



## **2002 FARM BILL**

# **SIDE-BY-SIDE COMPARISON OF HOUSE-SENATE PROPOSALS**

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<b>Existing Law</b>	<b>House Farm Bill HR 2646</b>	<b>Senate Farm Bill S. 1731</b>
<b>COMMODITY TITLE</b>	<b>COMMODITY TITLE</b>	<b>COMMODITY TITLE</b>
<p><b>Counter-Cyclical Support Payments</b>            The 1996 Farm Bill provides counter cyclical income support through marketing loan gains and LDP's. The only direct counter cyclical payments come through LDP's.</p> <p>Congress has also provided support in recent years through a series of ad hoc disaster assistance payments.</p> <p>Prior to the current law, the 1995 Farm Bill included the following target prices:</p> <p>Target Price            Wheat: \$4.00            Corn: \$2.75            Grain Sorghum: \$2.61            Barley: \$2.36            Oats: \$1.45            Upland Cotton: \$0.729            Rice: \$10.71            Soybeans: none            Minor Oilseeds none</p>	<p>Direct counter-cyclical payments on a commodity-by-commodity basis would be provided.</p> <p>Counter-cyclical payments would be made to producers if prices for a commodity fell below a certain level.</p> <p>Payments would be calculated as follows:</p> <p>(Target Price) - (Fixed Payment) - (Higher of: Marketing loan rate or National twelve-month season average price received by producers).</p> <p>Payments would be made on 85% of a producer's base.</p> <p>Target prices:</p> <p>Wheat: \$4.04            Corn: \$2.78            Grain Sorghum: \$2.64            Barley: \$2.39            Oats: \$1.47            Upland Cotton: \$0.736            Rice: \$10.82            Soybeans: \$5.86            Minor Oilseeds \$0.1036</p>	<p>Payment rate for each crop would equal:</p> <p>(Income Protection Price) - (Direct Payment) - (Higher of 5-month avg. price or loan rate)</p> <p>Producers would receive counter-cyclical payments equal to:</p> <p>(base acres)X(program yield)X(payment rate)</p> <p>Payments would be made on 100% of a producer's base.</p> <p>Income Protection Prices:</p> <p>Wheat \$3.45            Corn \$2.35            Grain Sorghum. \$2.35            Barley \$2.20            Oats \$1.55            Upland cotton \$0.68            Rice \$9.30            Soybeans \$5.75            Minor oilseeds \$.105</p>

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<p><b>Non-recourse Loans</b></p> <p>Loan rates are set, generally, at not less than 85% of the 5-year Olympic average price for the commodity and not more than the applicable loan rate cap. 2001 Marketing Loan Rates:</p> <p>Wheat: \$2.58  Corn: \$1.89  Grain Sorghum: \$1.71  Barley: \$1.65*  Oats: \$1.21*  Upland Cotton: \$0.5192  Rice: \$6.50  Soybeans: \$5.26  Minor Oilseeds \$0.093</p> <p>*set by formula taking into account the feed value relative to corn</p>	<p>Formulas are maintained.</p> <p>Continues current marketing loan program at current rates for all crops except soybeans and sorghum. All production eligible for marketing loans.</p> <p>Proposed marketing loan rate caps:</p> <p>Wheat: \$2.58  Corn: \$1.89  Grain Sorghum: \$1.89  Barley: \$1.65  Oats: \$1.21  Upland Cotton: \$0.5192  Rice: \$6.50  Soybeans: \$4.92  Minor Oilseeds \$0.087</p>	<p>Formulas are eliminated, and firm loan rates are set.</p> <p>Proposed marketing loan rates:</p> <p>Wheat: \$3.00  Corn: \$2.08  Grain Sorghum: \$2.08  Barley: \$2.00  Oats: \$1.50  Upland Cotton: \$0.55  Rice: \$6.50  Soybeans: \$5.20  Minor Oilseeds \$0.095</p> <p>Dry Peas: \$6.78  Lentils: \$12.79  Chickpeas: \$17.44 (lg)  Chickpeas: \$8.10 (sm)</p>
<p><b>Decoupled Fixed Payments</b></p> <p>The 1996 Farm Bill provided transition payments for eligible commodities through production flexibility contracts. Payments are based on contract acreage and past production and are "decoupled" from current production. Oilseeds were not eligible for these payments.</p> <p>The 1996 Farm Bill set up a payment rate schedule that was scheduled to decrease payments each year from 1996 through 2002. Payments are made on 85% of crop base and payment yields have been frozen since 1985.</p>	<p>Continuation of transition payments equal to the amount provided in 2002. Payments would continue to be made on 85% of base. The 2002 scheduled payment levels are:</p> <p>Wheat: \$0.53  Corn: \$0.30  Barley: \$0.25  Grain Sorghum: \$0.36  Oats: \$0.025  Upland Cotton: \$0.0667  Rice: \$2.35</p> <p>Oilseeds eligible at the following rates: Soybeans: \$0.42 and Minor</p>	<p>Payments would be made on 100% of base. Direct Payment Rates are reduced over the 5-year life of the bill as follows:</p> <p>2002/03 2004/05 2006</p> <p>Wheat: \$0.45 \$0.225 \$0.113  Corn: \$0.27 \$0.135 \$0.068  Barley: \$0.20 \$0.10 \$0.05  Grain Sorghum: \$0.31/0.27 \$0.135 \$0.068  Oats: \$0.05 \$0.025 \$0.013  Upland Cotton: \$0.13 \$0.065 \$0.0325  Rice: \$2.45 \$1.225 \$0.6125</p> <p>Soybeans: \$0.550 \$0.275 \$0.138</p>

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	Oilseeds \$0.0074	Minor Oilseeds \$0.010 \$0.005 \$0.0025
<p><b>Payment Base</b></p> <p>The 1996 Farm Bill established "Contract Acreage" as a base for payments. The contract acreage was equal to the crop acreage bases that would have been in effect for each producer in 1996 under the previous law.</p> <p>That base was generally the average acres planted and considered planted to each crop for the preceding 5 crop years (1991-1995). For cotton and rice, the basis was the average of the previous 3 crop years (1993-1995).</p>	<p>Producers would be able to update base acres if so desired. Under the proposal, payment base may be calculated using:</p> <ul style="list-style-type: none"> <li>• current AMTA acres or</li> <li>• avg. acres planted to an AMTA contract crop and/or oilseed for 1998-2001</li> </ul> <p>Payment base for decoupled and counter-cyclical payments are 85% of base</p>	<p>Base would be determined using one of two options:</p> <ul style="list-style-type: none"> <li>• 1998-2001 avg. planted acres and prevented planted acres or</li> <li>• Current AMTA acres plus 5-year soybean planting</li> </ul> <p>Producers choosing to retain current base acres would also retain current program yields.</p> <p>Producers electing to update bases would also be able to update program yields to the greater of:</p> <ul style="list-style-type: none"> <li>• 1998-2001 avg. yield per harvested acre excluding any year the crop was not planted and, at the producer's option, one additional year, or</li> <li>• the farm program payment yield in effect for the 2002 crop year</li> </ul>
<p><b>Planting Flexibility</b></p> <p>Any commodity can be grown on acreage except, in most cases, fruits and vegetables</p>	Flexibility provisions would be maintained	Flexibility provisions would be maintained
<p><b>Payment Limits</b></p> <p>Payment limitations are set at \$40,000/year in AMTA payments and \$75,000/year in marketing loan gains and LDP payments in the current Farm Bill. Payment limit for</p>	Under the House bill Payment limitations are increased to \$50,000 for fixed payments, \$150,000 for marketing loan gains and LDP payments, and \$75,000 for counter-cyclical payments	<p>The payment limitation for combined direct and counter-cyclical payments is \$100,000.</p> <p>For marketing loan gains and LDP payments, it is \$150,000 with separate limitations for contract commodities; wool and mohair;</p>

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marketing loan gains and LDP's was raised to \$150,000 for the 1999 crop year by the 2000 & 2001 Ag Approps bill.		honey; and peanuts.
<p><b>Other Commodities - Peanuts</b></p> <p>Production for the domestic edible peanut market is limited to a national quota of 1.18 million tons. Additional peanuts are not limited but may be sold only for export or crushing. Quota can be sold or leased by farmers within a state.</p> <p>Quota peanut prices are supported by a nonrecourse loan at not less than \$610/ton. Additional peanuts are supported by a loan rate currently set at \$132/ton.</p> <p>Since the government sets the market price through a combination of production controls and a loan program, there are no direct government payments.</p>	<p>Reforms the peanut program to make it similar to other commodities:</p> <p>Fixed decoupled payment = \$.018/lb. Counter-cyclical target price = \$480/ton Marketing loan rate = \$350/ton</p> <p>Terminates the quota program (and the restrictions on selling certain peanuts only for export or crushing) and provides a \$0.10/lb payment to quota holders for five years.</p>	<p>Reforms the peanut program to make it similar to other commodities:</p> <p>Fixed decoupled payment = \$.018/lb. Counter-cyclical target price = \$520/ton Marketing loan rate = \$400/ton</p> <p>Terminates the quota program (and the restrictions on selling certain peanuts only for export or crushing) and provides a \$0.10/lb payment to quota holders for five years.</p>
<p><b>Other Commodities - Sugar</b></p> <p>Nonrecourse loans are available with loan rates fixed at \$0.18/lb. for raw cane sugar &amp; \$0.229/lb. for refined beat sugar . A one cent penalty is imposed by the CCC on any sugar that is forfeited under the nonrecourse loan program.</p> <p>Sugar marketing assessments are set at 1.375 percent of the loan rate for cane and 1.47425 percent of the loan rate for beets.</p>	<ul style="list-style-type: none"> <li>• extends current price supports and forfeiture penalty</li> <li>• eliminate marketing assessment on sugar</li> <li>• reduce the CCC interest rate on price support loans</li> <li>• authorize a Payment-in-Kind program</li> <li>• reestablish the non-net-cost concept feature of the program</li> <li>• provides the Secretary authority to implement allotments for</li> </ul>	<ul style="list-style-type: none"> <li>• extends current price supports</li> <li>• eliminates forfeiture penalty</li> <li>• eliminates marketing assessment</li> <li>• reduces CCC interest rate on price support loans</li> <li>• authorizes Payment-in-Kind program</li> <li>• reestablishes no-net-cost feature</li> <li>• provides Secretary with authority to implement allotments</li> </ul>

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	sugar producers	on domestic sugar
<p><b>Dairy Program</b></p> <p>The current dairy price support program is set at \$9.90/cwt</p>	<p>House bill extends the milk price support program at \$9.90/cwt</p>	<p>Extends the milk price support program at \$9.90/cwt thru 2006.</p> <p>Establishes a national dairy program that provides market loss assistance payments for dairy farmers across the country based on production during the 1999-2001 period up to 8 million pounds. The payment rate for the Dairy Market Loss Program is 40 percent of the difference between the average price of milk during the same quarter during the previous 5 years and the average price during the applicable quarter. Expenditures under this program are limited to a total of \$1.5 billion.</p> <p>Additional program is established for dairy producers in CT, DE, ME, MD, NJ, NY, PA, RI, VT, and WV. The Northeast Dairy Market Loss payments will equal difference between \$16.94 per hundredweight and the Class I milk price in Boston under the applicable Federal milk marketing order. Expenditures under this program are limited to \$500m.</p> <p>Extends the dairy export incentive and dairy indemnity programs until 2006.</p> <p>The Fluid Milk Promotion Act is amended to include any person who processes and markets commercially more than 3 million pounds of fluid milk products per month.</p> <p>Imported dairy products will be subject to assessments to fund dairy promotion &amp; research programs.</p> <p>USDA is directed to conduct a study of the effects of</p>

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		terminating all Federal programs relating to price support and supply management for milk and a study of the effects of including in the standard for fluid milk a minimum protein content.
<p><b>Other Commodities - Wool &amp; Mohair</b> Wool and Mohair price supports were terminated in 1996.</p>	<p>The House bill creates a marketing assistance loan program similar to other commodities with Loan rate = \$1.00/lb. for graded wool, \$0.40/lb. For nongraded wool, and \$4.20/lb for mohair</p>	<p>The Senate bill creates a marketing assistance loan program similar to other commodities with loan rate = \$1.00/lb. for graded wool, \$0.40/lb. for nongraded wool, and \$2.00/lb for mohair</p>
<p><b>Other commodities - Honey</b> Honey loan programs were terminated in 1996.</p>	<p>House bill creates a marketing assistance loan similar to other commodities with a Loan rate = \$0.60/lb.</p>	<p>Senate bill creates a marketing assistance loan similar to other commodities with Loan rate = \$0.60/lb</p>
<p><b>Other Administration Requirements</b></p>		<p>Requires USDA to purchase \$130 million of commodities items in FY02 and FY03, \$150 million in FY04, \$170 million in FY05, and \$200 million in FY06. Specifies the amount that must be used to purchase specialty crops each year, that not less than \$50 million must be used to supplement funds already provided by USDA to the Department of Defense for the purchase of fresh fruits and vegetables for the National School Lunch Program, and that not less than \$40 million to be provided to the Emergency Food Assistance Program.</p>

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<p><b>Conservation Reserve Program (CRP)</b></p> <p>Provides farmers with annual payments through a multi-year contract for converting environmentally sensitive land out of production to vegetable cover.</p> <p>CRP enrollment is currently capped at 36.4 million acres</p>	<ul style="list-style-type: none"> <li>• Reauthorizes CRP through 2011 and increases enrollment to 39.2 million acres.</li> <li>• Extends eligibility re-enrollment after contract expiration and provides equal priority for erosion control, water quality and wildlife habitat.</li> <li>• Adds ground &amp; surface water conservation to criteria.</li> </ul> <p>Drops target of planting one-eighth of CRP acreage to trees and use of alley cropping.</p> <ul style="list-style-type: none"> <li>• Extends the Farmable Wetlands Pilot Program to every state with a maximum enrollment of 150,000 in any one state.</li> <li>• Secretary may allow managed haying and grazing on any CRP land with reduction in rental payments.</li> <li>• Prohibits enrollment in CRP of crop for which environmental benefits can be accomplished thru EQIP.</li> <li>• Retains ability to use program funds to pay for technical assistance.</li> </ul>	<ul style="list-style-type: none"> <li>• Reauthorizes CRP through 2006 and increases enrollment to 41.1 million acres</li> <li>• Requires new CRP land to have three of six prior year cropping history.</li> <li>• CRP contracts on lands devoted to hardwood trees can be extended to 15 years with a 50% reduction in rental payments.</li> <li>• Reauthorizes the Farmable Wetlands Pilot Program thru 2006 as the Farmable Wetlands Program.</li> <li>• Secretary may permit haying and grazing on CRP buffers and CCRP lands under a conservation plan and permit use of wind turbines. (Wind turbines are not permitted on CCRP lands.)</li> <li>• Retains ability to use program funds to pay for technical assistance.</li> <li>• Restores provision preventing producers with new CRP contracts from breaking out new HEL for crop production, except under limited circumstances.</li> <li>• Establishes a new pilot water conservation program (WCP) of 1.1 million acres to protect fish and wildlife as part of the CRP with up to 500,000 acres to be enrolled in seven Western and Northeastern states. The WCRP would operate similarly to CREP with states providing a share of the funding.</li> </ul>

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<p><b>Environmental Quality Incentives Program (EQIP)</b> Provides funding and technical assistance to eligible producers for soil and water projects.</p> <p>Funding for EQIP is currently set at \$200 million/year with half of that amount targeted to livestock water quality</p> <p>Payment limitation to a producer is capped at \$10,000 annually &amp; \$50,000 for life of contract. CAFOs not eligible for cost-share for waste storage or transport facilities.</p>	<p>Changes contract periods from 5-10 years to 1-10 years;</p> <p>Establishes a Conservation Incentive Payment Program as a separate component of EQIP for producers who implement certain land management practices.</p> <p>Non-industrial forestland now eligible for enrollment</p> <p>Increases annual payment limitation from \$10,000 to \$50,000, and contract limitation from \$50,000 to \$200,000, lift prohibition of same-year contract payments and limits cost-share to 75%.</p> <p>Establishes ground and surface water conservation component funded at \$30 million in FY02 rising to \$60 million in FY04 through FY11.</p> <p>Livestock producers receive 50% of annual funding</p> <p>Funds EQIP for a total of \$12.84 billion through FY11 and at the following levels:</p> <p>\$1.025 billion for FY'02-'03;</p> <p>\$1.2 billion for FY '04-'06;</p> <p>\$1.4 billion for FY '07-'09;</p> <p>\$1.5 billion for FY '10-'11.</p>	<p>Changes contract periods from 5-10 years to 3-10 years.</p> <p>Payment limitation to a producer is capped at \$50,000 annually and \$150,000 for the period FY02-FY06. Allows 90 % cost-share rated for limited resource livestock operations, 75% for all others.</p> <p>Requires Comprehensive Nutrient Management Plans (CNMPs)</p> <p>Funds EQIP at a total of \$5.05 billion through FY07 and at the following levels:</p> <p>FY02: \$500 million;</p> <p>FY03: \$1.3 billion;</p> <p>FY04:\$1.45 billion;</p> <p>FY05: \$1.45 billion;</p> <p>FY06: \$1.5 billion</p> <p>FY07: \$850 million.</p> <p>Allows up to 5% of funds to be used for special projects in watersheds and other areas of regional significance</p> <p>Allows up to \$100 million annually for conservation innovation grants</p> <p>Establishes a Nutrient Reduction Pilot Program in Chesapeake Bay watershed to provide incentives to producers with funding of \$10million in FY02, increasing to \$25 million in FY06.</p>

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<p><b>Wetlands Reserve Program (WRP)</b></p> <p>Provides financial support for wetlands restoration through permanent easements, 30-year easements, and wetlands restoration agreements.</p> <p>Capped at 1.075 million acres &amp; funded through CCC.</p>	<p>House bill reauthorizes WRP with an additional 150,000 acres/year</p>	<p>Senate bill requires the Secretary to enroll up to 250,000 acres annually to the maximum extent possible, and increases cap to 2.3 million acres.</p> <p>Allows the Secretary to enroll up to 25,000 acres through the Wetlands Reserve Enhancement Program</p>
<p><b>Wetlands Reserve Enhancement Program</b></p> <p>No Provision</p>	<p>No Provision in House bill.</p>	<p>Senate bill establishes a Wetlands Reserve Enhancement Program (WREP) within the WRP giving Secretary authority to enter into agreements with state or local governments and private organizations to develop wetland restoration activities in watershed areas. Number of acres covered by WREP agreements capped at 25,000 acres for each calendar year. (Part of overall WRP acreage cap.)</p>
<p><b>Wildlife Habitat Incentives Program (WHIP)</b></p> <p>Provides cost sharing for the development and maintenance of wildlife habitat</p>	<p>House bill funds WHIP annually at \$30 million in FY '03,'04; \$35 million in FY '05, '06; \$40 million in FY '07; \$45 million in FY '08, '09; and \$50 million in FY '10, '11.</p>	<p>Senate bill increases funding to \$100 million annually: FY02 - \$50 M; '03 - \$60; '04 - \$75; '05 - \$75; '06 - \$100</p> <p>Pilot program allows Secretary to use up to 15% of funds to enroll lands for critical habitat or species for 15 years or longer</p> <p>Requires Secretary to ensure that at least 15% of funds for cost-share restoration are directed toward restoration of lands for threatened or endangered species</p>

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<p><b>Farmland Protection Program (FPP)</b> Provides funding to help keep farmland that is subject to development pressures in agricultural use</p>	<p>House bill reauthorizes FPP at total of \$500 million through FY11; \$50 million annually with no acreage cap.</p>	<p>Senate bill increases total funding to \$1.85 billion at funding levels: FY02 \$150 million; FY03 \$250 million; F'04 \$400 million; FY'05 \$450 million; FY06 \$500 million; FY07 \$100 million</p> <p>Allows non-government entities to participate and purchase easements</p> <p>Allows up to \$10 million annually for Farm Viability Grants</p>
<p><b>Grassland Reserve Program</b> No existing Program</p>	<p>House bill establishes a 2 million-acre (1 million to native grass and 1 million to restored grasslands) Grassland Reserve Program</p> <p>2/3 of funding to be used for 10, 15, and 20 year contracts</p> <p>1/3 of funding for 30 year and permanent contracts</p> <p>Funded at \$254 million through FY11.</p>	<p>Senate bill establishes new program to purchase permanent and long-term easements on up to 2 million acres of grass and prairie lands that are subject to development pressure</p> <p>Permits grazing and haying in a manner consistent with protecting plants and wildlife</p> <p>Provides restoration cost-share up to 75%. Payment for permanent easements are fair market value of the land, less grazing value. Payments for 30-year easements and rental agreements are 30% of fair market value, less grazing value.</p>
<p><b>Water Benefits Program</b> No existing program</p>	<p>No provision in House bill.</p>	<p>Senate bill establishes new pilot WBP funded at \$375 million over five years to help farmers save water by improving irrigation efficiencies, converting to less water-intensive crops or selling or leasing water rights to the state. Provides 75% cost share of irrigation improvements such as lining canals or ditches; 75% of the water saved would go to help</p>

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		fish and wildlife.
<p><b>Conservation Security Program</b> No current program</p>	No comparable provision	<p>Establishes a Conservation Security Program that, with CCC funds, provides incentive payments to farmers for maintaining and adopting conservation practices on working lands.</p> <p>Under the Conservation Security Program, producers would develop and submit a conservation plan to the Secretary. The plan would include conservation practices that fall within one of three tiers provided in the program. The producer would then enter into a conservation security contract that would provide a base payment for the conduct of practices designated in the conservation plan. Producers may also be eligible for bonus payments for the implementation of additional conservation measures.</p>
<p><b>Farmland Stewardship Program</b> No existing program.</p>	House bill establishes a Farmland Stewardship Program to coordinate other conservation program with each other and with state, local and private conservation efforts.	No comparable program; but includes language which allows the Secretary to designate special projects to reflect local needs, as coordinated through state conservationists and state technical committees, to address environmental issues within specific areas. Secretary may enter into agreements with states to provide greater flexibility of eligibility requirements, approved practices, and innovative practices to better reflect unique local circumstances.
<p><b>Organic Farming</b></p>		The "Organic Agriculture Research Trust Fund" is established and funded at \$50,000,000. This will be to implement a program of organic products research designed by the National Organic Research Endowment Institute and

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		approved by the Secretary.
<b>Cranberry Acreage Reserve Program</b>		The Cranberry Acreage Reserve Program will purchase permanent easements in eligible areas from willing sellers to protect environmentally sensitive areas. There is authorized to be appropriated \$10,000,000 to carry out this program.
<b>Regional Equity</b>		Each state, as a minimum, will receive \$12,000,000 for conservation programs. The states will receive a minimum of \$5,000,000 in EQIP funds and the remaining will be in accordance with other conservation funds administered by the Secretary. All funds that are not obligated by April 1 of the fiscal year may be used to carry out conservation activities in other states.

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<p><b>Other Conservation Issues</b></p>	<p>\$150 million in funding for Small Watershed Dam Restoration</p> <p>Protection against release of confidential information by the agency for producers participating in conservation programs</p> <p>Creates an advisory council for the Upper Mississippi River Stewardship Initiative and a federal interagency working group to coordinate nutrient and sediment reduction efforts under the initiative</p> <p>Re-writes State Technical Committee language adding state conservation agencies to membership; exempts committees from FACA requirements; makes “local working groups” subcommittee of the State Technical Committee.</p>	<p>Permanently authorizes Resource Conservation and Development Program</p> <p>Provides \$15 million/year for Watershed Risk Reduction</p> <p>Provides \$5 million/year for Great Lakes Basin Program for Soil Erosion and Sediment Control</p> <p>Reauths Conservation Private Grazing Land Initiative (CPGL)</p> <p>Reqs USDA to issue a rept describing plans to consolidate conservation programs, and streamline administration.</p> <p>List of owners/operators/producers and amounts of funds they receive are considered public information.</p> <p>Prohibits USDA and other agencies from releasing information on conservation plans except in aggregate form.</p>

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<p><b>Forestry</b></p> <p>Forestry Incentives Program (FIP) provides cost-share assistance to landowners for implementing sustainable forestry practices.</p> <p>Stewardship Incentives Program (SIP) provides technical assistance for forestry practices thru state foresters.</p>	<p>House bill repeals FIP and SIP and establishes within NRCS a new Forest Land Enhancement Program (FLEP) to provide financial, technical, educational and related assistance to state foresters to encourage long-term sustainability of nonindustrial, private forestlands (NIPF). FLEP provides cost-share of up to 75% forestry BMPs. Provides CCC mandatory funding of \$20 million from FY02 through FY11.</p> <p>Establishes a Community and Private Land Fire Assistance Program (CPLFAP) to focus the federal role in promoting optimal firefighting efficiency and expand outreach activities. Authorizes \$35 million annual appropriation through FY11 for CPLFAP.</p>	<p>The Senate bill reauthorizes FIP thru FY06 and establishes a new program to be carried out through state foresters to provide financial assistance to nonindustrial private forest landowners. Program would allow states to address a variety of multiple forestry resource objectives. Funded at \$48 million in mandatory funds annually.</p> <p>Authorizes the Secretary to cooperate with state foresters in order to enhance community fire protection. Establishes the Community and Private Land Fire Assistance Program to focus the federal role in firefighting.</p> <p>Authorizes new program to provide technical and financial assistance to expand forest stewardship activities, prevent water quality degradation and address watershed issues on nonfederal forestland.</p>

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TRADE TITLE	TRADE TITLE	TRADE TITLE
<p><b>General Food Aid/Export Requirements</b></p>		<p>Requires the Administrator of the U.S. Agency for International Development and USDA to establish rules allowing streamlined program applications for programs under their control for experienced institutional partners. Changes the amount of administrative expenses that may be compensated for such projects under PL-480, Title II, from a dollar range to a range of percentages (between 5 and 10 percent) of the value of commodities used.</p> <p>Permits proceeds of sales of commodities for food aid projects to be denominated in U.S. dollars.</p> <p>Modifies mandatory requirements for administration and composition of Title II commodities/projects, and requires the USAID to act on project proposals within 120 days.</p> <p>PVO's (private voluntary organizations) will be able to convert commodities to cash at prices that are reasonable for that particular market under all food aid programs.</p>
<p><b>Food for Progress Program (FFP)</b></p> <p>Provides commodities on credit terms or on grant basis to developing countries, designed to help U.S. producers by removing surpluses from domestic market.</p>	<p>Increases the transportation cap for the Food for Progress program from \$30 million to \$40 million each year (500,000 metric tons to 1 million metric tons). Also, administrative funding for the program is increased from \$10 million to \$15 million.</p>	<p>FFP, under which donated commodities provide for development projects in recipient countries, is reauthorized and established at a 400,000 tonnage minimum per year.</p> <p>Establishes the International Food for Education and Nutrition program, which began as a pilot in 2000. It is designed to improve the educational opportunities and nutritional status of children in developing countries. Funded at \$200 million a year for 5 years.</p> <p>Reauthorizes the Farmer-to-Farmer program, which funds technical exchanges between U.S. farmers and farmers in developing countries, increasing the share (from 0.4 percent to 0.5 percent) of Title I and Title II funding which can be</p>

Existing Law	House Farm Bill HR 2646	Senate Farm Bill S. 1731
TRADE TITLE	TRADE TITLE	TRADE TITLE
		used for support of this program.
<p><b>Market Access Program (MAP)</b></p> <p><b>Export Enhancement Program</b></p> <p><b>Foreign Market Development Cooperator Program</b></p>	<p>House bill increases funding for Market Access Program (MAP) to \$200 million annually.</p> <p>Reauthorizes the Export Enhancement Program at current level of \$478 million annually.</p> <p>Funding for the Foreign Market Development Cooperator Program (FMDC) increased to \$37 million annually.</p>	<p>Funding is increased for the Market Access Program (MAP), ramping up to \$190 million annually. Establishes priority for new program participants and programs in emerging markets for amounts available above the existing level of \$90 million annually, and creates a quality export initiative program to identify high-quality U.S. agricultural products.</p> <p>Reauthorizes the Export Enhancement Program, and defines exchange rate manipulation by competing exporters and questionable pricing practices by state trading enterprises as unfair trade practices.</p> <p>Funding for the Foreign Market Development Cooperator Program is increased to \$42.5 million annually within three years. Establishes priority for new program participants and programs in emerging markets for amounts available above \$35 million annually.</p> <p>Authorizes development of a "one-stop-shopping" Federal website to assist aspiring exporters.</p> <p>A Biotechnology and Agricultural Trade Program is established in USDA that is designed to assist exporters facing problems exporting biotech-based products. The program is funded at \$15 million annually for five years.</p>

<b>Existing Law</b>	<b>House Farm Bill HR 2646</b>	<b>Senate Farm Bill S. 1731</b>
<b>NUTRITION TITLE</b>	<b>NUTRITION TITLE</b>	<b>NUTRITION TITLE</b>
<b>Food Stamp Program</b>	House bill establishes a \$10 million-a-year grant program for state agencies to develop & implement simplified application and eligibility determination systems for food stamp program. Generally provides modest increase in benefits for families and makes a number of quality control program reforms.	Simplifies the food stamp program and modestly raises benefits similar to House bill. Also revamps the quality control system, including allowing the States to conform Food Stamp income and resource rules; simplifying how housing costs are calculated, etc.
<b>Food &amp; Nutrition Assistance</b>	Increases commodity purchases for the Emergency Food Assistance Program (TEFAP) by providing additional \$40 million in funding. Community Food Projects is reauthorized and funding increased to \$7.5million annually through 2011. Establishes the HungerFellows Program to increase awareness. The CBO estimate for food stamp and TEFAP provisions of House bill is \$3.64 billion.	Reauthorizes TEFAP, the Food Distribution Program on Indian Reservations, the Commodity Supplemental Food Program, and the Community Food Projects. Also consolidates the American Samoa block grant and the Puerto Rico Nutrition Assistance Programs and reauthorizes them, and increases the funding TEFAP processing, storage, and distribution costs by \$10 million annually. A pilot program for providing schoolchildren with free fruits and vegetables is established. Funding is provided for a Senior Farmers' Market Program and for additional commodities for the School Lunch Program. The CBO estimate for food stamp program and TEFAP \$5.58 billion.

Existing Law	House Farm Bill HR 2646	Senate Farm Bill S. 1731
CREDIT TITLE	CREDIT TITLE	CREDIT TITLE
<p><b>General Funding for loans</b></p>	<p>Requires some program and administrative changes, and alters or expands certain eligibility and benefit provisions for FSA loans. Major provision is a removal of the requirement that an FSA borrower has to “graduate” to a commercial lender, an extension of a requirement that USDA earmark certain portion of FSA loans for beginning farmers, and offering an interest-rate buy-down program on certain loans. Allows emergency disaster loans to mitigate effects of higher energy costs and for horse breeders experiencing losses from mare reproductive loss syndrome. (More details outlined below)</p>	<p>Similar to House bill in requiring some program and administrative changes. Reauthorizes all USDA farm direct and guaranteed loan programs and increases the loan authorization levels: \$3.75 billion in total for each fiscal year. Of the \$750 million allocated for direct loans, \$200 million is for farm ownership (FO) loans and \$550 million is for farm operating (OL) loans. Of the \$3 billion allocated for guaranteed loans, \$1 billion is for FO loans and \$2 billion is for OL loans.</p> <p>Senate also allows CoBank to finance facilities for storage and handling in foreign countries that purchase U.S. farm products.</p>
<p><b>Beginning farmers and ranchers</b></p>	<p>House includes some, but not all, of the Senate provisions.</p>	<p>Senate bill makes credit more accessible to beginning farmers/ranchers. Broadens eligibility for direct ownership loans to those who have participated, as opposed to being the sole manager of, the business operations of a farm operation for at least 3 yrs; provides USDA authority to refinance "bridge loans" made by a commercial lender to a beginning farmer/rancher who has been approved for a USDA farm ownership loan but is awaiting funding; increases limit on direct farm ownership debt for a beginning farmer/rancher from \$200,000 to \$250,000 and indexes the limit to inflation; provides the down payment program for beginning farmers /ranchers, USDA shall finance 40% of the loan (current law is 30 %) and provides a repayment term of 20 years (current law is 10 yrs); directs USDA to create a pilot program to guarantee loans made by a private seller of a farm/ranch to a qualified beginning farmer on a contract land sale basis; provides that beginning farmers/ranchers will receive an additional 1% interest rate subsidy (capped at 4%) over non-beginning farmers (capped at 3%) who participate in the interest rate reduction program &amp; increases the max amount of funds for this program to</p>

Existing Law	House Farm Bill HR 2646	Senate Farm Bill S. 1731
CREDIT TITLE	CREDIT TITLE	CREDIT TITLE
		\$750 million.
<p><b>Specific Farm lending program improvements</b></p>	<p>House includes some, but not all, of the Senate provisions.</p>	<p>Makes other changes to provisions of the Consolidated Farm and Rural Development Act to improve USDA farm lending programs. Allows the Secretary to waive term limitations for a farmer or rancher, one time only, for an additional period of two years; allows the Secretary to waive the seven-year eligibility limitation on direct operating loans for Native American farm operations on tribal lands; expands USDA's authority to allow the interest rate on a direct loan that is being rewritten to be the rate in effect on the date that a borrower applies for loan; reduces paperwork requirements for many farmers by raising the limit on low documentation guaranteed loans from \$50,000 to \$100,000; makes permanent the interest rate reduction program; provides that USDA work with the State Conservationists to consider selling or granting easements on land in USDA inventory for the purpose of farmland preservation; and provides those who owe recapture amounts on shared appreciation agreements, or those who have amortized the recapture amounts, the option of providing farmland protection and conservation use easements on their land in return for forgiveness of the recapture amount.</p>

<b>Existing Law</b>	<b>House Farm Bill HR 2646</b>	<b>Senate Farm Bill S. 1731</b>
<b>RURAL DEVELOPMENT TITLE</b>	<b>RURAL DEVELOPMENT TITLE</b>	<b>RURAL DEVELOPMENT TITLE</b>
<b>General Provisions</b>	House bill provides \$3.6 billion for rural development in FY02-FY11, of which \$1.45 billion is discretionary (subject to annual appropriations), and \$2.15 billion in mandatory spending.	Senate bill provides \$3.4 billion for rural development for FY02-FY06, of which \$1.69 billion is discretionary and \$1.71 billion is mandatory spending.
<b>Full funding of pending rural development loan and grant applications</b>		This provision provides full funding to clear the backlog of pending rural development loan and grant applications. Pending qualified applications for community facility grants and direct loans, water and waste disposal grants and direct loans, rural water and wastewater technical assistance and training grants, business and industry guaranteed loans, emergency community water assistance grants, and solid waste management grants will be eligible for funding under this provision.
<b>National Rural Cooperative and Business Equity Fund</b>		Authorizes the National Rural Cooperative and Business Equity Fund at \$150 million in funds to be matched by at least an equal amount contributed by private investors. USDA will guarantee 50 percent of each investment made by a private investor, with a maximum total guarantee of \$300 million in private investments in the Fund.
<b>Enhancement of access to broadband service in rural areas</b>	Provides \$20 million annually in mandatory spending for new local television broadcast signal loan guarantees to rural areas.	The Senate bill provides \$100 million in mandatory dollars a year for FY02-06 for grants and loans at 4% or market rate interest for broadband access. The aggregate value of all loans to be provided cannot exceed \$2 billion. Funding could be used for construction, improvement, or acquisition of equipment. The funding is through the Rural Utilities Service. Initial allocations are made to the states based on the number of cities in a state with populations under 2500. If the funds are not obligated by April 1, the funds go into the national pool. Program limited to communities with populations under 20,000.

<b>Existing Law</b>	<b>House Farm Bill HR 2646</b>	<b>Senate Farm Bill S. 1731</b>
<b>RURAL DEVELOPMENT TITLE</b>	<b>RURAL DEVELOPMENT TITLE</b>	<b>RURAL DEVELOPMENT TITLE</b>
<b>Value-added Agricultural Market Development Grants</b>	<p>Authorizes mandatory funding of \$60 million annually for new value-added market development grants. Increases participation in program by expanding eligibility so public bodies and trade associations can compete for grants designed to develop value-added products for foreign markets. Encourages grants to be used to assist development of ag-based renewable energy sources. Allows grants to be made to establish centers to provide producers with technical assistance, marketing, and development assistance.</p>	<p>Provides \$75 million a year for FY02 through FY06 in mandatory funding for new value-added agricultural product market development grants, expands the eligibility for these grants to nonprofit organizations, and broadens the categories of activities eligible for grants. Creates a 5% reserve for marketing, packaging or processing of certified organic agricultural products. Funding for the Agricultural Marketing Resource Center, created by USDA as authorized in the original authorization to provide technical assistance, is also increased.</p>
<b>Rural Water or Waste Disposal Grants</b>	<p>Provides \$75 million annually for community water assistance grants. Provides authorization for rural and waste facility grants in amounts deemed necessary rather than being limited to 75% of the cost of developing a facility. Provides grants to construct or refurbish individually-owned household water well systems for low and moderate income households. Creates a USDA Rural Water Grassroots Source Water Protection Program funded at \$5 million per year.</p>	<p>Increases authorization for appropriations for water and waste disposal grants from \$590 million to \$1.5 billion, and also authorizes up to \$30 million per year to USDA to make grants to qualified private nonprofit entities to capitalize revolving funds to finance small water and wastewater projects, including assistance of up to \$100,000 per project for pre-development, equipment replacement, small scale service extension or other small projects. Authorizes \$15 million a year for fiscal years 2003 through 2006 to pay for technical assistance to local water systems.</p>
<b>Multi-jurisdictional regional planning organizations</b>	<p>Authorizes \$15 million per year in mandatory spending for a new Pilot Program for Strategic Regional Development in ten rural communities.</p>	<p>Authorizes \$30 million a year for fiscal years 2003 through 2006 to fund grants of up to \$100,000 to multi-jurisdictional regional planning and development organizations to pay for costs of providing assistance to local governments to improve the infrastructure, services, and business development capabilities of local governments and local economic development organizations. A local match is required.</p>

<b>Existing Law</b>	<b>House Farm Bill HR 2646</b>	<b>Senate Farm Bill S. 1731</b>
<b>RURAL DEVELOPMENT TITLE</b>	<b>RURAL DEVELOPMENT TITLE</b>	<b>RURAL DEVELOPMENT TITLE</b>
<b>Rural Firefighters and Emergency Personnel Grants Program</b>		Provides \$10 million in fiscal year 2002 and \$30 million a year in FY03 -06 for firefighter and emergency medical first responder training. Three areas are covered: firefighting, emergency medical practices and responding to hazardous materials and bioagents in rural areas. Not less than 60 percent of the funds may go to scholarships to provide the training. Up to 40 percent of the funds may go to fund facility improvements, equipment or operating costs of State or regional training centers.

Existing Law	House Farm Bill HR 2646	Senate Farm Bill S. 1731
RESEARCH TITLE	RESEARCH TITLE	RESEARCH TITLE
<p><b>General Research, Extension &amp; Education</b></p> <p>The 1996 Farm Bill included a competitive grants program (Fund for Rural America) to support rural development projects and research and marked a significant change in that money was transferred directly from Treasury instead of being appropriated. (\$100 million annually with 1/3 for research).</p> <p>The 1998 Research Legislation passed by Congress superseded the 1996 Farm Bill, and made significant policy reforms reauthorizing USDA research, extension, and education programs.</p>	<p>Reauthorizes various research programs, including the Initiative for Future Agriculture and Food Systems (funded thru CCC) at a total of \$1.6 billion to be distributed in equal amounts over a 7-year period. Increases funds for 1890 colleges by gradually increasing matching fund requirements. Also initiatives matching fund requirements for land grant colleges.</p>	<p>Increases annual appropriations for ARS research from \$850 million to \$1.5 billion for state extension programs from \$460 million to \$500 million. Also raises the mandatory funding for the Initiative for Future Agriculture and Food Systems from \$120 million to \$145 million annually. Expresses sense of Senate that federal investments in food and agriculture research should double over the next 5 years. Similar matching fund requirements for 1890 and land grant colleges.</p> <p>Other Senate provisions would: create a competitive grants program for construction and modernization of food and agriculture research facilities; permit higher federal reimbursements for indirect costs associated with research grants (has been capped at 19% while most federal grants are at 35% average); create a competitive research program on rural issues; and require outside review of purpose and effectiveness of ARS research. Also provisions to strengthen organic and sustainable agriculture research programs.</p>
<p><b>Biosecurity Planning and Response</b></p>	<p>No provision.</p>	<p>Special authorization for biosecurity planning and response to create a Agriculture Infrastructure Security Fund that would be used to support science to protect animal and plant health and the food supply. Would establish a 15-member commission to advise the Secretary on use of the fund, and authorizes a total of \$300 million over 3 years for biosecurity planning and response programs, including the modernization and construction of research facilities.</p>
<p><b>Rural Research</b></p>	<p>No provision.</p>	<p>Creates new program for rural research funded at \$15 m/ year. Program would fund rural policy research on topics such as: rural sociology, effects of demographic change, needs of groups of rural citizens, rural community development, rural infrastructure, rural business development, rural education and extension programs, and rural health.</p>

<b>Existing Law</b>	<b>House Farm Bill HR 2646</b>	<b>Senate Farm Bill S. 1731</b>
<b>RESEARCH TITLE</b>	<b>RESEARCH TITLE</b>	<b>RESEARCH TITLE</b>
<b>Beginning Farmers and Ranchers</b>	No provision	Creates a new program to assist beginning farmers and ranchers at a level of \$15 million a year. The program will provide competitive grants to support new and established local and regional training, education, outreach, and technical assistance initiatives aimed at beginning farmers or ranchers. Designed to allow new farmers or ranchers to acquire entrepreneurial, financial, and other business skills; conservation assistance; risk management education; innovative farm and ranch transfer strategies; and basic livestock and crop farming practices. In addition, 25 percent of the funds are set aside to be used to support programs and services that address the needs of limited resource and socially disadvantaged beginning farmers or ranchers.

<b>Existing Law</b>	<b>House Farm Bill HR 2646</b>	<b>Senate Farm Bill S. 1731</b>
<b>ENERGY TITLE</b>	<b>ENERGY TITLE</b>	<b>ENERGY TITLE</b>
<b>Comprehensive Energy Audit Grants</b>	No provision	New competitive grant and loan program established to have eligible entities provide farmers, ranchers, and rural small businesses comprehensive energy audits, including renewable energy development assessments. Mandatory funding of \$15 million available annually.
<b>Energy Efficiency Grants</b>	No provision. Requires USDA to give priority to improving farm energy use efficiencies when making grants for development/advancement of precision agriculture.	A new grant and loan program established so that farmers, ranchers, and rural small businesses can purchase renewable energy systems and make energy efficiency improvements. Mandatory funding of \$33 million available annually.
<b>Emergency Loans for Energy Costs</b>	Requires USDA to consider income loss resulting from sharply increasing energy costs as an emergency condition for the purpose of emergency loan eligibility.	No comparable provision
<b>Renewable Energy Project Grants</b>	Authorizes USDA to guarantee loans for financing purchase of renewable energy systems, such as wind energy and anaerobic digesters.	New competitive grant and loan program established to assist cooperatives and business ventures at least 51% owned by farmers or ranchers for the development of renewable energy projects to produce electricity. Mandatory funding of \$16 million available annually.
<b>Biomass Development Projects</b>	Extends authorization of pilot projects/competitive grants to develop biobased products.	New competitive grant program established to support the development of plants that produce multiple products such as fuels, chemicals and electricity from biomass. Mandatory funding of \$15 million available annually.
<b>Hydrogen- fuel cell farm applications</b>	No comparable provision.	New competitive grant program to demonstrate use of hydrogen & fuel cell technologies in farm/rural applications. Mandatory funding of \$5m per/yr.
<b>Federal Biofuels Purchasing Requirement</b>	No comparable provision. Recognizes role of Bioenergy Program in promoting industrial consumption of agricultural products for production of ethanol and biodiesel fuels. Expands program by directing USDA to include animal fats, ag by-products and oils as eligible commodities.	Includes biobased products purchasing requirement for federal agencies if products are on USDA list and are comparable in price, performance, and availability to traditional products. In addition, the section includes a requirement that USDA develop a labeling program for biobased products.

Existing Law	House Farm Bill HR 2646	Senate Farm Bill S. 1731
<b>ENERGY TITLE</b>	<b>ENERGY TITLE</b>	<b>ENERGY TITLE</b>
		Mandatory funding of \$2 million available annually.

<b>Existing Law</b>	<b>House Farm Bill HR 2646</b>	<b>Senate Farm Bill S. 1731</b>
<b>MISCELLANEOUS</b>	<b>MISCELLANEOUS</b>	<b>MISCELLANEOUS</b>
<b>Interstate Meat Shipment</b>	No provision	Requires USDA to conduct a comprehensive review of state meat inspection programs by September 30, 2003. Language also states goals of federal and state meat inspection programs to “function together to create a seamless inspection system to ensure food safety and inspire consumer confidence in the food supply in interstate commerce.” States that such as system would ensure the viability of state meat inspection programs, which should help to foster the viability of small establishments.
<b>Country of origin and quality grade labeling</b>	Requires retailers of fresh fruits, vegetables or any other perishable agricultural commodity to label fresh produce with its country of origin. This label may be provided to consumers by means of a stamp, mark, placard, or other clear and visible sign on either the produce itself, or the display or holding bin. Also provides for fines.	Senate bill requires retailers of certain commodities (beef, lamb, pork, farm-raised fish, perishable agricultural commodities and peanuts) to inform consumers of the country of origin of the commodity. The requirements of this provision do not apply to processed beef, lamb and pork items or to frozen entrees containing beef, lamb or pork, nor do they apply to food service establishments. Prohibits imported meat or meat food products from bearing a label indicating a quality grade issued by the Secretary.
<b>Chapter 12 Bankruptcy</b>	No provision	Permanently extends Chapter 12 Bankruptcy to allow farmers to reorganize their debt, rather than liquidate.

Existing Law	House Farm Bill HR 2646	Senate Farm Bill S. 1731
<b>MISCELLANEOUS</b>	<b>MISCELLANEOUS</b>	<b>MISCELLANEOUS</b>
<b>Crop insurance</b>		<p>Section 1011 amends Section 508(e)(4) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(4)) by striking the limitation on the prohibition against continuous coverage. Section 1012 amends Section 508(m)(3) of the Federal Crop Insurance Act (7 U.S.C. 1508(m)(3)) to require that adjustments to the procedures described in this subsection be made by the 2003 reinsurance year. Section 1013 amends and adds to the list of loans and payments for which persons who produce agricultural commodities on highly erodible land without meeting conventional requirements or on converted wetland, are ineligible. It also amends and adds to the list of loans and payments for which persons convicted of cultivating controlled substances are ineligible.</p>
<b>Stockyard practices involving nonambulatory (or "downed") livestock</b>	Comparable to Senate language.	<p>Provides that it will be unlawful for any stockyard owner, market agency, or dealer to buy, sell, give, receive, transfer, market, hold, or drag any nonambulatory livestock unless the livestock has been humanely euthanized.</p>

<b>Existing Law</b>	<b>House Farm Bill HR 2646</b>	<b>Senate Farm Bill S. 1731</b>
<b>MISCELLANEOUS</b>	<b>MISCELLANEOUS</b>	<b>MISCELLANEOUS</b>
<b>Food Safety Commission</b>	No similar provision.	Provides \$3 million to be appropriated to establish a Food Safety Commission. The Commission will make specific recommendations that build on and implement the recommendations contained in the National Academy of Sciences report entitled "Ensuring Safe Food from Production to Consumption" and serve as the basis for draft legislation to improve the food safety system.
<b>National Organic Certification Cost-share Program</b>	No similar provision.	Provides \$3.5 million in funds for FY02 to establish a national organic certification cost-share program to assist producers and handlers of agricultural products in obtaining certification under the national organic production program established under the Organic Foods Production Act of 1990. Payments to producers or handlers are limited to \$500, and the federal share of the certification cost will be no more than 75 percent of the total certification cost incurred.
<b>Tree Assistance Program</b>	No similar provision	Authorizes, subject to appropriations, a under which USDA may provide assistance to eligible orchardists in case of natural disaster. Assistance will consist of reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, in excess of 15 percent mortality as adjusted for normal mortality, or at the discretion of the Secretary of Agriculture, sufficient seedlings to reestablish the stand.

<b>Existing Law</b>	<b>House Farm Bill HR 2646</b>	<b>Senate Farm Bill S. 1731</b>
<b>MISCELLANEOUS</b>	<b>MISCELLANEOUS</b>	<b>MISCELLANEOUS</b>
<b>Transport of Fighting Animals</b>	Comparable to Senate language.	Amends the Animal Welfare Act to prohibit the transportation, for fighting purposes, of animals in interstate and foreign commerce and increase the penalties for violations.
<b>Pesticide Management Plans and Fees</b>	No provision.	Establish a five-year structure for pesticide registration and maintenance fees paid by manufacturers.  Requires states to develop & implement school pesticide management plans and notification of use.