

115TH CONGRESS
2D SESSION

S. 2749

To provide for the reform and continuation of agricultural commodity programs of the Department of Agriculture through fiscal year 2023, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 25, 2018

Mr. BROWN (for himself and Mr. THUNE) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To provide for the reform and continuation of agricultural commodity programs of the Department of Agriculture through fiscal year 2023, 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 “Agriculture Risk Cov-
5 erage Improvement and Innovation Act of 2018”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) **ACTUAL CROP REVENUE.**—The term “ac-
9 tual crop revenue”, with respect to a covered com-

1 modity for a crop year, means the amount deter-
2 mined by the Secretary under section 8(b).

3 (2) AGRICULTURE RISK COVERAGE.—The term
4 “agriculture risk coverage” means coverage provided
5 under section 8.

6 (3) AGRICULTURE RISK COVERAGE GUAR-
7 ANTEE.—The term “agriculture risk coverage guar-
8 antee”, with respect to a covered commodity for a
9 crop year, means the amount determined by the Sec-
10 retary under section 8(c).

11 (4) BASE ACRES.—The term “base acres”, with
12 respect to a covered commodity on a farm, means
13 the number of acres in effect under section 1111 of
14 the Agricultural Act of 2014 (7 U.S.C. 9011), as in
15 effect on September 30, 2018, subject to any re-
16 allocation, adjustment, or reduction under section 3.

17 (5) COVERED COMMODITY.—The term “covered
18 commodity” means wheat, oats, and barley (includ-
19 ing wheat, oats, and barley used for haying and
20 grazing), corn, grain sorghum, seed cotton, long
21 grain rice, medium grain rice, pulse crops, soybeans,
22 other oilseeds, and peanuts.

23 (6) EFFECTIVE PRICE.—The term “effective
24 price”, with respect to a covered commodity for a
25 crop year, means the price calculated by the Sec-

1 retary under section 7(b) to determine whether price
2 loss coverage payments are required to be provided
3 for that crop year.

4 (7) INDIVIDUAL COVERAGE.—The term “indi-
5 vidual coverage” means agriculture risk coverage se-
6 lected under section 6(b)(2) to be obtained at the
7 farm level.

8 (8) MEDIUM GRAIN RICE.—The term “medium
9 grain rice” includes short grain rice and temperate
10 japonica rice.

11 (9) OTHER OILSEED.—The term “other oil-
12 seed” means a crop of sunflower seed, rapeseed,
13 canola, safflower, flaxseed, mustard seed, crambe,
14 sesame seed, or any oilseed designated by the Sec-
15 retary.

16 (10) PAYMENT ACRES.—The term “payment
17 acres”, with respect to the provision of price loss
18 coverage payments and agriculture risk coverage
19 payments, means the number of acres determined
20 for a farm under section 5.

21 (11) PAYMENT YIELD.—The term “payment
22 yield”, for a farm for a covered commodity, means,
23 as applicable—

24 (A) the yield used to make payments pur-
25 suant to section 1104 or 1304 of the Food,

1 Conservation, and Energy Act of 2008 (7
2 U.S.C. 8714, 8754), as in effect on September
3 30, 2018;

4 (B) the yield established under section 4;
5 or

6 (C) with respect to seed cotton, the yield
7 established under section 1113(e) of the Agri-
8 cultural Act of 2014 (7 U.S.C. 9013(e)), as in
9 effect on September 30, 2018.

10 (12) PRICE LOSS COVERAGE.—The term “price
11 loss coverage” means coverage provided under sec-
12 tion 7.

13 (13) PRODUCER.—

14 (A) IN GENERAL.—The term “producer”
15 means an owner, operator, landlord, tenant, or
16 sharecropper that shares in the risk of pro-
17 ducing a crop and is entitled to share in the
18 crop available for marketing from the farm, or
19 would have shared had the crop been produced.

20 (B) HYBRID SEED.—In determining
21 whether a grower of hybrid seed is a producer,
22 the Secretary shall—

23 (i) not take into consideration the ex-
24 istence of a hybrid seed contract; and

1 (ii) ensure that program requirements
2 do not adversely affect the ability of the
3 grower to receive a payment under this
4 Act.

5 (14) PULSE CROP.—The term “pulse crop”
6 means dry peas, lentils, small chickpeas, and large
7 chickpeas.

8 (15) REFERENCE PRICE.—The term “reference
9 price”, with respect to a covered commodity for a
10 crop year, means the lesser of—

11 (A) the national average market price re-
12 ceived by producers during the 12-month mar-
13 keting year for the most recent 10 crop years
14 for the covered commodity; and

15 (B)(i) for wheat, \$5.50 per bushel;

16 (ii) for corn, \$3.70 per bushel;

17 (iii) for grain sorghum, \$3.95 per bushel;

18 (iv) for barley, \$4.95 per bushel;

19 (v) for oats, \$2.40 per bushel;

20 (vi) for seed cotton, \$0.367 per pound;

21 (vii) for long grain rice, \$14.00 per hun-
22 dredweight;

23 (viii) for medium grain rice, \$14.00 per
24 hundredweight;

25 (ix) for soybeans, \$8.40 per bushel;

1 (x) for other oilseeds, \$20.15 per hundred-
2 weight;

3 (xi) for peanuts, \$535.00 per ton;

4 (xii) for dry peas, \$11.00 per hundred-
5 weight;

6 (xiii) for lentils, \$19.97 per hundredweight;

7 (xiv) for small chickpeas, \$19.04 per hun-
8 dredweight; or

9 (xv) for large chickpeas, \$21.54 per hun-
10 dredweight.

11 (16) SECRETARY.—The term “Secretary”
12 means the Secretary of Agriculture.

13 (17) STATE.—The term “State” means—

14 (A) a State;

15 (B) the District of Columbia;

16 (C) the Commonwealth of Puerto Rico;

17 and

18 (D) any other territory or possession of the
19 United States.

20 (18) TEMPERATE JAPONICA RICE.—The term
21 “temperate japonica rice” means rice that is grown
22 in high altitudes or temperate regions of high lati-
23 tudes with cooler climate conditions, in the Western
24 United States, as determined by the Secretary, for
25 the purpose of—

1 (A) the reallocation of base acres under
2 section 3;

3 (B) the establishment of a reference price
4 (as required under section 7(g)) and an effective price pursuant to section 7; and
5

6 (C) the determination of the actual crop
7 revenue and agriculture risk coverage guarantee
8 pursuant to section 8.

9 (19) TRANSITIONAL YIELD.—The term “transi-
10 tional yield” has the meaning given the term in sec-
11 tion 502(b) of the Federal Crop Insurance Act (7
12 U.S.C. 1502(b)).

13 (20) UNITED STATES.—The term “United
14 States”, when used in a geographical sense, means
15 all of the States.

16 **SEC. 3. BASE ACRES.**

17 (a) ADJUSTMENT OF BASE ACRES.—

18 (1) IN GENERAL.—The Secretary shall provide
19 for an adjustment, as appropriate, in the base acres
20 for covered commodities for a farm whenever any of
21 the following circumstances occur:

22 (A) A conservation reserve contract en-
23 tered into under section 1231 of the Food Secu-
24 rity Act of 1985 (16 U.S.C. 3831) with respect
25 to the farm expires or is voluntarily terminated.

1 (B) Cropland is released from coverage
2 under a conservation reserve contract by the
3 Secretary.

4 (C) The producer has eligible oilseed acre-
5 age as the result of the Secretary designating
6 additional oilseeds, which shall be determined in
7 the same manner as eligible oilseed acreage
8 under section 1101(a)(1)(D) of the Food, Con-
9 servation, and Energy Act of 2008 (7 U.S.C.
10 8711(a)(1)(D)).

11 (2) SPECIAL CONSERVATION RESERVE ACREAGE
12 PAYMENT RULES.—For the crop year in which a
13 base-acres adjustment under subparagraph (A) or
14 (B) of paragraph (1) is first made, the owner of the
15 farm shall elect to receive price loss coverage or ag-
16 riculture risk coverage with respect to the acreage
17 added to the farm under this subsection or a pro-
18 rated payment under the conservation reserve con-
19 tract, but not both.

20 (3) BEGINNING FARMERS OF COVERED COM-
21 MODITIES.—

22 (A) DEFINITION OF BEGINNING FARMER
23 OF COVERED COMMODITIES.—In this para-
24 graph, the term “beginning farmer of covered
25 commodities” means a beginning farmer (as de-

1 terminated by the Secretary) of one or more cov-
2 ered commodities that has not planted or been
3 prevented from planting a covered commodity
4 on any farm for any crop year before the 2002
5 crop year.

6 (B) OPPORTUNITY TO INCREASE BASE
7 ACRES.—The Secretary shall provide a 1-time
8 opportunity for a beginning farmer of covered
9 commodities to increase base acres on a farm in
10 accordance with subparagraph (C) if—

11 (i) the beginning farmer of covered
12 commodities is an operator on the farm
13 and provides a significant contribution of
14 active personal labor;

15 (ii) as determined by the Secretary,
16 the beginning farmer of covered commod-
17 ities has, or has an option to obtain, a sig-
18 nificant ownership share of the farm or a
19 business producing commodities on the
20 farm;

21 (iii) the beginning farmer of covered
22 commodities has not planted or been pre-
23 vented from planting a covered commodity
24 on the farm for any crop year before the
25 2007 crop year; and

1 (iv) the average number of acres
2 planted on the farm to covered commod-
3 ities during the 2013 through 2017 crop
4 years is greater than the number of base
5 acres on the farm.

6 (C) BASE INCREASE FOR BEGINNING
7 FARMERS OF COVERED COMMODITIES.—

8 (i) IN GENERAL.—Subject to clause
9 (ii), the number of base acres added to a
10 farm under subparagraph (B) shall be
11 equal to the difference between—

12 (I) the 5-year average of—

13 (aa) the acreage planted on
14 the farm to all covered commod-
15 ities for harvest, grazing, haying,
16 silage, or other similar purposes
17 for the 2013 through 2017 crop
18 years, according to records sub-
19 mitted to the Farm Service
20 Agency; and

21 (bb) any acreage on the
22 farm that the beginning farmer
23 of covered commodities was pre-
24 vented from planting during the
25 2013 through 2017 crop years to

1 a covered commodity because of
2 drought, flood, or other natural
3 disaster, or other condition be-
4 yond the control of the beginning
5 farmer of covered commodities,
6 according to records submitted to
7 the Farm Service Agency and as
8 determined by the Secretary; and
9 (II) the number of base acres for
10 covered commodities on the farm.

11 (ii) LIMITATION.—The Secretary shall
12 adjust the number of base acres added to
13 a farm under clause (i) to prevent the cu-
14 mulative increase in the number of base
15 acres under this paragraph from exceeding
16 5,000,000 base acres for all beginning
17 farmers of covered commodities.

18 (iii) DISTRIBUTION.—Base acres
19 added to a farm under clause (i) shall be
20 added to the base acreage of each covered
21 commodity on the farm in the proportion
22 that—

23 (I) the acreage planted to the
24 covered commodity on the farm; bears
25 to

1 (II) the acreage planted to all
2 covered commodities on the farm.

3 (D) REDUCTION OF BASE INCREASE.—If a
4 beginning farmer of covered commodities on a
5 farm for which base acres have been increased
6 under subparagraph (B) no longer owns or op-
7 erates the farm for any of the 2019 through
8 2023 crop years, the base acres on the farm
9 shall be reduced by the number of base acres
10 added to the farm under that subparagraph in
11 the same proportion among covered commod-
12 ities on the farm described in subparagraph
13 (C)(iii).

14 (b) PREVENTION OF EXCESS BASE ACRES.—

15 (1) REQUIRED REDUCTION.—If the sum of the
16 base acres for a farm and the acreage described in
17 paragraph (2) exceeds the actual cropland acreage of
18 the farm, the Secretary shall reduce the base acres
19 for one or more covered commodities for the farm so
20 that the sum of the base acres and the acreage de-
21 scribed in paragraph (2) does not exceed the actual
22 cropland acreage of the farm.

23 (2) OTHER ACREAGE.—For purposes of para-
24 graph (1), the Secretary shall include the following:

25 (A) Any acreage on the farm enrolled in—

1 (i) the conservation reserve program
2 established under subchapter B of chapter
3 1 of subtitle D of title XII of the Food Se-
4 curity Act of 1985 (16 U.S.C. 3831 et
5 seq.); or

6 (ii) the agricultural conservation ease-
7 ment program established under subtitle H
8 of title XII of the Food Security Act of
9 1985 (16 U.S.C. 3865 et seq.).

10 (B) Any other acreage on the farm en-
11 rolled in a Federal conservation program for
12 which payments are made in exchange for not
13 producing an agricultural commodity on the
14 acreage.

15 (C) If the Secretary designates additional
16 oilseeds, any eligible oilseed acreage, which shall
17 be determined in the same manner as eligible
18 oilseed acreage under subsection (a)(1)(C).

19 (3) SELECTION OF ACRES.—The Secretary shall
20 give the owner of the farm the opportunity to select
21 the base acres for a covered commodity for the farm
22 against which the reduction required by paragraph
23 (1) will be made.

24 (4) EXCEPTION FOR DOUBLE-CROPPED ACRE-
25 AGE.—In applying paragraph (1), the Secretary

1 shall make an exception in the case of double crop-
2 ping, as determined by the Secretary.

3 (c) REDUCTION IN BASE ACRES.—

4 (1) REDUCTION AT OPTION OF OWNER.—

5 (A) IN GENERAL.—The owner of a farm
6 may reduce, at any time, the base acres for any
7 covered commodity for the farm.

8 (B) EFFECT OF REDUCTION.—A reduction
9 under subparagraph (A) shall be permanent
10 and made in a manner prescribed by the Sec-
11 retary.

12 (2) REQUIRED ACTION BY SECRETARY.—

13 (A) IN GENERAL.—The Secretary shall
14 proportionately reduce base acres on a farm for
15 land that has been subdivided and developed for
16 multiple residential units or other nonfarming
17 uses if the size of the tracts and the density of
18 the subdivision is such that the land is unlikely
19 to return to the previous agricultural use, un-
20 less the producers on the farm demonstrate
21 that the land—

22 (i) remains devoted to commercial ag-
23 ricultural production; or

24 (ii) is likely to be returned to the pre-
25 vious agricultural use.

1 (B) REQUIREMENT.—The Secretary shall
2 establish procedures to identify land described
3 in subparagraph (A).

4 **SEC. 4. PAYMENT YIELDS.**

5 (a) ESTABLISHMENT AND PURPOSE.—For the pur-
6 pose of making price loss coverage payments under section
7 7, the Secretary shall provide for the establishment of a
8 yield for each farm for any designated oilseed for which
9 a payment yield was not established under section 1102
10 of the Food, Conservation, and Energy Act of 2008 (7
11 U.S.C. 8712) in accordance with this section.

12 (b) PAYMENT YIELDS FOR DESIGNATED OIL-
13 SEEDS.—

14 (1) DETERMINATION OF AVERAGE YIELD.—In
15 the case of designated oilseeds, the Secretary shall
16 determine the average yield per planted acre for the
17 designated oilseed on a farm for the 1998 through
18 2001 crop years, excluding any crop year in which
19 the acreage planted to the designated oilseed was
20 zero.

21 (2) ADJUSTMENT FOR PAYMENT YIELD.—

22 (A) IN GENERAL.—The payment yield for
23 a farm for a designated oilseed shall be equal
24 to the product of the following:

1 (i) The average yield for the des-
2 ignated oilseed determined under para-
3 graph (1).

4 (ii) The ratio resulting from dividing
5 the national average yield for the des-
6 ignated oilseed for the 1981 through 1985
7 crops by the national average yield for the
8 designated oilseed for the 1998 through
9 2001 crops.

10 (B) NO NATIONAL AVERAGE YIELD INFOR-
11 MATION AVAILABLE.—To the extent that na-
12 tional average yield information for a des-
13 ignated oilseed is not available, the Secretary
14 shall use such information as the Secretary de-
15 termines to be fair and equitable to establish a
16 national average yield under this section.

17 (3) USE OF COUNTY AVERAGE YIELD.—If the
18 yield per planted acre for a crop of a designated oil-
19 seed for a farm for any of the 1998 through 2001
20 crop years was less than 75 percent of the county
21 yield for that designated oilseed, the Secretary shall
22 assign a yield for that crop year equal to 75 percent
23 of the county yield for the purpose of determining
24 the average under paragraph (1).

25 (c) EFFECT OF LACK OF PAYMENT YIELD.—

1 (1) ESTABLISHMENT BY SECRETARY.—In the
2 case of a covered commodity on a farm for which
3 base acres have been established, if no payment yield
4 is otherwise established for the covered commodity
5 on the farm, the Secretary shall establish an appro-
6 priate payment yield for the covered commodity on
7 the farm under paragraph (2).

8 (2) USE OF SIMILARLY SITUATED FARMS.—

9 (A) IN GENERAL.—To establish an appro-
10 priate payment yield for a covered commodity
11 on a farm as required by paragraph (1), the
12 Secretary shall take into consideration the farm
13 program payment yields applicable to that cov-
14 ered commodity for similarly situated farms.

15 (B) USE OF FARM PROGRAM PAYMENT
16 YIELDS IN APPEAL.—The use of farm program
17 payment yields described in subparagraph (A)
18 in an appeal, by the Secretary or by the pro-
19 ducer, shall not be subject to any other provi-
20 sion of law.

21 **SEC. 5. PAYMENT ACRES.**

22 (a) DETERMINATION OF PAYMENT ACRES.—

23 (1) IN GENERAL.—For the purpose of price loss
24 coverage and agriculture risk coverage when county
25 coverage has been selected under section 6(b)(1),

1 subject to subsection (d), the payment acres for each
2 covered commodity on a farm shall be equal to 85
3 percent of the base acres for the covered commodity
4 on the farm (not including any base acres excluded
5 under subsection (e)).

6 (2) EFFECT OF INDIVIDUAL COVERAGE.—In
7 the case of agriculture risk coverage when individual
8 coverage has been selected under section 6(b)(2), but
9 subject to subsection (e), the payment acres for a
10 farm shall be equal to 65 percent of the base acres
11 for all of the covered commodities on the farm.

12 (b) EXCLUSION.—The quantity of payment acres de-
13 termined under subsection (a) may not include any crop
14 subsequently planted during the same crop year on the
15 same land for which the first crop is eligible for price loss
16 coverage payments or agriculture risk coverage payments,
17 unless the crop was approved for double cropping in the
18 county, as determined by the Secretary.

19 (c) EFFECT OF MINIMAL PAYMENT ACRES.—

20 (1) PROHIBITION ON PAYMENTS.—Notwith-
21 standing any other provision of this Act, a producer
22 on a farm may not receive price loss coverage pay-
23 ments or agriculture risk coverage payments if the
24 sum of the base acres on the farm is 10 acres or
25 less, as determined by the Secretary.

1 (2) EXCEPTIONS.—Paragraph (1) does not
2 apply to a producer that is—

3 (A) a socially disadvantaged farmer or
4 rancher (as defined in section 355(e) of the
5 Consolidated Farm and Rural Development Act
6 (7 U.S.C. 2003(e))); or

7 (B) a limited resource farmer or rancher,
8 as defined by the Secretary.

9 (d) EFFECT OF PLANTING FRUITS AND VEGETA-
10 BLES.—

11 (1) REDUCTION REQUIRED.—In the manner
12 provided in this subsection, payment acres on a farm
13 shall be reduced in any crop year in which fruits,
14 vegetables (other than mung beans and pulse crops),
15 or wild rice have been planted on base acres on a
16 farm.

17 (2) QUANTITY OF REDUCTION.—

18 (A) PRICE LOSS COVERAGE AND COUNTY
19 COVERAGE.—In the case of price loss coverage
20 payments and agricultural risk coverage pay-
21 ments using county coverage, the reduction
22 under paragraph (1) shall be the amount equal
23 to the base acres planted to crops referred to in
24 that paragraph in excess of 15 percent of base
25 acres.

1 (B) INDIVIDUAL COVERAGE.—In the case
2 of agricultural risk coverage payments using in-
3 dividual coverage, the reduction under para-
4 graph (1) shall be the amount equal to the base
5 acres planted to crops referred to in that para-
6 graph in excess of 35 percent of base acres.

7 (3) REDUCTION EXCEPTIONS.—No reduction to
8 payment acres shall be made under this subsection
9 if—

10 (A) cover crops or crops referred to in
11 paragraph (1) are grown solely for conservation
12 purposes and not harvested for use or sale, as
13 determined by the Secretary; or

14 (B) in any region in which there is a his-
15 tory of double-cropping covered commodities
16 with crops referred to in paragraph (1) and
17 those crops were so double-cropped on the base
18 acres, as determined by the Secretary.

19 (e) EXCLUSION OF UNUSED ACRES.—

20 (1) IN GENERAL.—Effective beginning with the
21 2019 crop year, subject to paragraphs (2) and (3),
22 if the producers on a farm did not plant and were
23 not prevented from planting a covered commodity on
24 base acres during each of the 2009 through 2016

1 crop years, the Secretary shall exclude those base
2 acres from payment acres on the farm.

3 (2) TREATMENT OF PLANTING FRUITS AND
4 VEGETABLES AND ACRES ENROLLED IN CONSERVA-
5 TION RESERVE.—Base acres subject to a reduction
6 under subsection (d) or that were enrolled in the
7 conservation reserve program established under sub-
8 chapter B of chapter 1 of subtitle D of title XII of
9 the Food Security Act of 1985 (16 U.S.C. 3831 et
10 seq.) for not fewer than 5 crop years of the 2009
11 through 2016 crop years shall be considered planted
12 to a covered commodity for purposes of paragraph
13 (1).

14 (3) EXCEPTIONS.—Paragraph (1) shall not
15 apply to—

16 (A) a socially disadvantaged farmer or
17 rancher (as defined in section 355(e) of the
18 Consolidated Farm and Rural Development Act
19 (7 U.S.C. 2003(e)); or

20 (B) a limited resource farmer or rancher,
21 as defined by the Secretary.

22 **SEC. 6. PRODUCER ELECTION.**

23 (a) ELECTION REQUIRED.—For the 2019 through
24 2023 crop years, all of the producers on a farm shall make
25 a 1-time, irrevocable election to obtain—

1 (1) price loss coverage under section 7 for all
2 covered commodities on the farm; or

3 (2) agriculture risk coverage under section 8 for
4 all covered commodities on the farm.

5 (b) **COVERAGE OPTIONS.**—In the election under sub-
6 section (a), the producers on a farm that elect under para-
7 graph (2) of that subsection to obtain agriculture risk cov-
8 erage under section 8 shall unanimously select whether to
9 receive agriculture risk coverage payments based on—

10 (1) county coverage applicable on a covered
11 commodity-by-covered-commodity basis; or

12 (2) individual coverage applicable to all of the
13 covered commodities on the farm.

14 (c) **EFFECT OF FAILURE TO MAKE UNANIMOUS**
15 **ELECTION.**—If all the producers on a farm fail to make
16 a unanimous election under subsection (a) for the 2019
17 crop year—

18 (1) the Secretary shall not make any payments
19 with respect to the farm for the 2019 crop year
20 under section 7 or 8; and

21 (2) the producers on the farm shall be deemed
22 to have elected for the 2020 through 2023 crop
23 years the coverage described in paragraph (1) or (2)
24 of subsection (a) in which the majority of base acres

1 on the farm were enrolled during the period of crop
2 years 2014 through 2018.

3 (d) EFFECT OF SELECTION OF COUNTY COV-
4 ERAGE.—If all the producers on a farm select county cov-
5 erage for a covered commodity under subsection (b)(1),
6 the Secretary may not make price loss coverage payments
7 under section 7 to the producers on the farm with respect
8 to that covered commodity.

9 (e) EFFECT OF SELECTION OF INDIVIDUAL COV-
10 ERAGE.—If all the producers on a farm select individual
11 coverage under subsection (b)(2), in addition to the selec-
12 tion and election under this section applying to each pro-
13 ducer on the farm, the Secretary shall consider, for pur-
14 poses of making the calculations required by subsections
15 (b)(2) and (c)(3) of section 8, the share of the producer
16 in all farms in the same State—

17 (1) in which the producer has an interest; and

18 (2) for which individual coverage has been se-
19 lected.

20 (f) PROHIBITION ON RECONSTITUTION.—The Sec-
21 retary shall ensure that producers on a farm do not recon-
22 stitute the farm to void or change an election or selection
23 made under this section.

1 **SEC. 7. PRICE LOSS COVERAGE.**

2 (a) PRICE LOSS COVERAGE PAYMENTS.—If all of the
3 producers on a farm make the election under section 6(a)
4 to obtain price loss coverage, or are deemed to have made
5 that election under section 6(c)(2), the Secretary shall
6 make price loss coverage payments to producers on the
7 farm on a covered commodity-by-covered-commodity basis
8 if the Secretary determines that, for any of the 2019
9 through 2023 crop years—

10 (1) the effective price for the covered com-
11 modity for the crop year; is less than

12 (2) the reference price for the covered com-
13 modity for the crop year.

14 (b) EFFECTIVE PRICE.—

15 (1) IN GENERAL.—Except as provided in para-
16 graph (2), the effective price for a covered com-
17 modity for a crop year shall be the higher of—

18 (A) the national average market price re-
19 ceived by producers during the 12-month mar-
20 keting year for the covered commodity, as de-
21 termined by the Secretary; or

22 (B) the national average loan rate for a
23 marketing assistance loan for the covered com-
24 modity in effect for that crop year under sub-
25 title B of title I of the Agricultural Act of 2014
26 (7 U.S.C. 9031 et seq.).

1 (2) SEED COTTON.—

2 (A) IN GENERAL.—The effective price for
3 seed cotton for a crop year shall be equal to the
4 marketing year average price for seed cotton, as
5 calculated under subparagraph (B).

6 (B) CALCULATION.—The marketing year
7 average price for seed cotton for a crop year
8 shall be equal to the quotient obtained by divid-
9 ing—

10 (i) the sum obtained by adding—

11 (I) the product obtained by mul-
12 tiplying—

13 (aa) the upland cotton lint
14 marketing year average price;
15 and

16 (bb) the total United States
17 upland cotton lint production,
18 measured in pounds; and

19 (II) the product obtained by mul-
20 tiplying—

21 (aa) the cottonseed mar-
22 keting year average price; and

23 (bb) the total United States
24 cottonseed production, measured
25 in pounds; by

1 (ii) the sum obtained by adding—

2 (I) the total United States up-
3 land cotton lint production, measured
4 in pounds; and

5 (II) the total United States cot-
6 tonseed production, measured in
7 pounds.

8 (c) PAYMENT RATE.—The payment rate shall be
9 equal to the difference between—

10 (1) the reference price for the covered com-
11 modity; and

12 (2) the effective price determined under sub-
13 section (b) for the covered commodity.

14 (d) PAYMENT AMOUNT.—If price loss coverage pay-
15 ments are required to be provided under this section for
16 any of the 2019 through 2023 crop years for a covered
17 commodity, the amount of the price loss coverage payment
18 to be paid to the producers on a farm for the crop year
19 shall be equal to the product obtained by multiplying—

20 (1) the payment rate for the covered commodity
21 under subsection (c);

22 (2) the payment yield for the covered com-
23 modity; and

24 (3) the payment acres for the covered com-
25 modity.

1 (e) TIME FOR PAYMENTS.—If the Secretary deter-
2 mines under this section that price loss coverage payments
3 are required to be provided for the covered commodity,
4 the payments shall be made beginning October 1, or as
5 soon as practicable thereafter, after the end of the applica-
6 ble marketing year for the covered commodity.

7 (f) EFFECTIVE PRICE FOR BARLEY.—In determining
8 the effective price for barley under subsection (b), the Sec-
9 retary shall use the all-barley price.

10 (g) REFERENCE PRICE FOR TEMPERATE JAPONICA
11 RICE.—The Secretary shall provide a reference price with
12 respect to temperate japonica rice in an amount equal to
13 115 percent of the amount established in clauses (vii) and
14 (viii) of section 2(14)(B) in order to reflect price pre-
15 miums.

16 **SEC. 8. AGRICULTURE RISK COVERAGE.**

17 (a) AGRICULTURE RISK COVERAGE PAYMENTS.—If
18 all of the producers on a farm make the election under
19 section 6(a) to obtain agriculture risk coverage, the Sec-
20 retary shall make agriculture risk coverage payments to
21 producers on the farm if the Secretary determines that,
22 for any of the 2019 through 2023 crop years—

23 (1) the actual crop revenue determined under
24 subsection (b) for the crop year; is less than

1 (2) the agriculture risk coverage guarantee de-
2 termined under subsection (c) for the crop year.

3 (b) ACTUAL CROP REVENUE.—

4 (1) COUNTY COVERAGE.—In the case of county
5 coverage, the amount of the actual crop revenue for
6 a county for a crop year of a covered commodity
7 shall be equal to the product obtained by multi-
8 plying—

9 (A) the actual average county yield per
10 planted acre for the covered commodity, as de-
11 termined by the Secretary (including any ad-
12 justments under paragraph (3)); and

13 (B) the higher of—

14 (i) the national average market price
15 received by producers during the 12-month
16 marketing year for the covered commodity,
17 as determined by the Secretary; and

18 (ii) the national average loan rate for
19 a marketing assistance loan for the covered
20 commodity in effect for that crop year
21 under subtitle B of title I of the Agricul-
22 tural Act of 2014 (7 U.S.C. 9031 et seq.).

23 (2) INDIVIDUAL COVERAGE.—In the case of in-
24 dividual coverage, the amount of the actual crop rev-
25 enue for a producer on a farm for a crop year shall

1 be based on the share of the producer in all covered
2 commodities planted on all farms for which indi-
3 vidual coverage has been selected and in which the
4 producer has an interest, to be determined by the
5 Secretary as follows:

6 (A) For each covered commodity, the prod-
7 uct obtained by multiplying—

8 (i) the total production of the covered
9 commodity on those farms, as determined
10 by the Secretary; and

11 (ii) the higher of—

12 (I) the national average market
13 price received by producers during the
14 12-month marketing year, as deter-
15 mined by the Secretary; or

16 (II) the national average loan
17 rate for a marketing assistance loan
18 for the covered commodity in effect
19 for that crop year under subtitle B of
20 title I of the Agricultural Act of 2014
21 (7 U.S.C. 9031 et seq.).

22 (B) The sum of the amounts determined
23 under subparagraph (A) for all covered com-
24 modities on those farms.

1 (C) The quotient obtained by dividing the
2 amount determined under subparagraph (B) by
3 the total planted acres of all covered commod-
4 ities on those farms.

5 (3) COUNTY YIELD DISPARITIES.—

6 (A) IN GENERAL.—The Secretary may ad-
7 just county yields under paragraph (1)(A) to
8 reduce disparities between neighboring and
9 nearby counties with similar soils and climate
10 that are not attributable to a localized weather
11 event.

12 (B) AGGREGATE ESTIMATED PAYMENT.—
13 The Secretary shall ensure that all adjustments
14 made under this paragraph are balanced so the
15 aggregate amount of payments made under this
16 section as a result of the adjustments for a crop
17 year do not increase.

18 (C) OPTIONS.—

19 (i) IN GENERAL.—If the Secretary
20 makes adjustments under this paragraph,
21 the Secretary shall make the adjustments
22 in accordance with clause (ii) or (iii).

23 (ii) VARIATIONS WITHIN A STATE.—

24 (I) IN GENERAL.—Subject to
25 subparagraph (B), the Secretary shall

1 allow State committees of the Farm
2 Service Agency to review and rec-
3 ommend adjustments to the initial
4 yield estimates before the adjustments
5 become final to reduce unexplained
6 variation between neighboring or
7 nearby counties with similar soils and
8 climate.

9 (II) REVIEW AND APPROVAL.—

10 The Secretary shall review and ap-
11 prove or reject adjustments rec-
12 ommended under subclause (I) before
13 the adjustments become final.

14 (iii) VARIATIONS ALONG STATE
15 BOUNDARIES.—

16 (I) IN GENERAL.—Subject to
17 subparagraph (B), the Secretary shall
18 allow State committees of the Farm
19 Service Agency or the national office
20 of the Farm Service Agency, in con-
21 sultation with affected State commit-
22 tees, to review and recommend adjust-
23 ments to the initial yield estimates be-
24 fore the adjustments become final to

1 reduce unexplained variation between
2 counties in neighboring States.

3 (II) REVIEW AND APPROVAL.—

4 The Secretary shall review and ap-
5 prove or reject adjustments rec-
6 ommended under subclause (I) before
7 the adjustments become final.

8 (4) QUALITY ADJUSTMENT FACTOR FOR
9 WHEAT.—

10 (A) IN GENERAL.—The Secretary shall ad-
11 just county yields for wheat under paragraph
12 (1)(A) to account for weather-related quality
13 factors, such as protein, falling numbers, or
14 vomitoxin, based on—

15 (i) the average quality adjustment dis-
16 count factor determined by the Secretary
17 for policies or plans of insurance under the
18 Federal Crop Insurance Act (7 U.S.C.
19 1501 et seq.) for—

20 (I) the applicable crop year; and

21 (II) that county or the applicable
22 region; or

23 (ii) a comparable adjustment, as de-
24 termined by the Secretary, if the factor de-
25 scribed in clause (i) is not available.

1 (B) LIMITATION.—A yield may not be ad-
2 justed by greater than 50 percent under sub-
3 paragraph (A).

4 (C) USE.—The Secretary shall not use a
5 yield adjustment under this paragraph for pur-
6 poses of subsection (c).

7 (c) AGRICULTURE RISK COVERAGE GUARANTEE.—

8 (1) IN GENERAL.—The agriculture risk cov-
9 erage guarantee for a crop year for a covered com-
10 modity shall equal 90 percent of the benchmark rev-
11 enue described in paragraph (2) or (3), as applica-
12 ble.

13 (2) BENCHMARK REVENUE FOR COUNTY COV-
14 ERAGE.—In the case of county coverage, the bench-
15 mark revenue referred to in paragraph (1) shall be
16 the product obtained by multiplying—

17 (A) subject to paragraphs (4) and (5), the
18 average historical county yield as determined by
19 the Secretary for the most recent 5 crop years,
20 excluding each of the crop years with the high-
21 est and lowest yields; and

22 (B) subject to paragraph (6), the national
23 average market price received by producers dur-
24 ing the 12-month marketing year for the most
25 recent 3 crop years.

1 (3) BENCHMARK REVENUE FOR INDIVIDUAL
2 COVERAGE.—In the case of individual coverage, the
3 benchmark revenue for a producer on a farm for a
4 crop year shall be based on the share of the pro-
5 ducer in all covered commodities planted on all
6 farms for which individual coverage has been se-
7 lected and in which the producer has an interest, to
8 be determined by the Secretary as follows:

9 (A) For each covered commodity for each
10 of the most recent 5 crop years, the product ob-
11 tained by multiplying—

12 (i) subject to paragraphs (4) and (5),
13 the yield per planted acre for the covered
14 commodity on those farms, as determined
15 by the Secretary; by

16 (ii) subject to paragraph (6), the na-
17 tional average market price received by
18 producers during the 12-month marketing
19 year.

20 (B) For each covered commodity, the aver-
21 age of the revenues determined under subpara-
22 graph (A) for the most recent 5 crop years, ex-
23 cluding each of the crop years with the highest
24 and lowest revenues.

1 (C) For each of the 2019 through 2023
2 crop years, the sum of the amounts determined
3 under subparagraph (B) for all covered com-
4 modities on those farms, but adjusted to reflect
5 the ratio that—

6 (i) the total number of acres planted
7 on those farms to a covered commodity;
8 bears to

9 (ii) the total acres of all covered com-
10 modities planted on those farms.

11 (4) YIELD CONDITIONS.—If the yield per plant-
12 ed acre for the covered commodity or historical
13 county yield per planted acre for the covered com-
14 modity for any of the 5 most recent crop years, as
15 determined by the Secretary, is less than 80 percent
16 of the transitional yield, as determined by the Sec-
17 retary, the amounts used for any of those years in
18 paragraph (2)(A) or (3)(A)(i), as applicable, shall be
19 80 percent of the transitional yield.

20 (5) TREND-ADJUSTED YIELD.—

21 (A) IN GENERAL.—The Secretary shall ad-
22 just the yield determined under paragraph
23 (2)(A) or (3)(A)(i), as applicable, using the
24 same Trend-Adjusted Yield factor that is used
25 under the endorsement under the Federal Crop

1 Insurance Act (7 U.S.C. 1501 et seq.) for that
2 crop and county.

3 (B) NOT AVAILABLE FOR CROP OR COUN-
4 TY.—If a factor described in subparagraph (A)
5 is not available for a crop or county, the Sec-
6 retary shall calculate and use a State or na-
7 tional Trend-Adjusted Yield factor for the crop,
8 as determined by the Secretary.

9 (6) FLOOR PRICE.—In the case of county cov-
10 erage, if the national average market price received
11 by producers during the 12-month marketing year
12 for any of the 3 most recent crop years is lower than
13 the national average market price received by pro-
14 ducers during the 12-month marketing year for the
15 most recent 10 crop years for the covered com-
16 modity, the Secretary shall use the national average
17 market price received by producers during the 12-
18 month marketing year for the most recent 10 crop
19 years for the amount in paragraph (2)(B).

20 (7) REFERENCE PRICE.—In the case of indi-
21 vidual coverage, if the national average market price
22 received by producers during the 12-month mar-
23 keting year for any of the 5 most recent crop years
24 is lower than the reference price for the covered
25 commodity, the Secretary shall use the reference

1 price for any of those years for the amount in para-
2 graph (3)(A)(i).

3 (d) PAYMENT RATE.—The payment rate for a cov-
4 ered commodity, in the case of county coverage, or a farm,
5 in the case of individual coverage, shall be equal to the
6 lesser of—

7 (1) the amount that—

8 (A) the agriculture risk coverage guarantee
9 for the crop year applicable under subsection
10 (c); exceeds

11 (B) the actual crop revenue for the crop
12 year applicable under subsection (b); and

13 (2) 10 percent of the benchmark revenue for
14 the crop year applicable under subsection (c).

15 (e) PAYMENT AMOUNT.—If agriculture risk coverage
16 payments are required to be paid for any of the 2019
17 through 2023 crop years, the amount of the agriculture
18 risk coverage payment for the crop year shall be deter-
19 mined by multiplying—

20 (1) the payment rate determined under sub-
21 section (d); and

22 (2) the payment acres determined under section
23 5.

24 (f) TIME FOR PAYMENTS.—If the Secretary deter-
25 mines that agriculture risk coverage payments are re-

1 quired to be provided for the covered commodity, pay-
2 ments shall be made beginning October 1, or as soon as
3 practicable thereafter, after the end of the applicable mar-
4 keting year for the covered commodity.

5 (g) ADMINISTRATIVE UNITS.—

6 (1) IN GENERAL.—For purposes of agriculture
7 risk coverage payments in the case of county cov-
8 erage, a county may be divided into not greater than
9 3 administrative units in accordance with this sub-
10 section.

11 (2) ELIGIBLE COUNTIES.—A county that may
12 be divided into administrative units under this sub-
13 section is a county that—

14 (A) is larger than 1,500 square miles; and

15 (B) contains more than 10,000 base acres.

16 (3) ELECTIONS.—Before making any agri-
17 culture risk coverage payments for the 2019 crop
18 year, the Farm Service Agency State committee, in
19 consultation with the Farm Service Agency county
20 or area committee of a county described in para-
21 graph (2), may make a 1-time election to divide the
22 county into administrative units under this sub-
23 section.

24 (4) ADMINISTRATION.—For purposes of pro-
25 viding agriculture risk coverage payments in the

1 case of county coverage, the Secretary shall consider
2 an administrative unit elected under paragraph (3)
3 to be a county for the 2019 through 2023 crop
4 years.

5 (h) ADDITIONAL DUTIES OF THE SECRETARY.—In
6 providing agriculture risk coverage, the Secretary shall—

7 (1) to the maximum extent practicable, use all
8 available information and analysis, including data
9 mining, to check for anomalies in the determination
10 of agriculture risk coverage payments;

11 (2) to the maximum extent practicable, cal-
12 culate a separate actual crop revenue and agri-
13 culture risk coverage guarantee for irrigated and
14 nonirrigated covered commodities;

15 (3) in the case of county coverage, assign an ac-
16 tual or benchmark county yield for each planted acre
17 for the crop year for the covered commodity on the
18 basis of the yield history of representative farms in
19 the State, region, or crop reporting district, as deter-
20 mined by the Secretary, if—

21 (A) the Secretary cannot establish the ac-
22 tual or benchmark county yield for each planted
23 acre for a crop year for a covered commodity in
24 the county in accordance with subsection (b)(1)
25 or (c)(2); or

1 (B) the yield determined under subsection
2 (b)(1) or (c)(2) is an unrepresentative average
3 yield for the county, as determined by the Sec-
4 retary;

5 (4) in the case of individual coverage, assign an
6 average yield for a farm on the basis of the yield his-
7 tory of representative farms in the State, region, or
8 crop reporting district, as determined by the Sec-
9 retary, if the Secretary determines that the farm has
10 planted acreage in a quantity that is insufficient to
11 calculate a representative average yield for the farm;

12 (5) prioritize the use of yields from sources that
13 provide the greatest geographic coverage of county-
14 level data from the same source; and

15 (6)(A) use the yield, benchmark revenue and
16 payment rate based on the county of the physical lo-
17 cation of the farm; and

18 (B) in the case of a farm that crosses county
19 boundaries—

20 (i) split the base acres on a pro rata basis
21 based on the relative quantity of cropland in
22 each county; and

23 (ii) calculate any payments on that same
24 pro rata basis.

1 **SEC. 9. PRODUCER AGREEMENTS.**

2 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

3 (1) REQUIREMENTS.—Before the producers on
4 a farm may receive payments under this Act with re-
5 spect to the farm, the producers shall agree, during
6 the crop year for which the payments are made and
7 in exchange for the payments—

8 (A) to comply with applicable conservation
9 requirements under subtitle B of title XII of
10 the Food Security Act of 1985 (16 U.S.C. 3811
11 et seq.);

12 (B) to comply with applicable wetland pro-
13 tection requirements under subtitle C of title
14 XII of that Act (16 U.S.C. 3821 et seq.);

15 (C) to effectively control noxious weeds
16 and otherwise maintain the land in accordance
17 with sound agricultural practices, as determined
18 by the Secretary; and

19 (D) to use the land on the farm, in a
20 quantity equal to the attributable base acres for
21 the farm and any base acres for an agricultural
22 or conserving use, and not for a nonagricultural
23 commercial, industrial, or residential use, as de-
24 termined by the Secretary.

25 (2) COMPLIANCE.—The Secretary may issue
26 such rules as the Secretary considers necessary to

1 ensure producer compliance with the requirements of
2 paragraph (1).

3 (3) MODIFICATION.—At the request of the
4 transferee or owner, the Secretary may modify the
5 requirements of this subsection if the modifications
6 are consistent with the objectives of this subsection,
7 as determined by the Secretary.

8 (b) TRANSFER OR CHANGE OF INTEREST IN
9 FARM.—

10 (1) TERMINATION.—

11 (A) IN GENERAL.—Except as provided in
12 paragraph (2), a transfer of (or change in) the
13 interest of the producers on a farm for which
14 payments under this Act are provided shall re-
15 sult in the termination of the payments, unless
16 the transferee or owner of the acreage agrees to
17 assume all obligations under subsection (a).

18 (B) EFFECTIVE DATE.—The termination
19 shall take effect on the date determined by the
20 Secretary.

21 (2) EXCEPTION.—If a producer entitled to a
22 payment under this Act dies, becomes incompetent,
23 or is otherwise unable to receive the payment, the
24 Secretary shall make the payment in accordance
25 with rules issued by the Secretary.

1 (c) PRODUCTION REPORTS.—As an additional condi-
2 tion on receiving agriculture risk coverage payments for
3 individual coverage, the Secretary shall require a producer
4 on a farm to submit to the Secretary annual production
5 reports with respect to all covered commodities produced
6 on all farms in the same State—

7 (1) in which the producer has an interest; and
8 (2) for which individual coverage has been se-
9 lected.

10 (d) EFFECT OF INACCURATE REPORTS.—No penalty
11 with respect to benefits under this Act shall be assessed
12 against a producer on a farm for an inaccurate acreage
13 or production report unless the Secretary determines that
14 the producer on the farm knowingly and willfully falsified
15 the acreage or production report.

16 (e) TENANTS AND SHARECROPPERS.—In carrying
17 out this Act, the Secretary shall provide adequate safe-
18 guards to protect the interests of tenants and share-
19 croppers.

20 (f) SHARING OF PAYMENTS.—The Secretary shall
21 provide for the sharing of payments made under this Act
22 among the producers on a farm on a fair and equitable
23 basis.

○