



NEWS FROM

SENATE AGRICULTURE, NUTRITION AND FORESTRY COMMITTEE



Senator Tom Harkin (D-IA), Chairman

<http://Agriculture.Senate.gov>

Farm Bill: Investments for the Future

The measure we commonly call the “farm bill” is the single most important piece of legislation for improving the quality of life and economic vitality of our rural communities. It is also a food, agriculture, conservation and energy bill that is of critical importance to every American and which has very significant consequences and ramifications around the globe. As the Chairman of the Senate Committee on Agriculture, Nutrition and Forestry, Tom Harkin (D-IA) is committed to enacting a balanced, forward-looking farm bill that helps build on the successes of the 2002 bill and creates a better future for agriculture and all of America’s rural communities

The Food, Conservation and Energy Act of 2008

Commodities

- **CREATES A NEW AVERAGE CROP REVENUE ELECTION (ACRE) PROGRAM:** Producers will have the option, beginning with the 2009 crop year, to participate in a state-level revenue protection system. Participants agree to a 20 percent reduction in direct payments and a 30 percent reduction in loan rates. In return, they are eligible for a state-based revenue guarantee on acres planted equal to 90 percent of the product of a state average yield factor times the national average price for the previous two years for the commodity.
- **REBALANCES TARGET PRICES AND LOAN RATES:** The bill adjusts loan rates and target prices of existing commodities beginning with the 2010 crop year and provides additional program coverage for certain pulse crops beginning with the 2009 crop year.
- **CONTINUES AND STRENGTHENS THE MILK INCOME LOSS CONTRACT PROGRAM:** The Milk Income Loss Contract (MILC) program is continued for the duration of the farm bill. The payment rate is increased from 34 percent to 45 percent of the difference between the Boston Class I price and the target price. The target price is modified to take into account changes in the cost of feed.

- **TIGHTENS THE ADJUSTED GROSS INCOME ELIGIBILITY TEST:** The bill sets new standards for farm commodity and disaster program benefit eligibility. To receive farm program benefits, an individual's non-farm income may not exceed \$500,000. If farm income exceeds \$750,000, an individual will no longer be eligible to receive direct payments.
- **INCREASES TRANSPARENCY AND ACCOUNTABILITY:** Farm program payments are directly attributed to individuals rather than corporations and partnerships. The three-entity rule, which enabled a farmer effectively to receive twice the enacted payment limit is eliminated. These changes will improve transparency and accountability.
- **ESTABLISHES A NEW DISASTER ASSISTANCE PROGRAM:** The bill includes a disaster assistance program to assist farmers who lose their crops, livestock or trees or suffer from shallow losses due to disasters such as floods or drought. The program complements the existing crop insurance program by providing additional assistance to farmers based on loss of crop revenue for their whole farm operation. The additional payments are based on their level of losses compared to a benchmark proportional to their level of crop insurance coverage purchased at the beginning of the crop year.

Conservation

- **PROMOTES NEW CONSERVATION AND REWARDS STEWARDSHIP:** The renamed Conservation Stewardship Program (CSP) is focused on incentivizing new conservation, while simultaneously rewarding producers for achieving high levels of stewardship and addressing priority resource concerns in their area. The program will enroll nearly 115 million acres by 2017.
- **INCREASES SUPPORT OF WORKING LAND CONSERVATION:** With demand for production increasing, the need to secure conservation benefits on working lands is growing rapidly. With an increase in funding of \$3.4 billion in budget authority over the next ten years, the Environmental Quality Incentives Program (EQIP) is a critical element of USDA conservation programs.
- **PROTECTS FRAGILE WETLANDS:** A revised procedure for valuing property and a streamlined review process for the Wetlands Reserve Program will make it easier to enroll fragile wetland acres. The bill provides \$1.3 billion for this program, enough to enroll 1.22 million acres of wetlands over the next five years.
- **ENCOURAGES INNOVATION AND COOPERATIVE SOLUTIONS TO RESOURCE CHALLENGES:** The Cooperative Conservation Partnership Initiative is a major conservation innovation. Six percent of all conservation program funds (other than CRP, GRP, WRP and FPP) will be available for carrying out cooperative projects that bring together producers, states, nonprofit organizations and other groups.

- **RESTORES THE CHESAPEAKE BAY:** The bill creates a new initiative focused on restoring the Chesapeake Bay and addressing the unique environmental and conservation needs of the surrounding region.
- **PROTECTS GRAZING LAND:** The Grassland Reserve Program will enroll 1.22 million acres of fragile grazing land, prevent its conversion to cropland and protect it from development.
- **PRESERVES FARMLAND:** Just as pressures increase on agricultural lands for development, funding for the Farmland Protection Program will double. The program has also been streamlined to make it easier for partners, such as states and nonprofit organizations, to participate in farmland protection projects under the program.
- **PROTECTS WILDLIFE HABITAT:** The Wildlife Habitat Incentives Program will continue to assist in conservation of habitat on agricultural, forest and tribal land. This important program provides cost-share assistance to participants seeking to improve and protect wildlife habitat.
- **FOCUSES CONSERVATION PROGRAM PARTICIPATION ON PRODUCERS:** To participate in conservation programs, an individual's adjusted gross income may not exceed \$1 million dollars, unless at least two-thirds of that income is derived from farming, ranching, or forestry. The Secretary has waiver authority for projects of special environmental significance.

Trade

- **REFORMS FOOD AID OPERATION AND OVERSIGHT:** The bill addresses many of the shortcomings of U.S. international food aid programs identified in an April 2007 Government Accountability Office report, such as lack of attention to food aid quality and inadequate assessment of development in recipient countries.
- **SPEEDS EMERGENCY FOOD RESPONSE:** Changes made will increase the ability of the U.S. government to pre-position U.S. commodities in overseas warehouses, thus allowing expedited food donations to countries facing dire emergencies.
- **PROMOTES DEVELOPMENT BY MODIFYING THE BILL EMERSON HUMANITARIAN TRUST:** P.L.480 title II funds are intended for both emergency and agricultural development assistance. The bill reforms operation of the Bill Emerson Humanitarian Trust and clarifies that the Trust should be used as a source of funding in humanitarian emergencies in order to maintain more funding under Title II for development.
- **ESTABLISHES A LOCAL AND REGIONAL PROCUREMENT PILOT PROGRAM:** The bill includes a pilot program funded at \$60 million over four years for the purpose of evaluating the effectiveness of local or regional procurement of food for humanitarian assistance. The Secretary of Agriculture is required to establish projects

using locally purchased food in a variety of regions and situations, and to arrange for independent evaluation of the projects' efficacy in a report to the House and Senate Agriculture Committees prior to the expiration of this bill in 2012.

- **REFORMS AND EXTENDS EXPORT PROGRAMS:** The bill modifies export credit guarantee programs to make them consistent with the ruling in the World Trade Organization cotton case and reauthorizes the Market Access Program, Foreign Market Development Program, and the Emerging Markets and Facilities Loan Guarantee program.
- **EXPANDS TECHNICAL ASSISTANCE FOR SPECIALTY CROPS:** This program provides financial assistance to producers and exporters of specialty crops in addressing technical and sanitary and phytosanitary barriers against their products in overseas markets. Funding for the program is increased from the current level of \$2 million annually to \$9 million annually by 2012.

Credit

- **IMPROVES THE BEGINNING FARMER AND RANCHER DOWN PAYMENT LOAN PROGRAM:** Several improvements are made to the Down Payment Loan Program to make the program more helpful to beginning farmers and ranchers. Promoting wider use of this program helps spread limited federal dollars to more borrowers since the down payment loan utilizes the combined resources of a beginning farmer, USDA, and commercial lender. Socially disadvantaged farmers are added as eligible.
- **CREATES A BEGINNING FARMER AND RANCHER INDIVIDUAL DEVELOPMENT ACCOUNTS PILOT PROGRAM:** A new pilot program is established to promote matched savings accounts, the proceeds of which may be used on capital expenditures for a farm or ranch operation, including purchases of land, buildings or livestock. The proposed program would be administered through the Farm Service Agency and include at least 15 state pilot programs.
- **ESTABLISHES A BEGINNING FARMER LAND CONTRACT PILOT PROJECT:** The Land Contract guaranteed loan pilot program is made permanent and applied nationwide to facilitate private land sales on contract that transfer farms from retiring farmers to new farmers. This program will encourage retiring farmers to use contract sales as a means to transfer land to beginning farmers or ranchers.
- **INCREASES DIRECT AND GUARANTEED LOAN FUND SET-ASIDES AND INVENTORY LAND SALES PREFERENCES:** The loan fund set asides for beginning farmers and ranchers in the USDA direct and guaranteed loan programs are increased to provide greater opportunities for beginning framers and ranchers.

- **RAISES FARM OWNERSHIP AND OPERATING LOAN LIMITS:** The direct farm ownership and direct operating loan limitation amounts are increased for the first time in two decades recognizing increased credit needs.
- **ENABLES PIGFORD LATE FILERS TO RESUBMIT CLAIMS:** Despite the historic relief provided in the *Pigford v. Glickman* consent decree, many black farmers were unable to timely file for relief because they were unaware of the consent decree or because the consent decree was insufficiently advertised. As a result, many otherwise eligible farmers were unable to obtain relief or even a determination on the merits of a claim. The conference agreement provides to black farmers, who were late filers and denied access to the original Pigford class the opportunity to be heard on the merits of their claims. The bill provides \$100 million in mandatory funding for this provision along with an authorization for additional appropriation of funds as necessary.

Nutrition:

- **UPDATES THE NAME OF THE FOOD STAMP PROGRAM:** The new name is the “Supplemental Nutrition Assistance Program”.
- **INCREASES THE FOOD PURCHASING ABILITY OF LOW-INCOME HOUSEHOLDS:** As a result of deep cuts to the Food Stamp Program in the mid-1990s, the purchasing power of families’ food assistance benefits has eroded greatly over time. The farm bill invests significant resources – \$5.4 billion over the next ten years – to end that erosion and partially restore benefit levels that have been lost.
- **ACCOUNTS FOR CHILD CARE COSTS IN CALCULATING FOOD ASSISTANCE:** The bill increases assistance to families with high child care expenses by allowing a full deduction for child care expenses in calculating family income and benefit levels.
- **INCREASES THE MINIMUM BENEFIT:** The current minimum benefit is set at \$10 and has not been raised in over 30 years. The bill raises the minimum benefit to \$14 and indexes that level to future inflation.
- **ENCOURAGES RETIREMENT AND EDUCATION SAVINGS:** The nutrition title includes a provision which would encourage low-income families to save for the future by making sure that the value of any retirement and education savings accounts do not make them ineligible to participate in the Supplemental Nutrition Assistance Program.
- **PROVIDES MORE FRESH FRUITS AND VEGETABLES TO SCHOOL CHILDREN:** The bill includes a tremendous expansion of the Fresh Fruit and Vegetable Program, which provides free fresh fruits and vegetables to low-income children in schools. Over the next ten years, \$1 billion is invested in this initiative, which will allow it to serve as many as 3 million low-income children.

- **STRENGTHENS ASSISTANCE FOR FOOD BANKS:** With the recent surge in food prices and economic recession, local area food banks are struggling to help low-income families put food on their tables. To help strengthen the domestic food assistance safety net, the farm bill provides \$1.256 billion over the next ten years to increase commodity purchases for food banks – an increase to nearly double the current level of funding.
- **CONTINUES THE SENIOR FARMERS' MARKET NUTRITION PROGRAM:** The bill expands food assistance to low-income seniors by \$50 million over the next ten years in order to help them purchase agricultural products at farmers' markets, roadside stands and other community-supported agriculture programs.
- **PROMOTES COMMUNITY FOOD PROJECTS:** The bill provides \$50 million for USDA to provide competitive grants to eligible organizations for community food projects, such as school gardens

Rural Development:

- **SUPPORTS MARKETING LOCALLY PRODUCED AGRICULTURAL PRODUCTS:** The aggregation and wholesaling of locally grown food is specified as a priority for the Business and Industry Loan Guarantee Program. Support to marketing locally produced agricultural products is also made an allowable use for the Value Added Product Market Development Grant Program
- **REDUCES BACKLOG OF UNFUNDDED PENDING RURAL DEVELOPMENT WATER AND WASTEWATER LOAN AND GRANT APPLICATIONS:** The bill provides \$120 million in mandatory funding for pending qualified applications for water and waste disposal grants and loans. Lower interest rates for most water and waste water loans are made permanent.
- **EXPANDS BROADBAND SERVICE IN RURAL AREAS:** Businesses, farms and families in rural areas continue to lack broadband. The bill shifts assistance toward areas with no or very limited service. It also simplifies application requirements.
- **CREATES A NEW RURAL MICROENTERPRISE ASSISTANCE INITIATIVE:** The bill establishes a rural microenterprise assistance program for low and moderate income individuals to help develop the skills necessary to establish new small businesses in rural areas. The funds will also provide the resources for long term small loans of \$50,000 or less. \$15 million in mandatory money is provided.
- **REESTABLISHES THE NORTHERN GREAT PLAINS REGIONAL AUTHORITY AND EXTENDS THE DELTA REGIONAL AUTHORITY:** The Northern Great Plains Regional Authority is expanded and allowed to operate without a Federal member if such a member has not been confirmed by the Senate 180 days after enactment. The Delta Regional Authority is extended through 2012.

- **NEW REGIONAL PLANNING AUTHORITIES:** The bill establishes the Northern Border Regional Economic Development Commission, the Southeast Crescent Regional Commission and the Southwest Border Regional Commission. The goal of these Commissions is to serve communities by leveraging public and private sector resources that are focused on basic business development and job skills services, infrastructure development and transportation improvements.

AUTHORIZES A NEW RURAL COLLABORATIVE INVESTMENT PROGRAM:

PROGRAM: The goal of this program is to have self-identified rural areas, generally encompassing more than 25,000 people, collaboratively develop plans to maximize quality jobs and to improve the quality of life in the area with particular emphasis on increasing local investment. The program is authorized to provide federal financial assistance which is to be matched for planning. Substantial innovation grants can be awarded to winning proposals. The initiative promotes roles for community foundations.

- **EXPANDS THE FARM LABOR HOUSING PROGRAM:** This program, which provides low interest loans or grants for the construction and improvement of housing for farm labor, is expanded to assist housing for low income employees in agricultural processing
- **REFORMS THE DEFINITION OF RURAL:** The title clarifies the definition of areas that are not eligible for USDA rural programs in the vicinity cities of more than 50,000 and allows the Secretary of Agriculture to undertake rulemaking on the definition of rural under a variety of specific requirements.

Agricultural Research and Extension:

- **CREATES A NEW NATIONAL INSTITUTE OF FOOD AND AGRICULTURE (NIFA):** The bill creates a new institute, the National Institute of Food and Agriculture (NIFA), to strengthen competitively-awarded agricultural research funding and focus on the infrastructure needs of the land-grant university system to deliver research results to the public. All of the authorities under the Cooperative State Research, Education and Extension Service (CSREES) are transferred to NIFA. The newly-established NIFA gives USDA's grant-making research agency additional visibility, independence, and scientific credibility.
- **COORDINATES AND FOCUSES USDA RESEARCH AND EXTENSION:** The bill creates a new office, the Research, Education, and Extension Office, to coordinate programs and activities across the various research agencies at USDA. This central office at USDA will focus the activities of the research agencies to enhance multi-agency collaboration and to streamline administration of agricultural research, extension and education programs.

- **BUILDS NEW FUNDING OPPORTUNITIES:** The bill builds support for our agricultural research, extension and education system through new authorities, including a new grant program for research and development of biomass feedstocks. The bill also increases access to funding for minority-serving land-grant institutions.
- **STRENGTHENS ORGANIC AGRICULTURE RESEARCH AND EXTENSION:** The bill provides \$78 million in mandatory funds for the Organic Research and Extension Initiative, which enhances the ability of organic producers and processors to grow and market organic food, feed and fiber.
- **BOOSTS SPECIALTY CROP RESEARCH:** The bill provides \$230 million in mandatory funds for a new grants program, the Specialty Crop Research Initiative, which will help meet the needs of producers and processors of specialty crops involving mechanization, plant breeding, genetics, genomics, pests and diseases and food safety.
- **CREATES A BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM:** The bill provides \$75 million in mandatory funds for the Beginning Farmer and Rancher Development Program, which will fund initiatives to assist beginning farmers and ranchers succeed with their operations. Through this program, beginning farmers and ranchers will be able to receive education and training in a variety of areas, including financial management, risk management, marketing, whole farm planning and farming practices.

Horticulture and Organic Agriculture:

- **SUPPORTS GROWTH OF FARMERS' MARKETS:** Farmers' markets are a hugely important opportunity for farmers to market and consumers to obtain fresh, local, healthy foods. The bill provides a \$33 million boost in mandatory funding to develop and expand farmers markets across the country.
- **EXPANDS ORGANIC TRANSITION:** Organic agriculture is one of the fastest growing sectors of American agriculture, but many producers face challenges as they try to transition to organic production. To assist these producers, \$22 million in mandatory funding is provided for the next five years – an increase of \$17 million from the last farm bill.
- **REQUIRES USDA ORGANIC DATA COLLECTION:** Comprehensive reporting of prices is a critical marketing tool for producers, as well as for USDA in determining appropriate crop insurance policies for commodities, yet this information is significantly lacking in the organic sector. The bill invests \$5 million in an organic data collection initiative to help provide USDA and organic producers with national production and market data.

- **EXPANDS SPECIALTY CROP BLOCK GRANTS:** The Specialty Crop Block Grant Program provides funds to state departments of agriculture for the purpose of enhancing the competitiveness of United States specialty crops in areas such as marketing, promotion, education, research, trade and nutrition. The farm bill provides a significant investment in this program of \$466 million over the next ten years.
- **CREATES AND FUNDS A NEW PLANT PEST AND DISEASE INITIATIVE:** Invasive species – such as the glassy-winged sharpshooter – pose a significant risk to U.S. agriculture. The farm bill provides \$377 million over the next ten years for a new Pest and Disease Program which will provide funding to state departments of agriculture that develop a cooperative agreement with USDA’s Animal and Plant Health Inspection Service (APHIS) for the purpose of combating invasive species and other threats to plant health.

Forestry:

- **ESTABLISHES NATIONAL PRIORITIES FOR ASSISTING PRIVATE FOREST CONSERVATION:** The forestry title establishes national priorities for private forest conservation. These priorities include:
 - conserving and maintaining working forest landscapes for multiple uses;
 - protecting forests from threats to forest health; and
 - enhancing public benefits from private forests.
- **ESTABLISHES A NEW COMMUNITY FOREST AND OPEN SPACE CONSERVATION PROGRAM:** This program provides matching funds to help county or local governments or non-profits organizations purchase from willing sellers private forests that are threatened by conversion to non-forest use and are economically, culturally and environmentally important to communities
- **STRENGTHENS AUTHORITIES TO PREVENT ILLEGAL LOGGING PRACTICES:** This provision represents an important step for combating the international and domestic problem of illegal logging. American manufacturers are increasingly struggling to compete with the low-priced wood and wood products being harvested from illegal sources. This provision amends current law to provide another tool for the U.S. government to prevent trade in illegal timber.
- **DIRECTS FOREST SERVICE CULTURAL AND HERITAGE COOPERATION:** The forestry title strengthens the Secretary of Agriculture’s ability to work with Indian tribes relating to reburials on National Forest land, to allow temporary closure of National Forest land for tribal cultural and traditional purposes and to permit tribal access to forest products from National Forest land for noncommercial traditional and cultural purposes.
- **ASSISTS EMERGENCY FOREST RESTORATION:** A new authority is established to help restore private forest land after disasters such as hurricanes and wildfires.

Energy:

- **PROMOTES BIOMASS CROP PRODUCTION, HARVESTING, PROCESSING:** The bill creates and fully funds a program to encourage farmers to establish and grow biomass crops in areas around biomass facilities such as biorefineries. It also provides matching payments to producers for harvest, transport and storage of biomass delivered to such a facility.
- **PROVIDES BIOMASS LOAN GUARANTEES:** The bill provides \$320 million in mandatory funding for loan guarantees for commercial scale biorefineries for advanced biofuels. The maximum guaranteed loan amount is \$250 million and 80 percent of total project costs, with up to 90 percent of that guaranteed.
- **SUPPORTS RURAL RENEWABLE ENERGY AND ENERGY EFFICIENCY:** The energy title provides \$250 million in mandatory funding to provide grants and loan guarantees for renewable energy and energy efficiency systems for farmers, ranchers and rural small businesses. This program leverages on average ten times the federal funding it receives. The mandatory funding in the bill will more than double the amount previously spent on these projects.
- **ASSISTS CONVERSTION TO BIOMASS ENERGY:** The bill provides \$35 million in mandatory funding for grants to support repowering of existing biorefineries with biomass energy systems.
- **ENCOURAGES PRODUCTION OF ADVANCED BIOFUELS:** Included in the energy title is \$300 million in mandatory funding for payments to support the production of advanced biofuels, including biodiesel and cellulosic biofuels.
- **EXPANDS BIOMASS RESEARCH AND DEVELOPMENT:** The Biomass Research and Development program is the premier biomass energy research program; it is administered jointly with the Department of Energy. The bill continues this program and provides \$118 million in mandatory funding, which more than doubles current funding.
- **CONTINUES BIODIESEL FUEL EDUCATION INITIATIVE:** Competitive grants to educate the public about effective biodiesel use and the benefits of biodiesel are continued with funding of \$1 million per year.
- **STRENGTHENS THE FEDERAL PROCUREMENT AND LABELING PROGRAM FOR BIOBASED PRODUCTS:** The energy title amends the current biobased products federal purchase preference and labeling programs to include intermediate ingredients and feedstocks and provide for automatic designation for items composed of high levels of these feedstocks. Also sets a deadline for implementation of the biobased product labeling program and increases funding for this program to \$2 million per year.

Livestock, Poultry and Competition:

- **STRENGTHENS PRODUCER PROTECTIONS:** The bill ensures producers are not forced into mandatory arbitration in livestock or poultry contracts. Producers will be allowed to decline arbitration prior to entering into the contract.
- **INCREASES CONTRACTING FAIRNESS:** The bill enables a swine or poultry producer to litigate a contract dispute where the principal part of their production occurs, instead of where the company headquarters is located, which could be several states away from where the producer's farm is located.
- **CLARIFIES COUNTRY OF ORIGIN LABELING REQUIREMENTS:** The bill requires retailers to label the country of origin of meat, (such as beef, lamb, pork, chicken and goat meat), fish, fruits and vegetables, ginseng, peanuts, pecans and macadamia nuts by September 30, 2008.
- **IMPROVES ADMINISTRATIVE OVERSIGHT:** The bill improves oversight and transparency of USDA's enforcement of the Packers and Stockyards Act by requiring the Department of Agriculture to provide an annual compliance report detailing the number of investigations and length of time spent on potential violations of the Act. Investigations will be required to be tracked and documented throughout every step of the enforcement process starting with the Grain Inspection, Packers and Stockyards Administration, USDA Office of General Counsel and the Department of Justice.

CROP INSURANCE:

- **SUPPORTS CROP INSURANCE RESEARCH AND DEVELOPMENT:** Growth in organic agriculture, dedicated energy crops, poultry production, aquaculture, increasing interest in whole farm revenue insurance and needs of beginning farmers all necessitates research and development of new and improved crop insurance products. The bill instructs the Risk Management Agency to undertake research and development in these areas and establishes several pilot programs.
- **UPGRADES TECHNOLOGY AND TIGHTENS FRAUD ABUSE:** The bill provides badly needed funds to upgrade the computer systems at the Risk Management Agency, and to allow the continuation of the RMA's very successful use of data-mining to assist in detecting fraud or abuses committed against the program.
- **ESTABLISHES A NEW DISASTER ASSISTANCE PROGRAM:** The bill includes a disaster assistance program to assist farmers who lose their crops, livestock or trees or suffer from shallow losses due to disasters such as floods or drought. The program complements the existing crop insurance program by providing additional assistance to farmers based on loss of crop revenue for their whole farm operation. The additional payments are based on their level of losses compared to a benchmark proportional to their level of crop insurance coverage purchased at the beginning of the crop year.

- **MODIFIES THE REIMBURSEMENT RATE:** The bill sets the reimbursement rate paid to companies for delivering crop insurance at an average of 18.5 percent, a modest reduction intended to account for the large gains in overall revenue paid to the crop insurance companies in the last few years due to higher crop prices. The provision will allow half of the reduction to be restored in states that suffer significant crop losses in a given year, to help companies and agents deal with higher costs associated with adjusting the crop losses experienced by farmers.
- **IMPROVES CROP INSURANCE ADMINISTRATION AND DELIVERY:** The bill strengthens existing rules against potential abuses of the program such as rebating under the crop insurance program. It sets rules under which revisions to existing contractual relationships between crop insurance companies and the Risk Management Agency can be negotiated (called the Standard Reinsurance Agreement). It also requires the Risk Management Agency to study how to fix crop insurance for producers of organic crops.

Commodity Exchange Act Reauthorization

- **CONTINUES AUTHORITY OF THE COMMODITY FUTURES TRADING COMMISSION:** The bill renews the authority of and the authorization for appropriations for the Commodity Futures Trading Commission (CFTC) to continue operating through 2013.
- **LIMITS SPECULATION AND INCREASES TRANSPARENCY IN ENERGY MARKETS:** Since 2002, CFTC rules have exempted electronic energy markets for large traders from direct government regulation. This bill includes measures to increase federal oversight authority to detect and prevent manipulation and to limit speculation in U.S. electronic energy markets by increasing reporting requirements (the Feinstein-Levin bill).
- **PROTECTS CONSUMERS FROM FOREIGN CURRENCY FRAUD:** The bill clarifies the Commodity Futures Trading Commission's anti-fraud authority over foreign currency contracts offered to consumers.
- **FIGHTS FRAUD:** Provisions reauthorizing the CFTC also extend the Commodity Futures Trading Commission's fraud authority to cover direct transactions between large traders.
- **DETERS UNLAWFUL CRIMINAL ACTIVITY:** The bill expands the civil and criminal penalties for violating the Commodity Exchange Act.