLISHMENT.—The Secretary shall estab-
25 lish a technical committee in each State to assist the Sec-

1 retary in the considerations relating to implementation
2 and technical aspects of the conservation programs under
3 this title.

4 “(b) COMPOSITION.—Each State technical committee
5 shall be composed of agricultural producers and other pro-
6 fessionals that represent a variety of disciplines in the soil,
7 water, wetland, and wildlife sciences. The technical com-
8 mittee for a State shall include representatives from
9 among the following:

10 “(1) The Natural Resources Conservation Serv-
11 ice.

12 “(2) The Farm Service Agency.

13 “(3) The Forest Service.

14 “(4) The Cooperative State Research, Edu-
15 cation, and Extension Service.

16 “(5) The State fish and wildlife agency.

17 “(6) The State forester or equivalent State offi-
18 cial.

19 “(7) The State water resources agency.

20 “(8) The State department of agriculture.

21 “(9) The State association of soil and water
22 conservation districts.

23 “(10) At least 12 agricultural producers rep-
24 resenting the variety of crops and livestock or poul-
25 try grown within the State.

1 “(11) Nonprofit organizations within the mean-
2 ing of section 501(c)(2) of the Internal Revenue
3 Code of 1986 with demonstrable conservation exper-
4 tise and experience working with agriculture pro-
5 ducers in the State.

6 “(12) Agribusiness.

7 “(c) SUBCOMMITTEES.—A State technical committee
8 shall convene one or more subcommittees to provide tech-
9 nical guidance and implementation recommendations. The
10 topics that a subcommittee shall address shall include, at
11 a minimum, the following:

12 “(1) Establishing priorities and criteria for
13 State initiatives under the programs in this title, in-
14 cluding the review of whether local working groups
15 are addressing those priorities.

16 “(2) Issues related to private forestlands pro-
17 tection and enhancement.

18 “(3) Issues related to water quality and water
19 quantity.

20 “(4) In those States where applicable, issues re-
21 lated to air quality.

22 “(5) Issues related to wildlife habitat, including
23 the protection of nesting wildlife.

24 “(6) Issues related to wetland protection, res-
25 toration, and mitigation requirements.

1 “(7) Other issues as the Secretary determines
2 would be useful.

3 **“SEC. 1262. RESPONSIBILITIES.**

4 “(a) IN GENERAL.—Each State technical committee
5 established under section 1261 shall meet regularly to pro-
6 vide information, analysis, and recommendations to appro-
7 priate officials of the Department of Agriculture who are
8 charged with implementing the conservation provisions of
9 this title.

10 “(b) PUBLIC NOTICE AND ATTENDANCE.—Each
11 State technical committee shall provide public notice of,
12 and permit public attendance at, meetings considering
13 issues of concern related to carrying out this title.

14 “(c) ADVISORY ROLE.—The role of a State technical
15 committee is advisory in nature, and the committee shall
16 have no implementation or enforcement authority. How-
17 ever, the Secretary shall give strong consideration to the
18 recommendations of the committee in administering the
19 programs under this title.

20 “(d) FACA REQUIREMENTS.—Except as provided in
21 subsection (b), a State technical committee, including any
22 subcommittee of State technical committee, is exempt
23 from the Federal Advisory Committee Act (5 U.S.C.
24 App.).”.