1 # TITLE II—CONSERVATION

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

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

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

8 (1) in subsection (a)—

(A) by striking "2007" and inserting "2012"; and

(B) by inserting before the period the following: "and to address issues raised by State, regional, and national conservation initiatives";

(2) in subsection (b)(1)(B), by striking "the Farm Security and Rural Investment Act of 2002" and inserting "the [2007 Farm Bill]".

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

(c) CONSERVATION PRIORITY AREAS.—Section 1231(f) of the Food Security Act of 1985 (16 U.S.C. 3831(f)) is amended by striking "the Chesapeake Bay Region (Pennsylvania, Maryland, and Virginia)" and inserting "the Chesapeake Bay Region".

(d) PILOT PROGRAM FOR ENROLLMENT OF WETLAND AND BUFFER ACREAGE IN CONSERVATION RESERVE.—Section 1231(h)(1)(A) of the Food Security Act of 1985 (16 U.S.C. 3831(h)(1)(A)) is amended by striking "2007" and inserting "2012".

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

mass'' the following: ''and prescribed grazing for the control of invasive species''.

(f) FEDERAL PERCENTAGE OF COST SHARING PAYMENTS.—Section 1234(b) of the Food Security Act of 1985 (16 U.S.C. 3834(b)) is amended by striking ''50 percent'' and inserting ''75 percent''.

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

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

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

(1) in subsection (c)(1)(B)—

(A) in clause (ii), by striking "or" at the end;

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

(C) by inserting after clause (ii) the following new clause:

"(iii) to facilitate a transition of land subject to the contract from a retired or retiring owner or operator to a beginning farmer or rancher or socially disadvantaged farmer or rancher for the purpose of returning some or all of the land into production using sustainable grazing or crop production methods; or"; and

(2) by adding at the end the following new subsection:

"(f) TRANSITION OPTION FOR BEGINNING FARMERS OR RANCHERS AND SOCIALLY DISADVANTAGED FARMERS OR RANCHERS.—In the case of a contract modification approved in order to facilitate the transfer of land subject to a contract from a retired or retiring owner or operator to a beginning farmer or rancher or socially disadvantaged farmer or rancher under subsection (c)(1)(B)(iii), the Secretary shall—

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

"(A) allow the beginning farmer or rancher or socially disadvantaged farmer or rancher, in conjunction with the retired or retiring owner or operator, to make conservation and land improvements; and

"(B) allow the beginning farmer or rancher or socially disadvantaged farmer or rancher, at the election of the farmer or rancher, to begin the certification process under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.);

"(2) beginning on the date of termination of the contract, require the retired or retiring owner or operator to sell or lease (under a long-term lease or a lease with an option to purchase) to the beginning farmer or rancher or socially disadvantaged farmer or rancher the land subject to the contract for production purposes;

"(3) require the beginning farmer or rancher or socially disadvantaged farmer or rancher to develop and implement a comprehensive conservation plan that meets such sustainability criteria as the Secretary may establish; and

"(4) provide to the beginning farmer or rancher or socially disadvantaged farmer or rancher an opportunity to enroll in the conservation security program established under subchapter A of chapter 2 or the environmental quality incentives program established under chapter 4 by not later than the date on which the farmer or rancher takes possession, through ownership or lease, of the land.".

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

SEC. 2102. WETLANDS RESERVE PROGRAM.

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

"(a) ESTABLISHMENT AND PURPOSES.—

"(1) ESTABLISHMENT.—The Secretary shall establish a wetlands reserve program to assist owners of eligible lands in restoring and protecting wetlands.

"(2) PURPOSES.—The purposes of the wetlands reserve program are—

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

"(B) to authorize the Secretary, at the sole discretion of the Secretary, to purchase floodplain easements.".

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

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

"(1) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the wetlands reserve program shall not exceed—

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

"(B) 2,275,000 acres, if such changes in law do not occur."; and

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

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

1 "(4) FLOOD-PLAIN EASEMENTS.—Of the acres
2 to be enrolled each fiscal year, not more than 10,000
3 acres may be enrolled using flood-plain easements.".
4 (c) ELIGIBLE LANDS.—Subsection (c) of section
5 1237 of the Food Security Act of 1985 (16 U.S.C. 3837)
6 is amended to read as follows:
7 "(c) ELIGIBILITY.—For purposes of enrolling land
8 into the wetland reserve program established under this
9 subchapter during the 2008 through 2012 fiscal years,
10 land shall be eligible to be placed into such reserve if the
11 Secretary determines that—
12 "(1) in the case of wetlands—
13 "(A) the land maximizes wetland values
14 and functions and wildlife benefits;
15 "(B) the land is farmed wetland or con-
16 verted wetland, together with adjacent lands
17 that are functionally dependent on such wet-
18 lands, except that converted wetlands where the
19 conversion was not commenced prior to Decem-
20 ber 23, 1985, shall not be eligible to be enrolled
21 in the program under this section; and
22 "(C) the likelihood of the successful res-
23 toration of such land, and the resultant wetland
24 values, merit inclusion of the land into the pro-

gram taking into consideration the cost of such restoration; or

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

"(A) the flood-plain land has been damaged by flooding at least once within the previous calendar year, or has been subject to flood damage at least twice within the previous 10 years; or

"(B) the enrolment of other land within the flood plain would contribute to the restoration of the flood storage and flow or erosion control.".

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

"(e) INELIGIBLE LAND.—The Secretary may not acquire easements on—

"(1) in the case of wetlands—

"(A) land that contains timber stands established under the conservation reserve under subchapter B; or

"(B) pasture land established to trees under the conservation reserve under subchapter B; or

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

"(A) land on which implementation of restoration practices would not be productive; or

"(B) land that is subject to an existing easement or deed restriction, and the easement or deed provides sufficient protection or restoration of the flood plain's functions and values, as determined by the Secretary.".

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

(1) in subsection (a)(2), by inserting "if applicable," after "(2)";

(2) in subsection (b)—

(A) in the matter before paragraph (1), by inserting "or flood plain land" after "values of wetland";

(B) in paragraph (1)(B), by inserting "or flood plain land" after "wetland"; and

(C) in paragraph (3), by inserting "or flood plain lands" after "wetlands";

(3) in subsection (f)—

(A) by striking "Compensation for" in the first sentence and inserting the following:

"(1) COMPENSATION PROVIDED; AMOUNT.—Compensation for";

(B) by striking the second sentence; and

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

"(2) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of land under paragraph (1) in accordance with the method of valuation used by the Secretary as of January 1, 2003. The Secretary shall promulgate such rules as may be necessary to ensure that the determination of fair market value uses the method of valuation used by the Secretary as of January 1, 2003.

"(3) SUBMISSION OF BIDS.—Lands may be enrolled through the submission of bids under a procedure established by the Secretary.".

(4) by adding at the end the following new subsection:

"(h) ACCEPTANCE OF CONTRIBUTIONS.—The Secretary may accept and use contributions of non-Federal funds to administer the program under this subchapter.".

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

(1) in subsection (a)(1)—

(A) by inserting "including necessary maintenance activities," after "values,"; and

(B) by inserting "or flood plains land" after "wetland";

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

"(4) MANAGEMENT COSTS.—The Secretary may make payments to owners to cover not more than 50 percent of the actual cost of undertaking any ongoing or periodic management activities necessary to maintain the functional values of wetland enrolled in the wetlands reserve program."; and

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

"(c) RANKING OF OFFERS.—

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

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

"(B) the cost-effectiveness of each easement or other interest in eligible land, so as to maximize the environmental benefits per dollar expended; and

"(C) whether the landowner or another person is offering to contribute financially to

1 the cost of the easement or other interest in the
2 land to leverage Federal funds.
3 "(2) CONSERVATION BENEFITS.—In deter-
4 mining the acceptability of easement offers, the Sec-
5 retary may take into consideration—
6 "(A) in the case of wetlands—
7 "(i) the extent to which the purposes
8 of the easement program would be
9 achieved on the land;
10 "(ii) the productivity of the land; and
11 "(iii) the on-farm and off-farm envi-
12 ronmental threats if the land is used for
13 the production of agricultural commodities;
14 and
15 "(B) in the case of flood plain lands—
16 "(i) the extent to which the purposes
17 of the easement program would be
18 achieved on the land;
19 "(ii) whether the land has been re-
20 peatedly flooded over the last ten years;
21 "(iii) the extent to which an easement
22 on the flood plain land would contribute to
23 the restoration or management of land in
24 the area surrounding the flood plain land;
25 and

"(iv) other factors, as determined by the Secretary.".

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

"(4) WETLANDS RESERVE ENHANCEMENT.—

"(A) IN GENERAL.—The provisions of this subchapter that limit payments to any person, and section 1305(d) of the Agricultural Reconciliation Act of 1987 (Public Law 100–203; 7 U.S.C. 1308 note), shall not apply to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under a special wetlands reserve enhancement program carried out by that entity that has been approved by the Secretary.

"(B) AGREEMENTS.—The Secretary may enter into agreements with States (including political subdivisions and agencies of States) regarding payments described in subparagraph (A) that the Secretary determines will advance the purposes of this subchapter.".

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

"SEC. 1237G. PERIOD OF AUTHORIZATION.

"This subchapter is authorized to be carried out for the 2008 through 2012 fiscal years.".

SEC. 2103. CONSERVATION SECURITY PROGRAM.

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

"Subchapter A—Conservation Security Program

"SEC. 1238. DEFINITIONS.

"In this subchapter:

"(1) BEGINNING FARMER OR RANCHER.—The term 'beginning farmer or rancher' has the meaning given the term under section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)).

"(2) CONSERVATION PRACTICE.—The term 'conservation practice' means a site-specific, ~~annual~~ land management practice or activity, or a supporting structural practice, that is part of an ~~annu-~~

1 ally- implemented management system designed to
2 address a priority resource of concern.
3 "(3) CONSERVATION SECURITY CONTRACT.—
4 The term 'conservation security contract' means a
5 contract entered into under this subchapter.
6 "(4) CONSERVATION SECURITY PROGRAM.—The
7 term 'conservation security program' means the pro-
8 gram established under section 1238A(a).
9 "(5) STRUCTURAL PRACTICE.—The term 'struc-
10 tural practice' means a site-specific, constructed con-
11 servation practice that is integrated with and essen-
12 tial to the successful implementation of the system
13 of land management practices and activities that are
14 the basis of a conservation security contract.
15 "(6) MANAGEMENT INTENSITY.—The term
16 'management intensity' means the scope and com-
17 prehensiveness of practices or activities taken by a
18 producer to address a priority resource of concern.
19 "(7) NEW PRACTICE PAYMENT.—The term 'new
20 practice payment' means a payment determined in
21 accordance with section 1238C(c)(3).
22 "(8) NONDEGRADATION STANDARD.—The term
23 'nondegradation standard' means the level of natural
24 resource conservation and environmental manage-
25 ment measures required to improve and sustain the

1 status and condition of natural and environmental
2 resources to a level that, as determined by the Sec-
3 retary—
4 "(A) prevents impairment of soil, water,
5 and air quality and the quality of fish and wild-
6 life habitat; and
7 "(B) sustains the long-term productivity of
8 agricultural resources.
9 "(9) PRIORITY RESOURCE OF CONCERN.—The
10 term 'priority resource of concern' means a resource
11 of concern identified by the Secretary, consistent
12 with the requirements of section 1238C(a), that
13 must be addressed by participants in the conserva-
14 tion security program in a particular watershed or
15 other area within that State.
16 "(10) PRODUCER.—The term 'producer' means
17 an owner, operator, landlord, tenant, or share-
18 cropper that——
19 "(A) shares in the risk of producing any
20 crop or livestock; and
21 "(B) is entitled to share in the crop or
22 livestock available for marketing from a farm
23 (or would have shared had the crop or livestock
24 been produced).

"(11) RESOURCE-SPECIFIC INDEX.—The term 'resource-specific index' means an index developed by the Secretary that estimates the comprehensiveness and intensity of the management measures employed by a producer to address a priority resource of concern on an agricultural operation for purposes of determining eligibility and payments for participants in the conservation security program.

"(12) STEWARDSHIP BASE PAYMENT.—The term 'stewardship base payment' means a payment determined in accordance with section 1238C(c)(2).

"SEC. 1238A. CONSERVATION SECURITY PROGRAM.

"(a) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish, and for each of fiscal years 2012 through 2017, carry out a conservation security program to assist producers in improving environmental quality by addressing priority resources of concern in a comprehensive manner.

"(b) ELIGIBLE PRODUCERS.—To be eligible to participate in the conservation security program, a producer shall—

"(1) demonstrate that the producer is addressing at least one priority resource of concern to at least the minimum level of management intensity required by section 1238C(b)(2);

"(2) develop and submit to the Secretary, and obtain the approval of the Secretary of, a conservation plan that includes a schedule of new conservation practices and activities designed to increase, over the term of the conservation security contract, the level of management intensity with which the producer is addressing ~~at least one~~ a priority resource or resources of concern, consistent with the requirements of subsection (e); and

"(3) enter into a conservation security contract with the Secretary.

"(c) ELIGIBLE LAND.—

"(1) IN GENERAL.—Except as provided in paragraph (2), private agricultural land (including cropland, grassland, prairie land, improved pasture land, forest land and rangeland) and land under the jurisdiction of an Indian tribe (as defined by the Secretary) shall be eligible for enrollment in the conservation security program.

"(2) EXCLUSIONS.—

"(A) LAND ENROLLED IN OTHER CONSERVATION PROGRAMS.—Except as provided in subsection (f)(3)(A), the following lands are not eligible for enrollment in the conservation security program:

"(i) Lands enrolled in the conservation reserve program under subchapter B of chapter 1.

"(ii) Land enrolled in the wetlands reserve program established under subchapter C of chapter 1.

"(iii) Land enrolled in the grassland reserve program established under subchapter C of chapter 2.

"(B) CONVERSION TO CROPLAND.—Land used for crop production after October 1, 2011, that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date (except for land enrolled in the conservation reserve program or that has been maintained using long-term crop rotation practices, as determined by the Secretary) shall not be the basis for any payment under the conservation security program.

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

"(1) maintain the agricultural nature of the land; and

"(2) are consistent with the conservation purposes of the conservation security program.

"(e) CONSERVATION SECURITY CONTRACTS.—

"(1) IN GENERAL.—After a determination that a producer is eligible for the conservation security program, and on approval of the conservation plan of the producer, the Secretary shall enter into a conservation security contract with the producer to enroll the land to be covered by the contract in the conservation security program. A producer may not simultaneously be a party to more than one conservation security contract.

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

"(3) PROVISIONS.—The conservation security contract of a producer shall—

"(A) ~~the~~ include a conservation plan approved by the Secretary;

"(B) describe the land covered by the conservation security contract, except that all the acres of the agricultural operation that are under the producer's effective control at the time the producer enters into a conservation security contract shall be covered by the conservation security contract;

"(C) state the amount of the stewardship base payment (determined in accordance with section 1238C(c)(2)) the Secretary agrees to make to the producer each year of the conservation security contract;

"(D) describe the new conservation practices and activities the producer agrees to implement during the term of the conservation security contract in order to increase the level of management intensity with which the producer addresses ~~at least one~~ the priority resource or resources of concern as designated by the Secretary under 1238C(a)(1);

"(E) state the amounts of the new practice payments the Secretary agrees to make to the producer upon implementation of the new practices and activities described in the conservation security contract; and

"(F) include such other provisions as the Secretary determines necessary to ensure the conservation purposes of the conservation security program are met.

"(4) ON-FARM RESEARCH AND DEMONSTRATION OR PILOT TESTING.—The Secretary may approve a conservation security contract that includes—

"(A) on-farm conservation research and demonstration activities; and

"(B) pilot testing of new technologies or innovative conservation practices.

"(f) MODIFICATION.—

"(1) MODIFICATION AT OPTION OF THE PRODUCER PROHIBITED.—

"(A) IN GENERAL.—In order to reduce unnecessary administrative and technical assistance costs, the Secretary shall not allow contract modifications at the option of the producer for purposes of allowing the producer to increase the stewardship or new practice payments above the amount established in the initial contract, but the Secretary shall allow contract renewals at the end of the initial contract consistent with subsection (i).

"(B) EXCEPTION FOR EXISTING CONTRACTS.—For conservation security contracts entered into before October 1, 2011, the Secretary shall allow a producer to modify a conservation security contract, so long as the modified contract meets all the requirements of this subchapter.

"(2) OTHER MODIFICATION AUTHORITY.—The Secretary may allow a producer to modify a conservation security contract before the expiration of the contract if the Secretary determines that—

"(A) a change made to the type, size, management, or other aspect of the agricultural operation of the producer would, without the modification of the contract, significantly interfere with achieving the purposes of the conservation security program; or

"(B) the contract was entered into before October 1, 2011, and without the modification of the contract, the contract will be inconsistent with the purposes of the conservation security program.

"(3) PARTICIPATION IN OTHER PROGRAMS.—If appropriate payment reductions and other adjustments (as determined by the Secretary) are made to the conservation security contract of a producer, the producer may—

"(A) simultaneously participate in—

"(i) the conservation security program;

"(ii) the conservation reserve program; and

"(iii) the wetlands reserve program; and

"(B) may remove land enrolled in the conservation security program for enrollment in the conservation reserve program or wetland reserve program.

"(g) CONTRACT TERMINATION.—

"(1) OPTIONAL TERMINATION.—A producer may terminate a conservation security contract and retain payments already received under the conservation security contract, if—

"(A) the producer is in full compliance with the terms and conditions (including any maintenance requirements) of the conservation security contract as of the date of the termination; and

"(B) the Secretary determines that termination of the contract would not defeat the purposes of the conservation plan of the producer.

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

"(A) terminate the conservation security contract; and

"(B) retain payments already received under the conservation security contract, if the producer has fully complied with the terms and conditions of the conservation security contract (including any maintenance requirements) before termination of the contract, as determined by the Secretary.

"(3) TRANSFER OR CHANGE OF INTEREST IN LAND SUBJECT TO CONSERVATION SECURITY CONTRACT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the transfer, or change in the interest, of a producer in land subject to a conservation security contract shall result in the termination of the conservation security contract.

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

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

"(h) CONTRACT RENEWAL.—At the end of an initial conservation security contract of a producer, the Secretary may allow the producer to renew the contract for one additional five-year period if the producer—

"(1) demonstrates compliance with the terms of the existing contract, including a demonstration that the producer has complied with the schedule for the implementation of new practices and activities included in the conservation security contract and has met the stated goals for increasing the level of management intensity with which the producer is addressing one or more of the designated priority resource or resources of concern; and

"(2) agrees to implement additional new conservation practices and activities and to achieve~~ing~~ higher levels of management intensity with which the producer addresses the designated ~~at least one~~ priority resource or resources of concern.

"(i) EFFECT OF NONCOMPLIANCE DUE TO CIRCUMSTANCES BEYOND THE CONTROL OF PRODUCERS.—The Secretary shall include in the conservation security contract a provision to ensure that a producer shall not

be considered in violation of a conservation security contract for failure to comply with the conservation security contract due to circumstances beyond the control of the producer, including a disaster or related condition, as determined by the Secretary.

"(j) EVALUATION OF OFFERS.—In evaluating applications by producers to enroll in the conservation security program, the Secretary shall—

"(1) evaluate applications based on their overall level of cost-effectiveness, by considering with respect to each application the ratio of the expected total cost of the conservation security contract to the anticipated environmental benefits from the contract;

"(2) evaluate applications based on the extent to which the producer proposes to increase the management intensity with which the producer addresses the designated ~~at least one~~ priority resource or resources of concern; and

"(3) develop any additional criteria for evaluating applications that the Secretary determines are necessary to ensure that national, State, and local conservation priorities are effectively addressed.

"SEC. 1238B. DUTIES OF PRODUCERS.

"(a) AGREEMENT BY PRODUCER.—Under a conservation security contract, a producer shall agree—

"(1) to implement during the term of the conservation security contract the conservation plan approved by the Secretary;

"(2) to maintain, and make available to the Secretary at such times as the Secretary may request, appropriate records showing the effective and timely implementation of the conservation security contract; and

"(3) not to engage in any activity during the term of the conservation security contract that would interfere with the purposes of the conservation security program.

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

"(1) if the Secretary determines that the violation warrants termination of the conservation security contract, the producer shall—

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

"(B) refund to the Secretary all or a portion of the payments received by the producer under the conservation security contract, including any advance payments and interest on the payments, as determined by the Secretary;

"(2) if the Secretary determines that the violation does not warrant termination of the conservation security contract, the producer shall refund to the Secretary, or accept adjustments to, the payments provided to the producer, as the Secretary determines to be appropriate; or

"(3) some combination of the remedies authorized by paragraphs (1) and (2), as determined by the Secretary to be appropriate.

"SEC. 1238C. DUTIES OF THE SECRETARY.

"(a) IDENTIFICATION OF PRIORITY RESOURCES OF CONCERN.—

"(1) IDENTIFICATION AT STATE LEVEL.—The Secretary shall ensure that the identification of priority resources of concern is made at the State level so that each priority resource of concern—

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

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

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

1 sources of concern in a State or geographical area
2 within the State.
3 "(3) RANKING OF PRIORITY RESOURCES OF
4 CONCERN.—The Secretary, with the advice of the
5 appropriate State technical committee and in con-
6 sultation with Federal and State agencies with ex-
7 pertise related to natural resources and environ-
8 mental quality, shall designate, to the extent prac-
9 ticable, each priority resource of concern identified
10 under subparagraph (A) as either a primary, sec-
11 ondary, or tertiary resource of concern.
12 "(b) DEVELOPMENT OF RESOURCE-SPECIFIC INDI-
13 CES.—The Secretary shall develop resource-specific indi-
14 ces to measure the management intensity with which spe-
15 cific resources of concern are addressed, for purposes of
16 determining eligibility and payments for participants in
17 the conservation security program.
18 "(c) PAYMENTS.—
19 "(1) TIMING OF PAYMENTS.—The Secretary
20 shall make payments under a conservation security
21 contract as soon as practicable after October 1 of
22 each fiscal year.
23 "(2) STEWARDSHIP BASE PAYMENT.—
24 "(A) IN GENERAL.—The Secretary shall
25 provide a stewardship base payment to a pro-

1 ducer under a conservation security contract
2 that reflects the degree to which the producer
3 is addressing, at the time the producer entered
4 into the contract, the priority resources of con-
5 cern, as measured by the applicable resource-
6 specific indices.
7 "(B) PAYMENT AMOUNT.—The annual
8 stewardship payment amount shall be deter-
9 mined by the Secretary and is intended to ad-
10 dress the cost of maintaining and continuing
11 the existing level of management intensity with
12 which the producer is addressing the designated
13 priority resources of concern.
14 "(3) NEW PRACTICE PAYMENT.—
15 "(A) ELIGIBLE CONSERVATION PRAC-
16 TICES.—
17 "(i) IN GENERAL.—The Secretary
18 shall make eligible for new practice pay-
19 ments under a conservation security con-
20 tract land management, vegetative, and
21 structural practices that are described in
22 the conservation security contract of the
23 producer.
24 "(ii) DETERMINATION.—In deter-
25 mining the eligibility of a practice de-

1 scribed in clause (i), the Secretary shall re-
2 quire, to the maximum extent practicable,
3 that the lowest cost alternatives be used to
4 fulfill the purposes of the conservation se-
5 curity contract, as determined by the Sec-
6 retary.
7 "(B) EXCLUSIONS.—A payment to a pro-
8 ducer under this paragraph shall not be pro-
9 vided for the design, construction, or mainte-
10 nance of animal waste storage or treatment fa-
11 cilities or associated waste transport or transfer
12 devices for animal feeding operations;
13 "(C) PAYMENT AMOUNT.—A new practice
14 payment under the conservation security pro-
15 gram shall consist of not more than 75 percent
16 (or, in the case of a beginning farmer or ranch-
17 er or socially disadvantaged farmer or rancher,
18 90 percent) of the cost of implementing (as de-
19 termined by the Secretary) each new conserva-
20 tion practice to be implemented under the con-
21 servation security contract, including the costs
22 of the adoption of new management, vegetative,
23 and land-based structural practices;
24 "(d) PAYMENT LIMITATIONS.—An individual or enti-
25 ty may not receive, directly or indirectly, stewardship or

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

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

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

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

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

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

ment and implementation of conservation security contracts, in an amount not to exceed 15 percent of the total amount expended over the life of the conservation security program contract.''.

(b) EFFECT ON EXISTING CONSERVATION SECURITY CONTRACTS.—Subchapter A of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.), as in effect on the day before the date of the enactment of this Act, shall continue to apply to conservation security contracts entered into before October 1, 2007. The Secretary of Agriculture may continue to make payments under such subchapter, as so in effect, with respect to such a conservation security contracts during the term of the contract.

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

SEC. 2104. GRASSLAND RESERVE PROGRAM.

(a) MAXIMUM ENROLLMENT.—Subsection (b) of section 1238N of the Food Security Act of 1985 (16 U.S.C. 3838n) is amended by striking paragraph (1) and inserting the following new paragraph:

1 "(1) MAXIMUM ENROLLMENT.—The total num-
2 ber of acres of restored or improved grassland,
3 rangeland, and pastureland enrolled in the program
4 shall not exceed—
5 "(A) 2,000,000 acres, plus an additional
6 5,000,000 acres, effective beginning October 1,
7 2007, if changes in law that meet the require-
8 ments of section 307 of Senate Con. Res. 21 of
9 the 110th Congress (the Concurrent Resolution
10 on the Budget for Fiscal Year 2008) occur; or
11 "(B) 2,000,000 acres, if such changes in
12 law do not occur.".
13 (b) ENROLLMENT OF CONSERVATION RESERVE PRO-
14 GRAM LAND.—Section 1238N of the Food Security Act
15 of 1985 (16 U.S.C. 3838n) is amended by adding at the
16 end the following new subsection:
17 "(d) ENROLLMENT OF CONSERVATION RESERVE
18 PROGRAM LAND.—
19 "(1) ENROLLMENT AUTHORIZED.—Subject to
20 the eligibility requirements of subsection (c) and all
21 other requirements of this subchapter, land enrolled
22 in the conservation reserve program may be enrolled
23 in the grassland reserve program if the Secretary de-
24 termines that the land is of high ecological value and
25 under significant threat of conversion to other uses.

"(2) MAXIMUM ENROLLMENT.—The number of acres of conservation reserve program land enrolled under this subsection in a calendar year shall not exceed 10 percent of the total number of acres enrolled in the grassland reserve program in that calendar year.

"(3) PROHIBITION ON DUPLICATION OF PAYMENTS.—Land enrolled in the program under this subsection shall no longer be eligible for payments under the conservation reserve program.".

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

"(e) GRASSLANDS RESERVE ENHANCEMENT.—The Secretary may enter into such agreements with States, including political subdivisions and agencies of States, that the Secretary determines will advance the purposes of the grassland reserve program. Section 1305(d) of the Agricultural Reconciliation Act of 1987 (Public Law 100-203; 7 U.S.C. 1308 note) shall not apply to payments received by a State or political subdivision or agency thereof in connection with such an agreement.".

(d) REQUIRED DELEGATION TO PRIVATE ORGANIZATIONS OR STATE AGENCIES.—Section 1238Q(a) of the

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

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

6 (a) PURPOSES.—Section 1240 of the Food Security
7 Act of 1985 (16 U.S.C. 3839aa) is amended—
8 (1) in the matter preceding paragraph (1), by
9 inserting ", forest management," after "agricultural
10 production"; and
11 (2) by striking paragraphs (3) and (4) and in-
12 serting the following new paragraphs:
13 "(3) providing flexible assistance to producers
14 to install and maintain conservation practices that,
15 while sustaining production of food and fiber—
16 "(A) enhance soil, water, and related nat-
17 ural resources, including grazing land,
18 forestland, wetland, and wildlife; and
19 "(B) conserve energy;
20 "(4) assisting producers to make beneficial, cost
21 effective changes to cropping systems, grazing man-
22 agement, energy use, forest management, nutrient
23 management associated with livestock, pest or irriga-
24 tion management, or other practices on agricultural
25 and forested land; and".

1 (b) DEFINITIONS.—Section 1240A of the Food Secu-
2 rity Act of 1985 (16 U.S.C. 3839aa–1) is amended—
3 (1) by striking paragraph (3) and inserting the
4 following new paragraph:
5 "(3) LAND MANAGEMENT PRACTICE.—
6 "(A) IN GENERAL.—The term 'land man-
7 agement practice' means a site-specific nutrient
8 or manure management, integrated pest man-
9 agement, irrigation management, tillage or res-
10 idue management, grazing management, air
11 quality management, forest management, sil-
12 vicultural practice, or other land management
13 practice carried out on eligible land that the
14 Secretary determines is needed to protect from
15 degradation, in the most cost-effective manner,
16 water, soil, or related resources.
17 "(B) FOREST MANAGEMENT PRACTICES.—
18 For purposes of subparagraph (A), forest man-
19 agement practices may include activities that
20 the Secretary determines are needed to—
21 "(i) improve water quality;
22 "(ii) increase in-stream flows;
23 "(iii) restore forest biodiversity; or
24 "(iv) control invasive species.

"(C) COORDINATED IMPLEMENTATION.—A land management practice may involve multiple landowners implementing eligible conservation activities in a coordinated fashion.";

(2) in paragraph (4), by inserting "alpacas," after "sheep,";

(3) by redesignating paragraph (6) as paragraph (7); and

(4) by inserting after paragraph (5) the following new paragraph:

"(6) PRODUCER.—The term 'producer' means an individual who derives income from the production or management of an agricultural commodity or livestock regardless of ownership or whether the individual bears the risk of economic loss from that production or management.".

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

(1) in paragraph (1), by striking "2010" and inserting "2012"; and

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

"(B) a producer that implements a land management practice, receives technical services

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

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

"(1) AVAILABILITY OF INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer—

"(A) to perform 1 or more land management practices;

"(B) to receive technical services from an approved third-party provider;

"(C) to develop a comprehensive nutrient management plan; or

"(D) to implement energy efficiency improvements or renewable energy systems.".

(e) BEGINNING FARMERS OR RANCHERS AND SOCIALLY DISADVANTAGED FARMERS OR RANCHERS.—Section 1240B(d)(2) of the Food Security Act of 1985 (16

1 U.S.C. 3839aa–2(d)(2)) is amended by striking subpara-
2 graph (A) and inserting the following new subparagraph:
3 "(A) BEGINNING FARMERS OR RANCHERS
4 AND SOCIALLY DISADVANTAGED FARMERS OR
5 RANCHERS.—The Secretary may increase the
6 amount provided under paragraph (1) to a pro-
7 ducer that is a beginning farmer or rancher or
8 a socially disadvantaged farmer or rancher, as
9 determined by the Secretary, to an amount not
10 more than the lesser of—
11 "(i) 90 percent of the cost of the
12 practice, as determined by the Secretary;
13 or
14 "(ii) 15 percent more than the rate
15 offered to other farmers or ranchers.".
16 (f) ALLOCATION OF FUNDING.—Section 1240B(g) of
17 the Food Security Act of 1985 (16 U.S.C. 3839aa–2(g))
18 is amended by striking "2007" and inserting "2012".
19 (g) EVALUATION OF APPLICATIONS FOR COST-
20 SHARE PAYMENTS AND INCENTIVE PAYMENTS.—Section
21 1240C of the Food Security Act of 1985 (16 U.S.C.
22 3839aa–3) is amended to read as follows:

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

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

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

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

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

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

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

1 "(1) involve operations with substantial and
2 sound environmental management systems; and
3 "(2) seek a single practice or a limited number
4 of practices to further improve the environmental
5 performance of that system.".
6 (h) DUTIES OF PRODUCERS.—Section 1240D(2) of
7 the Food Security Act of 1985 (16 U.S.C. 3839aa–4(2))
8 is amended by striking "or ranch" and inserting ", ranch,
9 or forestland".
10 (i) PROGRAM PLAN.—Subsection (a) of section
11 1240E of the Food Security Act of 1985 (16 U.S.C.
12 3839aa–5) is amended to read as follows:
13 "(a) IN GENERAL.—To be eligible to receive cost-
14 share payments or incentive payments under the program,
15 a producer shall submit to the Secretary for approval a
16 plan of operations that—
17 "(1) specifies practices covered under the pro-
18 gram;
19 "(2) includes such terms and conditions as the
20 Secretary considers necessary to carry out the pro-
21 gram, including a description of the purposes to be
22 met by the implementation of the plan;
23 "(3) in the case of a confined livestock feeding
24 operation, provides for development and implementa-

1 tion of a comprehensive nutrient management plan,
2 if applicable; and
3 "(4) in the case of forestland, is consistent with
4 the provisions of a forest management plan meeting
5 with the approval of the Secretary, which may in-
6 clude a forest stewardship plan, as specified in sec-
7 tion 5 of the Cooperative Forestry Assistance Act of
8 1978 (16 U.S.C. 2103a), other practice plan ap-
9 proved by the State forester, or other plan deter-
10 mined appropriate by the Secretary.".
11 (j) DUTIES OF THE SECRETARY.—Section 1240F of
12 the Food Security Act of 1985 (16 U.S.C. 3839aa–6) is
13 amended—
14 (1) by striking "To the extent" and inserting
15 "(a) PROVISION OF ASSISTANCE.—To the extent";
16 and
17 (2) by adding at the end the following new sub-
18 section:
19 "(b) SPECIAL RULES FOR WATER CONSERVATION OR
20 IRRIGATION EFFICIENCY PRACTICE.—The Secretary may
21 provide assistance to a producer for a water conservation
22 or irrigation efficiency practice only if the Secretary deter-
23 mines that the assistance will facilitate a conservation
24 measure that results in—

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

"(2) increased groundwater or surface flows, consistent with the law of the State in which the operation is located.".

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

"SEC. 1240H. CONSERVATION INNOVATION GRANTS.

"(a) COMPETITIVE GRANTS.—The Secretary shall pay the cost of competitive grants that are intended to stimulate innovative approaches to leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production or forest resource management, through the program.

"(b) USE.—The Secretary may provide grants under this section to governmental and non-governmental organizations and persons, on a competitive basis, to carry out projects that—

"(1) involve producers that are eligible for payments or technical assistance under the program;

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

organizations to promote environmental enhancement and protection in conjunction with agricultural production;

"(3) ensure efficient and effective transfer of innovative technologies and approaches demonstrated through projects that receive funding under this section; and

"(4) provide environmental and resource conservation benefits through increased participation by producers of specialty crops.

"(c) PILOT PROGRAM FOR COMPREHENSIVE CONSERVATION PLANNING.—

"(1) PILOT PROGRAM REQUIRED.—The Secretary shall establish a pilot program to undertake comprehensive conservation planning to assist producers before they submit an application for assistance under any of the conservation programs authorized by this subtitle.

"(2) CONSERVATION PLANNING ASSISTANCE.—The Secretary shall undertake pilot projects under the pilot program in the locations specified in paragraph (3) to assist producers by making a comprehensive assessment of the resource concerns, needs, and alternative solutions for the producer's entire operation, as determined by the Secretary, fol-

1 lowing the procedures in the Natural Resources Con-
2 servation Service conservation planning manual. The
3 assistance shall be provided by the Secretary directly
4 or through third party providers certified by the Sec-
5 retary, and shall not be at the expense of the pro-
6 ducer. The results of the comprehensive planning as-
7 sistance shall be provided to the producer to enable
8 informed choices on the type of financial assistance
9 available under this subtitle that would most effec-
10 tively address the resource needs of the operation
11 consistent with the environmental goals for the area
12 in which the operation is located.
13 "(3) PILOT PROJECTS.—Pilot projects in com-
14 prehensive conservation planning shall be under-
15 taken in the Chesapeake Bay watershed.
16 "(4) REPORT.—The Secretary shall conduct an
17 assessment of the effectiveness of the pilot program
18 and publish a report, available to the public, of the
19 results of the assessment. Such assessments shall be
20 undertaken in the second year and the fifth year of
21 the pilot program.
22 "(d) FUNDING.—
23 "(1) AVAILABILITY OF FUNDS.—Of the funds
24 of the Commodity Corporation, the Secretary shall

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

"(2) OUTREACH FOR CERTAIN PRODUCERS.—Of the funds made available under paragraph (1) for a fiscal year, the Secretary shall use $5,000,000 to make grants to support effective outreach and innovative approaches for outreach and to serve organic producers and producers of specialty crops (as defined in section 3 of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 7 U.S.C. 1621 note).

"(3) COMPREHENSIVE CONSERVATION PLANNING.—Of the funds made available under paragraph (1) for a fiscal year, the Secretary shall use $5,000,000 to carry out the comprehensive conservation planning pilot program under subsection (c).".

SEC. 2106. REGIONAL GROUND AND SURFACE WATER ENHANCEMENT PROGRAM.

(a) PURPOSE AND GOALS.—The purpose of this section is to authorize a regional water enhancement program, within the environmental quality incentives program, to enhance performance-based, cost-effective conservation carried out through cooperative agreements entered into by the Secretary of Agriculture with producers, governmental entities, and Indian tribes. The goal of the

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

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

"SEC. 1240I. REGIONAL GROUND AND SURFACE WATER ENHANCEMENT PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) the term 'regional water enhancement activities' includes resource condition assessment and modeling, water quality, water quantity or water conservation plan development, management system and environmental monitoring and evaluation, cost-share of restoration or enhancement projects, incentive payments for land management practices, easement purchases, conservation contracts with landowners, improved irrigation systems, conversion of irrigated lands to less water-intensive agricultural commodities or dry-land farming, water banking and other forms of water transactions, groundwater recharge and other conservation related activities that the Secretary determines will help to achieve the

1 water quality or water quantity benefits on agricul-
2 tural lands identified in a partnership agreement.
3 "(2) The term 'partnership agreement' means
4 an agreement between the Secretary and a partner
5 under subsection (d).
6 "(3) The term 'partner' means an entity that
7 enters into a partnership agreement with the Sec-
8 retary to carry out regional water enhancement ac-
9 tivities. The term includes—
10 "(A) an agricultural producer, agricultural
11 or silvicultural producer association, or other
12 group of such producers;
13 "(B) a State or unit of local government;
14 or
15 "(C) a federally recognized Indian tribe.
16 "(b) ESTABLISHMENT OF PROGRAM.—
17 "(1) IDENTIFICATION OF WATER QUALITY PRI-
18 ORITY AREAS.—The Secretary shall identify areas
19 where protecting or improving water quality is a pri-
20 ority.
21 "(2) ESTABLISHMENT.—The Secretary shall es-
22 tablish a regional water enhancement program in ac-
23 cordance with this section to improve water quality
24 or water quantity on a regional scale to benefit

working agricultural land and other lands surrounding agricultural land.

"(c) SELECTION OF AND GRANTS TO PARTNERS.—

"(1) SOLICITATION OF PARTNERSHIP PROPOSALS.—Not later than 90 days after the date of the enactment of [the 2007 Farm Bill], the Secretary shall invite prospective partners to submit competitive grant proposals for regional water enhancement partnerships.

"(2) ELEMENTS.—To be eligible for consideration for participation in the program, a proposal submitted by a partner shall contain the following elements:

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

"(i) a watershed (or portion thereof);

"(ii) an irrigation, water, drainage district, including service area;

"(iii) some other geographic area with characteristics making it suitable for landscape-wide program implementation, as may be determined by the Secretary.

"(B) Identification of the water quality or water quantity issues that are of concern in the area.

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

"(D) A detailed description of the proposed regional water enhancement activities to be undertaken in the area, including an estimated timeline and budget for each activity.

"(E) A description of the performance measures to be used to gauge the effectiveness of the regional water enhancement activities.

"(F) A description of other regional water enhancement activities carried out by the Secretary.

"(G) A description of regional water enhancement activities carried out by partners through other means.

"(3) SELECTION OF PROPOSALS.—The Secretary shall award grants competitively, based on the following criteria applied by the Secretary:

"(A) Proposals that will result in the inclusion of the highest percentage of agricultural lands in the area.

1 "(B) Proposals that will result in the high-
2 est percentage of on-the-ground activities versus
3 administrative costs.
4 "(C) Proposals that will provide the great-
5 est contribution to sustaining or enhancing ag-
6 ricultural production in the area or rural eco-
7 nomic development.
8 "(D) Proposals that include performance
9 measures that will allow post-activity conditions
10 to be satisfactorily measured to gauge overall
11 effectiveness.
12 "(4) DURATION.—Grants under this subsection
13 shall be made on a multi-year basis, not to exceed
14 5 years total, except that the Secretary may termi-
15 nate a grant earlier if the performance measures are
16 not being met.
17 "(d) PARTNERSHIP AGREEMENTS.—
18 "(1) GENERALLY.—Not later than 30 days
19 after the award of a grant to a partner under sub-
20 section (c), the Secretary shall enter into a partner-
21 ship agreement with the grant recipient. At a min-
22 imum, the agreement shall contain—
23 "(A) a description of the respective duties
24 and responsibilities of the Secretary and the

1 partner in carrying out regional water enhance-
2 ment activities; and
3 "(B) the criteria that the Secretary will
4 use to measure the overall effectiveness of the
5 regional water enhancement activities funded by
6 the grant in improving the water quality or
7 quantity conditions of the region relative to the
8 performance measures in the grant proposal.
9 "(2) ACCEPTANCE OF CONTRIBUTIONS.—The
10 Secretary may accept and use contributions of non-
11 Federal funds to administer the program under this
12 section.
13 "(e) MODIFICATION OF SECRETARIAL AUTHORITY.—
14 To the extent that the Secretary will be carrying out re-
15 gional water enhancement activities in an area, the Sec-
16 retary may use the general authorities provided in this
17 subtitle to ensure that all producers and landowners in
18 the region have the opportunity to participate in such ac-
19 tivities.
20 "(f) RELATIONSHIP WITH OTHER PROGRAMS.—The
21 Secretary shall ensure that, to the extent producers and
22 landowners are individually participating in other pro-
23 grams under this subtitle in a region where the regional
24 water enhancement program is in effect, any improve-
25 ments to water quality or water quantity attributable to

1 such individual participation is included in the evaluation
2 criteria developed under subparagraph (d)(1)(B).
3 "(g) CONSISTENCY WITH STATE LAW.—Any regional
4 water enhancement activity conducted under this section
5 shall be consistent with State water laws.
6 "(h) FUNDING.—
7 "(1) AVAILABILITY OF FUNDS.—In addition to
8 funds made available to carry out this chapter under
9 section 1241(a)(6), the Secretary shall use funds of
10 the Commodity Credit Corporation to carry out this
11 section in the amount of, to the maximum extent
12 practicable—
13 "(A) $100,000,000 for each of fiscal years
14 2008 through 2012, except that such amount
15 for a fiscal year is contingent on changes in law
16 that meet the requirements of section 307 of
17 Senate Con. Res. 21 of the 110th Congress (the
18 Concurrent Resolution on the Budget for Fiscal
19 Year 2008); or
20 "(B) $79,000,000 for each of fiscal years
21 2008 through 2012, if such changes in law do
22 not occur.
23 "(2) LIMITATION ON ADMINISTRATIVE EX-
24 PENSES.—Not more than 3 percent of the funds
25 made available under paragraph (1) for a fiscal year

may be used for administrative expenses of the Secretary.''.

(c) GRASSROOTS SOURCE WATER PROTECTION PROGRAM.—Section 1240O(b) of the Food Security Act of 1985 (16 U.S.C. 3839bb–2(b)) is amended by striking ''$5,000,000 for each of fiscal years 2002 through 2007'' and inserting ''$20,000,000 for each of fiscal years 2008 through 2012''.

SEC. 2107. CONSERVATION OF PRIVATE GRAZING LAND.

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

SEC. 2108. GREAT LAKES BASIN PROGRAM FOR SOIL EROSION AND SEDIMENT CONTROL.

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

SEC. 2109. FARM AND RANCHLAND PROTECTION PROGRAM.

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

''Subchapter B—Farm and Ranchland Protection Program

''SEC. 1238H. DEFINITIONS.

''In this subchapter:

1 "(1) ELIGIBLE ENTITY.—The term 'eligible en-
2 tity' means any of the following:
3 "(A) An agency of a State or local govern-
4 ment or an Indian tribe (including a farmland
5 protection board or land resource council estab-
6 lished under State law).
7 "(B) An organization that is organized for,
8 and at all times since the formation of the orga-
9 nization has been operated principally for, 1 or
10 more of the conservation purposes specified in
11 clause (i), (ii), (iii), or (iv) of section
12 170(h)(4)(A) of the Internal Revenue Code of
13 1986.
14 "(C) An organization described in section
15 501(c)(3) of the Internal Revenue Code of 1986
16 that is exempt from taxation under section
17 501(a) of that Code.
18 "(D) An organization described in section
19 509(a)(2) of the Internal Revenue Code of
20 1986.
21 "(E) An organization described in section
22 509(a)(3) of the Internal Revenue Code of 1986
23 that is controlled by an organization described
24 in section 509(a)(2), of that Code.

"(2) ELIGIBLE LAND.—The term 'eligible land' means land on a farm or ranch that is—

"(A) cropland;

"(B) rangeland;

"(C) grassland;

"(D) pasture land; or

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

"(3) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(4) QUALIFIED STATE OR LOCAL ENTITY.—The term 'qualified State or local entity' means an eligible entity, whether public or private, that operates a farm and ranchland protection program that has—

"(A) for at least 3 calendar or fiscal years used or provided public or private funds to purchase perpetual conservation easements or other interests in land on a cumulative total of at least 10 properties that have protected the agricultural production capacity and related conservation values of farm and ranch land;

"(B) the necessary authority under State law, as well as the technical and financial capacity, to monitor and enforce the terms of such conservation easements or other interests in land so that their purpose is carried out in perpetuity, or in the case of a governmental entity, to legally require other public or private holders of such easements or interests in land acquired with public funding to hold, monitor and enforce them in perpetuity; and

"(C) financial control policies in place to assure that on average the purchase price of conservation easements and other interests in land does not exceed their appraised fair market value.

"(5) PROGRAM.—The term 'program' means the farm and ranchland protection program established under section 1238I(a).

"(6) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Natural Resources Conservation Service.

"SEC. 1238I. FARM AND RANCHLAND PROTECTION PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish and carry out a farm and ranchland protection pro-

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

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

1 matching funds for individual purchases of conservation
2 easements and other interests in land.
3 "(c) CERTIFICATION.—In order to delineate eligible
4 entities for program participation under this section, the
5 Secretary shall implement a process, to be published in
6 the Federal Register, for certifying entities described in
7 subparagraphs (A) through (E) of section 1238H(1). The
8 certification requirements shall include at a minimum the
9 following:
10 "(1) Strategic planning and articulated objec-
11 tives.
12 "(2) Demonstrated long-term commitment and
13 organizational viability.
14 "(3) Track record of funds management and
15 accountability.
16 "(4) History of successfully completing agricul-
17 tural conservation projects.
18 "(5) Use of a conservation plan for any highly
19 erodible cropland for which a conservation easement
20 or other interest is purchased.
21 "(d) GRANT AGREEMENTS.—The Secretary may
22 enter into an agreement with a qualified State or local
23 entity, under which the entity may purchase conservation
24 easements using a combination of its own funds and grant
25 funds distributed by the Secretary under the program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

of valuation used by the Secretary as of January 1, 2003. The Secretary shall promulgate such rules as may be necessary to ensure that the determination of fair market value uses the method of valuation used by the Secretary as of January 1, 2003.".

SEC. 2110. FARM VIABILITY PROGRAM.

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

SEC. 2111. REAUTHORIZATION OF WILDLIFE HABITAT INCENTIVE PROGRAM.

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

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

Subtitle B—Conservation Programs Under Other Laws

SEC. 2201. AGRICULTURAL MANAGEMENT ASSISTANCE PROGRAM.

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

"(B) FUNDING.—The Commodity Credit Corporation shall make available, to the maximum extent practicable, to carry out this subsection—

"(i) $30,000,000 for each of fiscal years 2008 through 2012, except that such amount for a fiscal year is contingent on changes in law that meet the requirements of section 307 of Senate Con. Res. 21 of the 110th Congress (the Concurrent Resolution on the Budget for Fiscal Year 2008); or.

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

"(C) CERTAIN USES.—Of the amounts made available to carry out this subsection for a fiscal year, the Commodity Credit Corporation shall use not less than—

"(i) **[**$14,000,000**]** to carry out subparagraphs (A), (B), and (C) of paragraph (2) through the Natural Resources Conservation Service;

"(ii) [$1,000,000] to provide organic certification cost share assistance through the Agricultural Marketing Service; and

"(iii) [$5,000,000] to conduct activities to carry out subparagraph (F) of paragraph (2) through the Risk Management Agency.".

SEC. 2202. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

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

(1) in paragraph (1), by striking "planning process" in the matter preceding subparagraph (A) and inserting "locally led planning process"; and

(2) in paragraph (9), by striking "council" and inserting "locally led council".

(b) AUTHORIZED TECHNICAL ASSISTANCE.—Section 1528(13) of the Agriculture and Food Act of 1981 (16 U.S.C. 3451(13)) is amended by striking subparagraphs (C) and (D) and inserting the following new subparagraphs:

"(C) providing assistance for the implementation of area plans and projects; and

"(D) providing services which bring to bear the resources of Department of Agriculture programs in a local community, as defined in the locally led planning process.".

(c) IMPROVED PROVISION OF TECHNICAL ASSISTANCE.—Section 1531 of the Agriculture and Food Act of 1981 (16 U.S.C. 3454) is amended—

(1) by inserting "(a) IN GENERAL.—" before "In carrying"; and

(2) by adding at the end the following new subsection:

"(b) COORDINATOR.—To improve the provision of technical assistance to councils under this subtitle, the Secretary shall designate an individual, to be known as the 'Coordinator', for each council. The Coordinator shall be directly responsible for the provision of technical assistance to the council.".

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

SEC. 2203. SMALL WATERSHED REHABILITATION PROGRAM.

(a) AVAILABILITY OF COMMODITY CREDIT CORPORATION FUNDS.—Section 14(h)(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(1)) is

1 amended by striking subparagraph (F) and inserting the
2 following new subparagraph:
3 "(F) $65,000,000 for each of fiscal years
4 2008 ~~through 2012.".~~
(G) $65,000,000 for each fy 2009-2012, subject to avail. of reserve.
5 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
6 14(h)(2)(E) of the Watershed Protection and Flood Pre-
7 vention Act (16 U.S.C. 1012(h)(2)(E)) is amended by
8 striking "fiscal year 2007" and inserting "each of fiscal
9 years 2007 through 2012".

10 Subtitle C—Additional
11 Conservation Programs

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

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

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

19 "(a) CHESAPEAKE BAY WATERSHED DEFINED.—In
20 this section, the term 'Chesapeake Bay watershed' means
21 all tributaries, backwaters, and side channels, including
22 their watersheds, draining into the Chesapeake Bay.
insert @ end of p. 75
23 "(h) SENSE OF CONGRESS REGARDING CHESAPEAKE
24 BAY EXECUTIVE COUNCIL.—
25 "(1) FINDINGS.—Congress finds the following:

1 "(A) One of the stated goals of the Chesa-
2 peake Bay Agreement is to 'develop, promote,
3 and achieve sound land use practices which pro-
4 tect and restore watershed resources and water
5 quality, maintain reduced pollutant loadings for
6 the Bay and its tributaries, and restore and
7 preserve aquatic living resources'.
8 "(B) Department of Agriculture conserva-
9 tion programs are integral to the restoration of
10 the Chesapeake Bay and achieving the water
11 quality goals for the Chesapeake Bay program.
12 "(2) SENSE OF CONGRESS.—In light of the
13 findings specified in paragraph (1), it is the sense of
14 Congress that the Secretary of Agriculture should be
15 a member of the Chesapeake Bay Executive Council,
16 and is authorized to do so under section 1(3) of the
17 Soil Conservation and Domestic Allotment Act (16
18 U.S.C. 590a(3)).
19 "(b) COMPREHENSIVE PLAN FOR CHESAPEAKE BAY
20 WATERSHED.—
21 "(1) DEVELOPMENT.—The Secretary of Agri-
22 culture shall develop, as expeditiously as practicable,
23 a proposed comprehensive plan for the purpose of
24 restoring, preserving, and protecting the Chesapeake
25 bay watershed.

"(2) PROVEN TECHNOLOGIES AND INNOVATIVE APPROACHES.—The comprehensive plan shall provide for the development of new technologies and innovative approaches to advance the following goals:

"(A) Improvement of water quality and quantity within the Chesapeake Bay.

"(B) Restoration, enhancement, and preservation of habitat for plants and wildlife.

"(C) Increase economic opportunity for producers and rural communities.

"(3) SPECIFIC COMPONENTS.—The comprehensive plan shall include such features as are necessary to provide for—

"(A) the development and implementation of a program for erosion prevention and control, sediment control and sediment removal, and reduction of nutrient loads;

"(B) the development and implementation of a program for—

"(i) the planning, conservation, evaluation, and construction of measures for fish and wildlife habitat conservation and rehabilitation; and

"(ii) stabilization and enhancement of land and water resources; and

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

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

"(c) SUBMISSION OF PLAN.—

"(1) SUBMISSION.—Not later than 2 years after the date of enactment of [the 2007 Farm Bill], the Secretary shall transmit to Congress a report containing the comprehensive plan.

"(2) ADDITIONAL STUDIES AND ANALYSES.—After submission of the report required by paragraph (1), the Secretary shall continue to conduct such studies and analyses related to the comprehensive plan as are necessary, consistent with this subsection.

"(d) RESTORATION ENHANCEMENT AND PRESERVATION PROJECTS.—

"(1) PROJECT AUTHORITY.—In cooperation with appropriate Federal and State agencies, the Secretary shall carry out restoration enhancement and preservation projects for the Chesapeake Bay watershed to address the goals specified in subsection (c)(2). To achieve the restoration, preservation, and protection benefits of a project, the Sec-

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

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

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

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

15 "(e) GENERAL PROVISIONS.—

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

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

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

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

9 "(g) COST SHARING.—

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

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

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

(h) Sense of Congress . . .

Subtitle D—Administration and Funding

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

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

(1) in the matter preceding paragraph (1), by striking "2007" and inserting "2012";

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

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

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

"(i) $1,454,000,000 for the period of fiscal years 2007 through 2012; and

"(ii) $1,927,000,000 for the period of fiscal years 2007 through 2017; and

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

"(i) $_____ for fiscal year 2012; and

"(ii) $1_____ for the period of fiscal years 2013 through 2017.";

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

"(4) The farm and ranchland protection program under subchapter B of chapter 2, using, to the maximum extent practicable—

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

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

"(i) $150,000,000 in fiscal year 2008;

"(ii) $200,000,000 in fiscal year 2009;

"(iii) $240,000,000 in fiscal year 2010;

"(iv) $280,000,000 in fiscal year 2011; and

"(v) $300,000,000 in fiscal year 2012.";

(4) in paragraph (5), by striking "2007" and inserting "2012";

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

"(6) The environmental quality incentives program under chapter 4, using, to the maximum extent practicable—

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

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

"(i) $1,550,000,000 in fiscal year 2008;

"(ii) $1,700,000,000 in fiscal year 2009;

"(iii) $1,800,000,000 in fiscal year 2010;

"(iv) $1,900,000,000 in fiscal year 2011; and

"(v) $2,000,000,000 in fiscal year 2012."; and

(6) in paragraph (7)(D), by striking "2007" and inserting "2012".

SEC. 2402. COOPERATIVE CONSERVATION PARTNERSHIP INITIATIVE.

(a) TRANSFER OF EXISTING PROVISIONS.—Subsections (b), (c), and (d) of section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) are—

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

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

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

"SEC. 1243. COOPERATIVE CONSERVATION PARTNERSHIP INITIATIVE.

"(a) GRANTS AND AGREEMENTS.—The Secretary shall make grants and enter into agreements for not shorter than 2-year or longer than 5-year terms with eligible entities specified in subsection (c) to preferentially enroll producers in 1 or more of the programs specified in subsection (b)—

1 "(1) to carry out special projects and initiatives
2 through which multiple producers and other inter-
3 ested persons cooperate to address specific resources
4 of concern related to agricultural production on a
5 local, State, or regional scale; and
6 "(2) to increase access to, and participation in,
7 the programs specified in subsection (b) by pro-
8 ducers of specialty crops (as defined in section 3 of
9 the Specialty Crops Competitiveness Act of 2004
10 (Public Law 108–465; 7 U.S.C. 1621 note).
11 "(b) COVERED PROGRAMS.—The conservation pro-
12 grams referred to in subsection (a) are the following:
13 "(1) Conservation reserve program, but only
14 the continuous signup portion of the program.
15 "(2) Conservation reserve enhancement pro-
16 gram.
17 "(3) Conservation security program.
18 "(4) Environmental quality incentives program.
19 "(5) Farm and ranchland protection program.
20 "(6) Grassland reserve program.
21 "(7) Regional water enhancement program.
22 "(8) Wetland reserve program.
23 "(9) Wildlife habitat incentive program.

1 "(c) ELIGIBLE PARTNERS.—Grants may be made or
2 agreements may be entered into under this section with
3 any of the following (or a combination thereof):
4 "(1) States and agencies of States.
5 "(2) Political subdivisions of States, including
6 counties and State- or county-sponsored conserva-
7 tion districts.
8 "(3) Indian tribes.
9 "(4) Nongovernmental organizations and asso-
10 ciations, including producer associations, farmer co-
11 operatives, extension associations, and conservation
12 organizations with a history of working cooperatively
13 with producers to effectively address resource con-
14 cerns related to agricultural production, as deter-
15 mined by the Secretary.
16 "(d) APPLICATIONS.—
17 "(1) COMPETITIVE PROCESS.—The Secretary
18 shall establish a competitive process for considering
19 applications for grants or agreements under this sec-
20 tion consistent with the evaluation criteria listed in
21 subsection (e).
22 "(2) PROGRAM ALLOCATION.—Applications
23 shall include—
24 "(A) specification of the amount of fund-
25 ing or acres, or both, of 1 or more covered pro-

grams specified in subsection (b) proposed to be allocated to carry out the special project or initiative; and

"(B) a schedule for utilization of funding or acres over the life of the proposed project or initiative.

"(e) EVALUATION CRITERIA.—In evaluating applications for grants or agreements under this section the Secretary shall consider the extent to which—

"(1) preferential enrollment in the covered programs specified in the application will effectively address the environmental objectives established for the special project or initiative; and

"(2) the special project or initiative covered by the application—

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

"(B) includes clear environmental objectives;

"(C) includes a well defined project or initiative plan that identifies sensitive areas requiring treatment and prioritizes conservation

1 systems, practices, and activities needed to
2 achieve environmental objectives;
3 "(D) promises adequate and coordinated
4 participation to achieve the objectives of the
5 project or initiative;
6 "(E) coordinates integration of local,
7 State, and Federal efforts to make the best use
8 of available resources and maximize cost-effec-
9 tive investments;
10 "(F) leverages financial and technical re-
11 sources from sources other than the programs
12 authorized by this subtitle, including financial
13 and technical resources provided by Federal
14 and State agencies, local governments, non-
15 governmental organizations and associations,
16 and other private sector entities;
17 "(G) describes how all necessary technical
18 assistance will be provided to each producer
19 participating in the project or initiative, includ-
20 ing cost estimates for technical assistance and
21 whether such assistance will be provided by
22 technical service providers;
23 "(H) describes how the administrative
24 costs of the project or initiative will be mini-
25 mized;

"(I) addresses a local, State, regional, or national environmental priority or priorities, with particular emphasis on any priority for which there is an existing State or federally approved plan in place for addressing that priority;

"(J) includes a plan to evaluate progress and measure results; and

"(K) clearly demonstrates that enrollment of producers in covered programs will be consistent with the purposes and policies of each individual program, as established in statute, rules and regulations, and program guidance promulgated by implementing agencies.

"(f) PRIORITIES.—To the maximum extent practicable, consistent with the requirements of subsection (d), the Secretary shall ensure that, each fiscal year, grants are awarded and agreements are entered into under this section to support projects and initiatives that collectively address the resource concerns facing producers, ranchers, and nonindustrial private forest landowners, including specifically projects and initiatives that are designed—

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

1 plementing best management practices in a water-
2 shed or developing environmentally and economically
3 viable alternative uses for manure and litter;
4 "(2) to achieve improvements in air quality in
5 a geographical area where agricultural operations
6 impact air quality;
7 "(3) to conserve water for environmental pur-
8 poses, such as enhanced in stream flows or aquifer
9 recharge in regions, States, or local areas where
10 water quantity is a concern;
11 "(4) to assist in carrying out a State Wildlife
12 Habitat Incentives Program plan or other State, re-
13 gional, or national conservation initiative.
14 "(5) to control invasive species on rangeland or
15 other agricultural land through the cooperative ef-
16 forts of multiple producers in a geographical area;
17 "(6) to address a specific resource of concern or
18 set of concerns on private, non-industrial forest land;
19 "(7) to reduce losses of pesticides to the envi-
20 ronment by engaging multiple producers in a geo-
21 graphic area in adoption of integrated pest manage-
22 ment practices and approaches;
23 "(8)) to protect farmland and ranch land fac-
24 ing development pressures from being converted to
25 non-agricultural use; or

1 "(9) to assist producers in carrying out good
2 management practices to enhance food safety.
3 "(g) COST SHARE.—The Secretary shall not require
4 more than 25 percent of the cost of a project or initiative
5 supported under a grant or agreement entered into under
6 this section to come from non-Federal sources. However,
7 the Secretary may give higher priority to projects or initia-
8 tives offering to cover a higher percentage of the cost of
9 the project or initiative from non-Federal sources.
10 "(h) FUNDING.—
11 "(1) SET-ASIDE.—Of the funds provided for
12 each of fiscal years 2008 through 2012 to implement
13 the programs specified in subsection (b), the Sec-
14 retary shall reserve 10 percent to ensure an ade-
15 quate source of funds for grants and agreements en-
16 tered into under this section.
17 "(2) ALLOCATION TO STATES.—The Secretary
18 shall allocate to States 90 percent of the funds re-
19 served under paragraph (1) for a fiscal year to allow
20 State Conservationists, with the advice of State tech-
21 nical committees, to select projects and initiatives
22 for funding under this section at the State level. The
23 allocation shall be made on a similar basis as what
24 would have been the case under the covered pro-
25 grams identified in subsection (b).

"(3) UNUSED FUNDING.—Any funds reserved for a fiscal year under paragraph (1) that are not obligated by April 1 of that fiscal year may be used to carry out other activities under conservation programs under subtitle D during the remainder of that fiscal year.".

SEC. 2403. REGIONAL EQUITY AND FLEXIBILITY.

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

SEC. 2404. SINGLE, SIMPLIFIED APPLICATION PROCESS FOR CONSERVATION PROGRAMS.

Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended by adding at the end the following new subsection:

"(e) SINGLE, SIMPLIFIED APPLICATION PROCESS.—

"(1) ESTABLISHMENT.—In carrying out any of the conservation programs administered by the Natural Resources Conservation Service, the Secretary shall establish a single, simplified application for eligible persons to use in initially requesting assistance. The Secretary shall ensure that—

"(A) conservation program applicants are not required to provide information that duplicates information and resources already avail-

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

"(B) the application process is streamlined to minimize complexity and redundancy.

"(2) REVIEW OF APPLICATION PROCESS.—The Secretary shall review the conservation application process and the forms and related mechanisms used to receive assistance requests from eligible program participants. The purpose of the review shall be to determine what information the participant is actually required to submit during the application process, including—

"(A) identification information for the applicant;

"(B) identification and location information for the land parcel or tract of concern;

"(C) a general statement of the applicant's resource concern or concerns for the land parcel or tract; and

"(D) the minimum amount of other information the Secretary considers essential for the applicant to provide.

"(3) REVISION AND STREAMLINING.—The Secretary shall carry out a revision of the application forms and processes for conservation programs cov-

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

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

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

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

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

5 (a) FINDINGS.—Congress finds the following:
6 (1) Many of the conservation and environmental
7 benefits produced on farms, ranches, and private
8 forest lands in the United States do not have an as-
9 signed value in the market place or lack a private
10 market altogether.
11 (2) While private markets for environmental
12 goods and services are emerging, their viability has
13 been hampered by several barriers.
14 (3) The Federal Government can help overcome
15 these barriers and promote the establishment of
16 markets for agricultural and forestry conservation
17 activities.
18 (4) Generating substantial private-sector de-
19 mand for environmental goods and services hinges
20 on the ability to use environmental credits generated
21 by agricultural and forest conservation activities.
22 (b) MARKET-BASED APPROACHES.—Subtitle E of
23 title XII of the Food Security Act of 1985 is amended
24 by inserting after section 1244 (16 U.S.C. 3844) the fol-
25 lowing new section:

"SEC. 1245. MARKET-BASED APPROACHES TO CONSERVATION.

"(a) IMPLEMENTATION.—To facilitate the development and effective operation of private sector market-based approaches for environmental goods and services produced by farmers, ranchers, and owners of private forest land, the Secretary may conduct research and analysis, enter into contracts and cooperative agreements, and award grants for the purpose of—

"(1) promoting the development of consistent standards and processes for quantifying environmental benefits, including the creation of performance standards or baselines;

"(2) promoting the establishment of reporting and credit registries, including third-party verification and certification; and

"(3) promoting actions that facilitate the development and functioning of private-sector market-based approaches for environmental goods and services involving agriculture and forestry.

"(b) ENVIRONMENTAL SERVICES STANDARDS BOARD.—

"(1) ESTABLISHMENT.—There is to be established an Environmental Services Standards Board to develop consistent performance standards for quantifying environmental services from land man-

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

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

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

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

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

"(d) FUNDING .—There is authorized to be appropriated $50,000,000 to carry out this section. Amounts so appropriated shall remain available until expended.

"(e) DEFINITIONS.—In this section:

"(1) BASELINE.—The term 'baseline' means a level of effort or performance that is expected to be met before an entity can generate marketable credits.

"(2) PERFORMANCE STANDARD.—The term 'performance standard' means a defined level of environmental performance, expressed as a narrative or measurable number, which specifies the minimum acceptable environmental performance of an operation or practice.".

SEC. 2406. ESTABLISHMENT OF STATE TECHNICAL COMMITTEES AND THEIR RESPONSIBILITIES.

Subtitle G of title XII of the Farm Security Act of 1985 (16 U.S.C. 3861, 3862) is amended to read as follows:

"Subtitle G—State Technical Committees

"SEC. 1261. ESTABLISHMENT OF STATE TECHNICAL COMMITTEES.

"(a) ESTABLISHMENT.—The Secretary shall establish a technical committee in each State to assist the Sec-

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

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

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

12 "(2) The Farm Service Agency.

13 "(3) The Forest Service.

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

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

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

19 "(7) The State water resources agency.

20 "(8) The State department of agriculture.

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

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

1 "(11) Nonprofit organizations within the mean-
2 ing of section 501(c)(2) of the Internal Revenue
3 Code of 1986 with demonstrable conservation exper-
4 tise and experience working with agriculture pro-
5 ducers in the State.
6 "(12) Agribusiness.
7 "(c) SUBCOMMITTEES.—A State technical committee
8 shall convene one or more subcommittees to provide tech-
9 nical guidance and implementation recommendations. The
10 topics that a subcommittee shall address shall include, at
11 a minimum, the following:
12 "(1) Establishing priorities and criteria for
13 State initiatives under the programs in this title, in-
14 cluding the review of whether local working groups
15 are addressing those priorities.
16 "(2) Issues related to private forestlands pro-
17 tection and enhancement.
18 "(3) Issues related to water quality and water
19 quantity.
20 "(4) In those States where applicable, issues re-
21 lated to air quality.
22 "(5) Issues related to wildlife habitat, including
23 the protection of nesting wildlife.
24 "(6) Issues related to wetland protection, res-
25 toration, and mitigation requirements.

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

3 **"SEC. 1262. RESPONSIBILITIES.**

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

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

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

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