

115TH CONGRESS
2D SESSION

H. R. 4865

To amend the Federal Crop Insurance Act to establish a conservation practice-based pilot program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 19, 2018

Mr. NOLAN introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Federal Crop Insurance Act to establish a conservation practice-based pilot program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Crop Insurance Mod-
5 ernization Act of 2018”.

6 **SEC. 2. AMENDMENTS TO FEDERAL CROP INSURANCE ACT.**

7 (a) DEFINITION OF BEGINNING FARMER OR RANCH-
8 ER.—Section 502(b)(3) of the Federal Crop Insurance Act
9 (7 U.S.C. 1502(b)(3)) is amended—

10 (1) by striking “tenant,”; and

1 (2) by striking “5 crop years” and inserting
2 “10 crop years”.

3 (b) MANAGEMENT OF CORPORATION.—Section
4 505(a)(2) of the Federal Crop Insurance Act (7 U.S.C.
5 1505(a)(2)) is amended by adding at the end the fol-
6 lowing:

7 “(H) One person who—

8 “(i) shall serve as a nonvoting ex offi-
9 cio member; and

10 “(ii) is—

11 “(I) the Chief of the Natural Re-
12 sources Conservation Service; or

13 “(II) an expert on the relation-
14 ship between conservation activities,
15 farm production, and risk.”.

16 (c) COLLECTION AND SHARING OF INFORMATION.—
17 Section 506(h) of the Federal Crop Insurance Act (7
18 U.S.C. 1506(h)) is amended—

19 (1) in paragraph (1), by inserting “, risks re-
20 lated to natural resources,” after “losses”; and

21 (2) in paragraph (2)—

22 (A) by striking “purpose of establishing”
23 and inserting the following: “purposes of—

24 “(A) establishing”;

1 (B) by striking the period and inserting “;
2 and”; and

3 (C) by adding at the end the following:

4 “(B) understanding the impact of soil
5 type, soil quality, and conservation practices on
6 risk rating.”.

7 (d) COVER CROP TERMINATION.—Section 508 of the
8 Federal Crop Insurance Act (7 U.S.C. 1508) is amend-
9 ed—

10 (1) in subsection (a)(3)—

11 (A) in subparagraph (A), by striking
12 clause (iii) and inserting the following:

13 “(iii) the failure of the producer to
14 follow good farming practices, including—

15 “(I) scientifically sound, sustain-
16 able, and organic farming practices;
17 and

18 “(II) acceptable conservation ac-
19 tivities, including those approved by
20 the Natural Resources Conservation
21 Service.”; and

22 (B) in subparagraph (B), by adding at the
23 end the following:

24 “(iv) SAFE HARBOR.—

1 “(I) DEFINITION OF ‘COVER
2 CROP TERMINATION’.—In this clause,
3 the term ‘cover crop termination’
4 means a practice that historically and
5 under reasonable circumstances re-
6 sults in termination of the targeted
7 cover crop.

8 “(II) CONSERVATION ACTIV-
9 ITY.—A good farming practice in-
10 cludes a conservation activity, such as
11 cover crop management, cover crop
12 termination, and an agronomic man-
13 agement activity, that is recognized
14 by—

15 “(aa) the Natural Resources
16 Conservation Service; or

17 “(bb) an agricultural expert
18 operating in the area in which
19 the conservation activity is occur-
20 ring.”; and

21 (2) in subsection (j), by adding at the end the
22 following:

23 “(6) OMBUDSPERSON.—The Secretary shall es-
24 tablish an ombudsperson in the Corporation who
25 shall—

1 “(A) assist producers with under-
2 standing—

3 “(i) the process of appealing claim de-
4 nials; and

5 “(ii) the rights of producers in denied
6 or arbitrated claims;

7 “(B) obtain rule clarifications; and

8 “(C) perform other duties as determined
9 by the Secretary.”.

10 (e) RESEARCH AND DEVELOPMENT.—Section 522(c)
11 of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) is
12 amended—

13 (1) in paragraph (19)—

14 (A) in subparagraph (A), by striking “,
15 with a liability limitation of \$1,500,000,”; and

16 (B) by adding at the end the following new
17 subparagraph:

18 “(E) PAPERWORK REDUCTION.—The Cor-
19 poration shall conduct activities or enter into
20 contracts to carry out research and development
21 to develop a paperwork reduction policy that—

22 “(i) is only available to operations
23 with less than \$1,000,000 in revenue; and

24 “(ii) streamlines the purchase and ap-
25 proval process to the maximum extent pos-

1 sible while maintaining actuarial sound-
2 ness.”; and

3 (2) by adding at the end the following:

4 “(25) REPORT ON BEGINNING FARMER BAR-
5 RIERS.—Not later than 1 year after the date of en-
6 actment of this paragraph, the Corporation shall
7 submit to the Committee on Agriculture of the
8 House of Representatives and the Committee on Ag-
9 riculture, Nutrition, and Forestry of the Senate, a
10 report that includes—

11 “(A) an assessment of the barriers for be-
12 ginning farmers in accessing crop insurance, in-
13 cluding insurance under paragraph (19); and

14 “(B) recommendations to address those
15 barriers.

16 “(26) REPORT ON EXPANSION OF REVENUE
17 POLICY AVAILABILITY.—Not later than 1 year after
18 the date of the enactment of this paragraph, and an-
19 nually thereafter, the Corporation, in consultation
20 with the Risk Management Agency, shall submit to
21 the Committee on Agriculture of the House of Rep-
22 resentatives and the Committee on Agriculture, Nu-
23 trition, and Forestry of the Senate, a report that in-
24 cludes—

1 “(A) with respect to the year preceding
2 such report, the 10 most widely grown crops by
3 acreage that—

4 “(i) have yield policies; and

5 “(ii) do not have revenue policies; and

6 “(B) the feasibility of developing a revenue
7 policy for each one of the crops described in
8 subparagraph (A).”.

9 (f) CONSERVATION PRACTICE-BASED PILOT PRO-
10 GRAM.—Section 523 of the Federal Crop Insurance Act
11 (7 U.S.C. 1523) is amended by adding at the end the fol-
12 lowing new subsection:

13 “(j) CONSERVATION PRACTICE-BASED PILOT PRO-
14 GRAM.—

15 “(1) IN GENERAL.—The Corporation shall
16 carry out a pilot program to provide premium sub-
17 sidies of up to 10 percentage points to eligible pro-
18 ducers.

19 “(2) LIMITATION ON NUMBER OF STATES.—
20 The Corporation shall carry out premium subsidies
21 under this subsection in not more than 6 States with
22 a high State-average loss ratio, as determined by the
23 Secretary.

1 “(3) EXPIRATION.—The pilot program shall ex-
2 pire on a date that is not before 5 years after the
3 date of the enactment of this subsection.

4 “(4) REPORT.—The Corporation shall publish a
5 report evaluating the participating producers yield
6 records and the success of the pilot in encouraging
7 conservation—

8 “(A) 1 year after the date of the enact-
9 ment of this subsection;

10 “(B) 3 years after the date of the enact-
11 ment of this subsection; and

12 “(C) 5 years after the date of the enact-
13 ment of this subsection.

14 “(5) ELIGIBLE PRODUCER DEFINED.—In this
15 subsection, the term ‘eligilbe producer’ means a pro-
16 ducer—

17 “(A) of a farm in a high loss county; and

18 “(B) that commits to practice conservation
19 tillage, cover crops, or resource-conserving crop
20 rotations on such farm for at least 5 years.”.

21 **SEC. 3. AMENDMENTS TO FOOD SECURITY ACT OF 1985.**

22 (a) CONSERVATION PLANS.—Section 1213 of the
23 Food Security Act of 1985 (16 U.S.C. 3812a) is amend-
24 ed—

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

3 “(g) SPOT CHECKS.—The Secretary shall, using
4 funds of the Commodity Credit Corporation, conduct an-
5 nual spot checks of at least 5 percent of applicable farms
6 in each State to ensure compliance with this subtitle.”;
7 and

8 (2) in subsection (d)—

9 (A) by redesignating paragraph (4) as
10 paragraph (6); and

11 (B) by inserting after paragraph (3) the
12 following new paragraphs:

13 “(4) EPHEMERAL GULLY MODIFICATIONS.—

14 “(A) IN GENERAL.—In the case of pro-
15 ducer on a farm with an existing conservation
16 plan on the date of the enactment of this para-
17 graph, if a compliance review identifies an
18 ephemeral gully that requires treatment and
19 was not included in the plan for such farm,
20 such plan shall be modified to include adequate
21 ephemeral gully control and stabilization.

22 “(B) REVISION.—In the case of a plan re-
23 vised under subparagraph (A), the producer on
24 the farm shall implement such plan not later

1 than 1 year after the date of the revision of
2 such plan.

3 “(C) PROHIBITION.—A producer may not
4 allow an ephemeral gully to advance to the
5 point of becoming a classic gully in an attempt
6 to avoid treatment.

7 “(5) YIELD TRANSFER.—The Corporation shall
8 not allow a producer’s actual production records
9 from one parcel of land to be used to establish ac-
10 tual production history on a separate parcel of
11 land.”.

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