

Section by Section of the Senate Farm Bill

Passed by Senate Agriculture Committee 10/25/07

Title I – Producer Income Protection

Sec(s). 1106, 1306, 1403 Planting Flexibility

Title I maintains current law prohibiting the planting of fruits and vegetables on base acreage with two new exceptions – Indiana Pilot program and Average Crop Revenue (ACR) program. A pilot program has been established for Indiana that allows growers to plant tomatoes for processing on base acres in Indiana and on up to 10,000 acres in that state. This program will be in effect in 2008 and 2009 only.

In 2010, the Average Crop Revenue Program (ACR) is phased in and allows producers of crops receiving program to opt into this program in lieu of traditional program payments such as direct payments or counter-cyclical payments. Under the ACR program, there is a provision which allows for the production of fruits and vegetables for processing on base acres. The program is restricted to producers in Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, and Wisconsin. Each state is capped at 10,000 acres of which can be converted from base acres to the production processing fruits and vegetables. Participants may plant fruits or vegetables for processing under certain conditions. First, participants will give up their ACR payments (\$15 per acre) acre for acre for each fruit or vegetable acre planted on their base acreage for that crop year. Second, they will also be required to certify with USDA that their fruit and vegetable acreage is planted for processing only.

Sec. 1704 Adjusted Gross Income Limitation

Adjusted Gross Income limit for conservation programs is increased to \$2.5 million for individual or entity. Also includes in the definition of “farming income” to include “the processing (including packing), storing (including shedding), and transporting” when determining an individual’s average AGI

Sec. 1811 Fruit and Vegetable Market News Allocation

The provision requires the Agricultural Marketing Service to carry out market news activities to provide timely price information on fruits and vegetables in the United States. Authorizes \$9 million for each fiscal year 2008 through 2012.

Sec. 1812 Farmer’s Market Promotion Program

Reauthorizes the Farmer’s Market Promotion Program to provide funds to local governments, non-profit corporations, regional farmers’ market authorities or other entities designated by the Secretary to expand farmers markets and roadside stands. Provides \$30 million in mandatory funding (\$5 million for each fiscal year 2008 through 2011, and \$10 million for FY 2012).

Sec. 1813 Food Safety Initiatives

Authorizes the Secretary to carry out a food safety education program to educate the public and the fresh produce industry about practices and methods that will reduce microbial pathogens and cross contamination in fresh produce. Authorizes \$1 million.

Sec. 1814 Census of Specialty Crops

Requires the Secretary to conduct a census of specialty crops to assist in the development and dissemination of specialty crop information. The census of specialty crops may be included in the census on agriculture.

Sec. 1821 Organic Data Collection and Price Reporting

Establishes a data collection and price reporting program specifically for organic products that will among other things publish production and market data, fund a comprehensive price reporting system, analysis of production, handling, distribution, and retail trends, and consumer studies. Provides \$5 million in mandatory funding from 2008-2012.

Sec. 1823 Organic Certification Cost Share Program

Establishes national organic certification program to make payments to producers and handlers of agricultural products in obtaining certification and transition to organic crops. Provides \$22 million mandatory funding.

Sec. 1831. Foreign Market Access Study and Strategy Plan

Requires the Secretary to prepare a foreign market access strategy plan for specialty crops to address nontariff trade barrier issues that arise when the U.S. enters into foreign trade agreements.

Sec. 1832 Market Access Program

Requires the Secretary to ensure 50 percent of any funding in excess of \$200 million under the Market Access Program be provided to the specialty crop industry.

Sec. 1833 Technical Assistance for Specialty Crops

Reauthorizes the Technical Assistance for Specialty Crops (TASC) program to address sanitary, phytosanitary, and technical barriers that prohibit or threaten the export of U.S. specialty crops and to allow petition for an extension of a project that will exceed applicable time restrictions. Provides an \$6.8 million from 2008 – 2011 which is \$4.8 million over the \$2 million current baseline. In 2012 and subsequent years the funding reverts back to baseline amount of \$2 million.

Sec. 1834 Consultations on Sanitary and Phytosanitary Restrictions for Fruits and Vegetables

Requires the Secretary to consult with interested persons and conduct annual briefings on sanitary and phytosanitary trade issues related to fruits and vegetables, included the development of a strategic risk management framework and as appropriate implementation of a peer review for risk analysis. Additionally this section amends the Bipartisan Trade Promotion Authority Act of 2002 to ensure special consultation on import sensitive products.

Sec. 1841 Specialty Crop Block Grants

Authorizes specialty crop block grants through fiscal year 2012. This program allows states to invest in programs and projects that support production-related research, commodity promotion, product quality enhancement, consumer health, food safety and other programs that enhance the competitiveness of specialty crop producers.

This section also amends this authority to ensure that each state's base funding level is ½ of 1 percent of the total amount of funding made available to carry out this section. Provides \$270 million in mandatory funding (\$60 million in FY 2008, \$65 million in FY2009, \$70 million in FY 2010, and \$75 million in FY 2011). Program is sunset in 2012 and does not provide any additional mandatory funding.

Sec. 1842 Grant Program to Improve Movement of Specialty Crops

Authorizes the Secretary to make grants to State and local governments, grower cooperatives, and producer and shipper organizations to improve the cost-effective movement of specialty crops. The language also establishes matching requirements for grant recipients, and authorizes discretionary funding to carry out the program.

Sec. 1843 Healthy Food Enterprise Development Center

Authorizes a program to establish and support a Healthy Food Enterprise Development Center, at a nonprofit organization, to increase access to healthy, affordable foods, such as fresh fruits and vegetables, particularly for school-age children and individuals in low-income communities. Provides \$7 million in mandatory funding (\$0 FY08, \$1 million in FY09, \$2 million in FY10-12).

Sec. 1851 Clean Plant Network

This provision directs the Secretary to establish a National Clean Plant Network program. Plant materials such as apples, peaches, grapes, and other fruits which are provided by nurseries to orchards and vineyards, can be particularly vulnerable to viruses. This provision would establish a network of clean plant centers in the United States that would conduct diagnostic and pathogen elimination services to ensure that nurseries can continue to provide safe, virus-free plant materials to orchards, vineyards and other growers. Provides \$20 million in mandatory funding (\$4 million per year, 2008-2012).

Sec. 1852 Asparagus Loss

This market loss program would compensate domestic asparagus growers in Michigan, Washington and California for the loss to their industry caused by Andean Trade Preference Act. Market loss funds will be used to offset costs to domestic asparagus producers to plant new acreage and invest in more efficient planting and harvesting equipment. Provides \$15 million in mandatory funding.

Title II-Conservation

Sec. 2341. Comprehensive Stewardship Incentives Program

Re-establishes a comprehensive stewardship incentives program that includes assistance to producers for among other things IPM, invasive species management, irrigation management and encouraging, consolidating and streamlining conservation planning and regulatory compliance processes to reduce administrative burdens on producers. Directs that opportunities be provided to producers that have not previously participated in Federal conservation programs. It provides that the Secretary shall ensure that outreach and technical assistance are available and program specifications are appropriate to enable specialty crop producers to participate in the comprehensive stewardship program. It also provides that a

minimum contract value to ensure equity for small acreage farms, including Specialty crop and organic producers.

Sec. 2358 Conservation Innovation Grants

Encourages greater participation among specialty crop growers by providing environmental and resource conservation benefits through competitive grants.

Sec. 2404 Delivery of Technical Assistance

Directs the Secretary to the maximum extent practicable to fully incorporate specialty crop production into conservation practice standards and to provide for the appropriate range of conservation practices and resource mitigation measures available to Specialty crop producers. Directs the Secretary when carrying this program out, to develop programs that meet specific needs of specialty crop producers through cooperative agreements with other agencies and nongovernmental organizations and program specifications that allow for innovative approaches to engage local resources in providing technical assistance and implementation.

Title III-Trade

Sec. 3103 Market Access Program

Increases mandatory funding level of program from \$200 million in 2007 to \$210 million in FY08, \$220 million in FY09, \$230 million in FY10, and \$240 million in FY11. Reverts back to baseline funding at \$200 million in FY12.

Title IV – Nutrition

Sec. 4210 Expanding the use of EBT Cards at Farmers’ Markets

To promote the use of food stamp EBT cards at farmers markets, this program provides funding for federal grants to eligible entities to expand farmers market access by 1) providing equipment and necessary training, 2) educating farmers and market operators about the process of and benefits of accepting EBT cards. Provides \$5 million in mandatory funding.

Sec. 4403 Pilot Projects to Evaluate Health and Nutrition Promotion in the Food and Nutrition Program

This provision provides \$50 million to conduct pilot projects to test methods for helping low-income Americans (Food Stamp recipients) make more nutritious food choices. At least \$25million must be used to test providing incentives at the point of purchase to encourage individuals to purchase fruits, vegetables and other healthy foods.

Sec. 4701 Senior Farmers’ Market Nutrition Program

This section expands funding for the Senior Farmers Market Program by \$50 million or \$10 million annually, for the life of the bill.

Sec. 4801 Community Food Projects

This provision provides \$10 million per year for Community Food Project grants

Sec. 4803 Nutrition Information and Awareness Pilot Program

This provision reauthorizes the Nutrition Information and Awareness Pilot Program until 2017.

Sec. 4901 Purchases of locally grown fruits and vegetables

This provision clarifies that institutions participating in the school lunch program are allowed to use a geographic preference for the procurement of locally grown fruits and vegetables to the maximum extent practicable and appropriate.

Sec. 4903 Fresh Fruit and Vegetable Program

This provision provides \$225 million per year for expansion of the Fresh Fruit and Vegetable Program. All 50 states, the District of Columbia and at least 100 schools on Indian Tribal Organizations would be entitled to participate. Each state would receive a minimum grant of 1% of the funds made available to carry out the program in a given fiscal year, plus additional funding based upon the proportion of the population of a state to the population of the United States. States would be responsible for selecting elementary schools to participate and would be required to ensure that each school chosen is a school in which not less than 50 percent of the students are eligible for free- or reduced-price meals.

Sec. 4905 Minimum Purchases of Fruits, Vegetables and Nuts Through Section 32 to Support Domestic Nutrition Assistance Programs

Requires the USDA to purchase fruits, vegetables and nuts for the purpose of providing nutritious foods for use in domestic nutrition assistance programs under section 32 in the following amounts: FY'08 \$390M; FY'09 \$393M; FY'10 \$399M; FY' 11 \$403M; FY'12 \$406M.

Title VI – Rural Development

Sec. 6401 Value-Added Agricultural Product Market Development Grants

Limits grants to no more than \$300,000 in the case of grants including working capital or \$100,000 in the case of all other grants. It extends grants to conduct market research, provide training and technical assistance, develop supply networks, or provide program outreach and limits assisting organizations to no more than 10% of the total amount of funds available for grants under this subsection. This program is authorized for such sums as are appropriated from 2008 through 2012.

Title VII – Research

Sec. 7104 Organic Agriculture Research

Provides for organic agriculture research and extension, to enhance the ability of organic producers and processors to grow and market organic food, feed, and fiber. Provides \$80 million over 5 years in mandatory funding (\$16 million per year).

Sec. 7211 Specialty Crop Research Initiative

Authorizes a specialty crop research initiative at the Department of Agriculture through the Agricultural Research Service and extramural competitive grants.

Priorities for the initiative include research on: plant breeding, genetics, and genomics; invasive species; mechanization; food safety. Provides \$80 million over 5 years in mandatory funding (\$16 million per year).

Sec. 7212 Office of Pest Management Policy

Reauthorizes appropriations for and Office of Pest Management Policy within the Department of Agriculture to develop and coordinate Department policy on pest management and pesticides, to coordinate with other Federal and State agencies and to provide outreach services. Authorizes such sums as necessary per year.

Title X – Livestock

Sec. 10003 Country of Origin Labeling

Amends the Country of Origin Labeling law of 2002 (similar to House farm bill), reducing penalties for mistakes in labeling at point of purchase, including a “good faith” standard that reduces the liability for retailers unless shown to be disregarding or willfully violating the law. Includes self attestation of origin so that retailers can rely upon what suppliers tell them. Normal records kept in the regular course of doing business are sufficient to comply with the statute. Includes a specific provision to allow labeling of a U.S. State, region or locality in which a product is produced to meet label standards as product of U.S.

Senate Finance Committee Provisions

Pests and Disease (Page 21-31 in Senate Finance Committee Bill) - Directs APHIS to create a program to determine and prioritize foreign threats to domestic production of specialty crops, including bio-terrorism. The goal of this program is to protect the interest of the domestic specialty crop industry by preventing pest and disease threats in the U.S. Funds shall not be used for eradication efforts that enhance the import opportunities into the United States. Mandatory funding is included at \$200 million over 5 years.

Tree Assistance (Page 19-21 in Senate Finance Committee Bill) - Increases the maximum payment to qualifying orchardists in order to better reflect actual costs of tree removal and replacement as a result of damage caused by a natural disaster. Nursery growers are included. Mandatory funding is included at \$120 million over 5 years.