

**PUBLIC LAW 113-79 – FEB. 7, 2014**  
**FARM BILL - RMA**

**TITLE XI—CROP INSURANCE**

**SEC. 11001. INFORMATION SHARING.**

Section 502(c) of the Federal Crop Insurance Act (7 U.S.C. 1502(c)) is amended by adding at the end the following:

“(4) INFORMATION.—

“(A) REQUEST.—Subject to subparagraph (B), the Farm Service Agency shall, in a timely manner, provide to an agent or an approved insurance provider authorized by the producer any information (including Farm Service Agency Form 578s (or any successor form)) or maps (or any corrections to those forms or maps) that may assist the agent or approved insurance provider in insuring the producer under a policy or plan of insurance under this subtitle.

“(B) PRIVACY.—Except as provided in subparagraph (C), an agent or approved insurance provider that receives the information of a producer pursuant to subparagraph (A) shall treat the information in accordance with paragraph (1).

“(C) SHARING.—Nothing in this section prohibits the sharing of the information of a producer pursuant to subparagraph (A) between the agent and the approved insurance provider of the producer.”.

**SEC. 11002. PUBLICATION OF INFORMATION ON VIOLATIONS OF PROHIBITION ON PREMIUM ADJUSTMENTS.**

Section 508(a)(9) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(9)) is amended by adding at the end the following:

“(C) PUBLICATION OF VIOLATIONS.—

“(i) PUBLICATION REQUIRED.—Subject to clause (ii), the Corporation shall publish in a timely manner on the website of the Risk Management Agency information regarding each violation of this paragraph, including any sanctions imposed in response to the violation, in sufficient detail so that the information may serve as effective guidance to approved insurance providers, agents, and producers.

“(ii) PROTECTION OF PRIVACY.—In providing information under clause (i) regarding violations of this paragraph, the Corporation shall redact the identity of the persons and entities committing the violations in order to protect the privacy of those persons and entities.”.

**SEC. 11003. SUPPLEMENTAL COVERAGE OPTION.**

(a) AVAILABILITY OF SUPPLEMENTAL COVERAGE OPTION.—Section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended by striking paragraph (3) and inserting the following:

“(3) YIELD AND LOSS BASIS OPTIONS.—A producer shall have the option of purchasing additional coverage based on—

“(A)(i) an individual yield and loss basis; or

“(ii) an area yield and loss basis; or

“(B) an individual yield and loss basis, supplemented with coverage based on an area yield and loss basis to cover a part of the deductible under the individual yield and loss policy, as described in paragraph (4)(C).”.

(b) LEVEL OF COVERAGE.—Section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended by striking paragraph (4) and inserting the following:

“(4) LEVEL OF COVERAGE.—

“(A) DOLLAR DENOMINATION AND PERCENTAGE OF YIELD.—Except as provided in subparagraph (C), the level of coverage—

“(i) shall be dollar denominated; and

“(ii) may be purchased at any level not to exceed 85 percent of the individual yield or 95 percent of the area yield (as determined by the Corporation).

“(B) INFORMATION.—The Corporation shall provide producers with information on catastrophic risk and additional coverage in terms of dollar coverage (within the allowable limits of coverage provided in this paragraph).

“(C) SUPPLEMENTAL COVERAGE OPTION.—

“(i) IN GENERAL.—Notwithstanding subparagraph

(A), in the case of the supplemental coverage option described in paragraph (3)(B), the Corporation shall offer producers the opportunity to purchase coverage in combination with a policy or plan of insurance offered under this subtitle that would allow indemnities to be paid to a producer equal to a part of the deductible under the policy or plan of insurance—

“(I) at a county-wide level to the fullest extent practicable; or

“(II) in counties that lack sufficient data, on the basis of such larger geographical area as the Corporation determines to provide sufficient data for purposes of providing the coverage.

“(ii) TRIGGER.—Coverage offered under paragraph (3)(B) and clause (i) shall be triggered only if the losses in the area exceed 14 percent of normal levels (as determined by the Corporation).

“(iii) COVERAGE.—Subject to the trigger described in clause (ii), coverage offered under paragraph (3)(B) and clause (i) shall not exceed the difference between—

“(I) 86 percent; and

“(II) the coverage level selected by the producer for the underlying policy or plan of insurance.

“(iv) INELIGIBLE CROPS AND ACRES.—Crops for which the producer has elected under section 1116 of the Agricultural Act of 2014 to receive agriculture risk coverage and acres that are enrolled in the stacked income protection plan under section 508B shall not be eligible for supplemental coverage under this subparagraph.

“(v) CALCULATION OF PREMIUM.—Notwithstanding subsection (d), the premium for coverage offered under paragraph (3)(B) and clause (i) shall—

“(I) be sufficient to cover anticipated losses and a reasonable reserve; and

“(II) include an amount for operating and administrative expenses established in accordance with subsection (k)(4)(F).”

(c) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.

—Section 508(e)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is amended by adding at the end the following:

“(H) In the case of the supplemental coverage option authorized in subsection (c)(4)(C), the amount shall be equal to the sum of—

“(i) 65 percent of the additional premium associated with the coverage; and

“(ii) the amount determined under subsection (c)(4)(C)(v)(II), subject to subsection (k)(4)(F), for the coverage to cover operating and administrative expenses.”.

(d) APPLICATION DATE.—The Federal Crop Insurance Corporation shall begin to provide additional coverage based on an individual yield and loss basis, supplemented with coverage based on an area yield and loss basis, as described in the amendments made by this section, not later than for the 2015 crop year.

#### **SEC. 11004. CROP MARGIN COVERAGE OPTION.**

Section 508(c)(3) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(3)) (as amended by section 11003) is amended—

(1) in subparagraph (A)(ii), by striking “or” at the end;

(2) in subparagraph (B), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(C) a margin basis alone or in combination with the coverages available under subparagraph (A) or (B).”.

#### **SEC. 11005. PREMIUM AMOUNTS FOR CATASTROPHIC RISK PROTECTION.**

Section 508(d)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)(2)) is amended by striking subparagraph (A) and inserting the following:

“(A) In the case of catastrophic risk protection, the amount of the premium established by the Corporation

for each crop for which catastrophic risk protection is available shall be reduced by the percentage equal to the difference between the average loss ratio for the crop and 100 percent, plus a reasonable reserve, as determined by the Corporation.”

**SEC. 11006. PERMANENT ENTERPRISE UNIT SUBSIDY.**

Section 508(e)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(5)) is amended by striking subparagraph (A) and inserting the following:

“(A) IN GENERAL.—The Corporation may pay a portion of the premiums for plans or policies of insurance for which the insurable unit is defined on a whole farm or enterprise unit basis that is higher than would otherwise be paid in accordance with paragraph (2).”.

**SEC. 11007. ENTERPRISE UNITS FOR IRRIGATED AND NONIRRIGATED CROPS.**

Section 508(e)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(5)) is amended by adding at the end the following:

“(D) NONIRRIGATED CROPS.—Beginning with the 2015 crop year, the Corporation shall make available separate enterprise units for irrigated and nonirrigated acreage of crops in counties.”.

**SEC. 11008. DATA COLLECTION.**

Section 508(g)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)(2)) is amended by adding at the end the following:

“(E) SOURCES OF YIELD DATA.—To determine yields under this paragraph, the Corporation—

“(i) shall use county data collected by the Risk Management Agency, the National Agricultural Statistics Service, or both; or

“(ii) if sufficient county data is not available, may use other data considered appropriate by the Secretary.”.

**SEC. 11009. ADJUSTMENT IN ACTUAL PRODUCTION HISTORY TO ESTABLISH INSURABLE YIELDS.**

Section 508(g) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)) (as amended by section 11008) is amended—

(1) in paragraph (2)(A), by inserting “and paragraph (4)(C)” after “(B)”; and

(2) in paragraph (4)—

(A) by redesignating subparagraph (C) as subparagraph (D);

(B) in subparagraph (D) (as so redesignated), by inserting “or (C)” after “(B)”; and

(C) by inserting after subparagraph (B) the following:

“(C) ELECTION TO EXCLUDE CERTAIN HISTORY.—

“(i) IN GENERAL.—Notwithstanding paragraph (2), with respect to 1 or more of the crop years used to establish the actual production history of an agricultural commodity of the producer, the producer may elect to exclude any recorded or appraised yield for any crop year in which the per planted acre yield of the agricultural commodity in the county of the producer was at least 50 percent below the simple average of the per planted acre yield of the agricultural commodity in the county during the previous 10 consecutive crop years.

“(ii) CONTIGUOUS COUNTIES.—In any crop year that a producer in a county is eligible to make an election to exclude a yield under clause (i), a producer in a contiguous county is eligible to make such an election.

“(iii) IRRIGATION PRACTICE.—For purposes of determining whether the per planted acre yield of the agricultural commodity in the county of the producer was at least 50 percent below the simple average of the per planted acre yield of the agricultural commodity in the county during the previous 10 consecutive crop years, the Corporation shall make a separate determination for irrigated and nonirrigated acreage.”.

**SEC. 11010. SUBMISSION OF POLICIES AND BOARD REVIEW AND APPROVAL.**

(a) IN GENERAL.—Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended—  
(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting appropriately;

(B) by striking “(1) IN GENERAL.—In addition” and inserting the following:

“(1) AUTHORITY TO SUBMIT.—

“(A) IN GENERAL.—In addition”; and

(C) by adding at the end the following:

“(B) REVIEW AND SUBMISSION BY CORPORATION.—The Corporation shall review any policy developed under section 522(c) or any pilot program developed under section 523 and submit the policy or program to the Board under this subsection if the Corporation, at the sole discretion of the Corporation, finds that the policy or program—

“(i) will likely result in a viable and marketable policy consistent with this subsection;

“(ii) would provide crop insurance coverage in a significantly improved form; and

“(iii) adequately protects the interests of producers.”; and

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

“(3) REVIEW AND APPROVAL BY THE BOARD.—

“(A) IN GENERAL.—A policy, plan of insurance, or other material submitted to the Board under this subsection shall be reviewed by the Board and shall be approved by the Board for reinsurance and for sale by approved insurance providers to producers at actuarially appropriate rates and under appropriate terms and conditions if the Board determines that—

“(i) the interests of producers are adequately protected;

“(ii) the proposed policy or plan of insurance will—

“(I) provide a new kind of coverage that is likely to be viable and marketable;

“(II) provide crop insurance coverage in a manner that addresses a clear and identifiable flaw or problem in an existing policy; or

“(III) provide a new kind of coverage for a commodity that previously had no available crop insurance, or has demonstrated a low level of participation or coverage level under existing coverage; and

“(iii) the proposed policy or plan of insurance will not have a significant adverse impact on the crop insurance delivery system.

“(B) CONSIDERATION.—In approving policies or plans of insurance, the Board shall in a timely manner—

“(i) first, consider policies or plans of insurance that address underserved commodities, including commodities for which there is no insurance;

“(ii) second, consider existing policies or plans of insurance for which there is inadequate coverage or there exists low levels of participation; and

“(iii) last, consider all policies or plans of insurance submitted to the Board that do not meet the criteria described in clause (i) or (ii).

“(C) SPECIFIED REVIEW AND APPROVAL PRIORITIES.—In reviewing policies and other materials submitted to the Board under this subsection for approval, the Board—

“(i) shall make the development and approval of a revenue policy for peanut producers a priority so that a revenue policy is available to peanut producers in time for the 2015 crop year;

“(ii) shall make the development and approval of a margin coverage policy for rice producers a priority so that a margin coverage policy is available to rice producers in time for the 2015 crop year; and

“(iii) may approve a submission that is made pursuant to this subsection that would, beginning with the 2015 crop year, allow producers that purchase policies in accordance with subsection (e)(5)(A) to separate enterprise units by risk rating for acreage of crops in counties.”.

(b) APPROVAL OF COSTS FOR RESEARCH AND DEVELOPMENT.—

Section 522(b)(2) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)(2)) is amended by striking subparagraph (E) and inserting the following:

“(E) APPROVAL.—

“(i) IN GENERAL.—The Board may approve up to 50 percent of the projected total research and development costs to be paid in advance to an applicant, in accordance with the procedures developed by the Board for the making of the payments, if, after consideration of the reviewer reports described in

subparagraph (D) and such other information as the Board determines appropriate, the Board determines that—

“(I) the concept, in good faith, will likely result in a viable and marketable policy consistent with section 508(h);

“(II) at the sole discretion of the Board, the concept, if developed into a policy and approved by the Board, would provide crop insurance coverage—

“(aa) in a significantly improved form;

“(bb) to a crop or region not traditionally served by the Federal crop insurance program; or

“(cc) in a form that addresses a recognized flaw or problem in the program;

“(III) the applicant agrees to provide such reports as the Corporation determines are necessary to monitor the development effort;

“(IV) the proposed budget and timetable are reasonable, as determined by the Board; and

“(V) the concept proposal meets any other requirements that the Board determines appropriate.

“(ii) WAIVER.—The Board may waive the 50-percent limitation and, upon request of the submitter after the submitter has begun research and development activities, the Board may approve an additional 25 percent advance payment to the submitter for research and development costs, if, at the sole discretion of the Board, the Board determines that—

“(I) the intended policy or plan of insurance developed by the submitter will provide coverage for a region or crop that is underserved by the Federal crop insurance program, including specialty crops; and

“(II) the submitter is making satisfactory progress towards developing a viable and marketable policy or plan of insurance consistent with section 508(h).”

#### **SEC. 11011. CONSULTATION.**

Section 508(h)(4) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)(4)) is amended by adding at the end the following:

“(E) CONSULTATION.—

“(i) REQUIREMENT.—As part of the feasibility and research associated with the development of a policy or other material for fruits and vegetables, tree nuts, dried fruits, and horticulture and nursery crops (including floriculture), the submitter prior to making a submission under this subsection shall consult with groups representing producers of those agricultural commodities in all major producing areas for the commodities to be served or potentially impacted, either directly or indirectly.

“(ii) SUBMISSION TO THE BOARD.—Any submission made to the Board under this subsection shall contain a summary and analysis of the feasibility and research findings from the impacted groups described in clause (i), including a summary assessment of the support for or against development of the policy and an assessment on the impact of the proposed policy to the general marketing and production of the crop from both a regional and national perspective.

“(iii) EVALUATION BY THE BOARD.—In evaluating whether the interests of producers are adequately protected pursuant to paragraph (3) with respect to a submission made under this subsection, the Board shall review the information provided pursuant to clause (ii) to determine if the submission will create adverse market distortions with respect to the production of commodities that are the subject of the submission.”.

#### **SEC. 11012. BUDGET LIMITATIONS ON RENEGOTIATION OF THE STANDARD REINSURANCE AGREEMENT.**

Section 508(k)(8) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(8)) is amended by adding at the end the following:

“(F) BUDGET.—

“(i) IN GENERAL.—The Board shall ensure that any Standard Reinsurance Agreement negotiated under subparagraph (A)(ii) shall—

“(I) to the maximum extent practicable, be estimated as budget neutral with respect to the total amount of payments described in paragraph (9) as compared to the total amount of such payments estimated to be

made under the immediately preceding Standard Reinsurance Agreement if that Agreement were extended over the same period of time;

“(II) comply with the applicable provisions of this Act establishing the rates of reimbursement for administrative and operating costs for approved insurance providers and agents, except that, to the maximum extent practicable, the estimated total amount of reimbursement for those costs shall not be less than the total amount of the payments to be made under the immediately preceding Standard Reinsurance Agreement if that Agreement were extended over the same period of time, as estimated on the date of enactment of the Agricultural Act of 2014; and

“(III) in no event significantly depart from budget neutrality unless otherwise required by this Act.

“(ii) USE OF SAVINGS.—To the extent that any budget savings are realized in the renegotiation of a Standard Reinsurance Agreement under subparagraph (A)(ii), and the savings are determined not to be a significant departure from budget neutrality under clause (i), the savings shall be used to increase reimbursements or payments described under paragraphs (4) and (9).”.

#### **SEC. 11013. TEST WEIGHT FOR CORN.**

Section 508(m) of the Federal Crop Insurance Act (7 U.S.C. 1508(m)) is amended by adding at the end the following:

“(6) TEST WEIGHT FOR CORN.—

“(A) IN GENERAL.—The Corporation shall establish procedures to allow insured producers not more than 120 days to settle claims, in accordance with procedures established by the Secretary, involving corn that is determined to have low test weight.

“(B) IMPLEMENTATION.—As soon as practicable after the date of enactment of this paragraph, the Corporation shall implement subparagraph (A) on a regional basis based on market conditions and the interests of producers.

“(C) TERMINATION OF EFFECTIVENESS.—The authority provided by this paragraph terminates effective on the date that is 5 years after the date on which subparagraph (A) is implemented.”.

#### **SEC. 11014. CROP PRODUCTION ON NATIVE SOD.**

(a) FEDERAL CROP INSURANCE.—Section 508(o) of the Federal Crop Insurance Act (7 U.S.C. 1508(o)) is amended—

(1) in paragraph (1)(B), by inserting “, or the producer cannot substantiate that the ground has ever been tilled,” after “tilled”;

(2) in paragraph (2)—(A) in the paragraph heading, by striking “INELIGIBILITY FOR” and inserting “REDUCTION IN”;

(B) by striking subparagraph (A) and inserting the following:

“(A) IN GENERAL.—During the first 4 crop years of planting, as determined by the Secretary, native sod acreage that has been tilled for the production of an annual crop after the date of enactment of the Agricultural Act of 2014 shall be subject to a reduction in benefits under this subtitle as described in this paragraph.”; and

(C) by adding at the end the following:

“(C) ADMINISTRATION.—

“(i) REDUCTION.—For purposes of the reduction in benefits for the acreage described in subparagraph (A)—

“(I) the crop insurance guarantee shall be determined by using a yield equal to 65 percent of the transitional yield of the producer; and

“(II) the crop insurance premium subsidy provided for the producer under this subtitle, except for coverage authorized pursuant to subsection

(b)(1), shall be 50 percentage points less than the premium subsidy that would otherwise apply.

“(ii) YIELD SUBSTITUTION.—During the period native sod acreage is covered by this subsection, a producer may not substitute yields for the native sod.”;

(3) by striking paragraph (3) and inserting the following: “(3) APPLICATION.—This subsection shall only apply to native sod acreage in the States of Minnesota, Iowa, North Dakota, South Dakota, Montana, and Nebraska.”.

(b) NONINSURED CROP DISASTER ASSISTANCE.—Section 196(a)(4) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(4)) is amended—

(1) in the paragraph heading, by striking “INELIGIBILITY” and inserting “REDUCTION IN BENEFITS”;

(2) in subparagraph (A)(ii), by inserting “, or the producer cannot substantiate that the ground has ever been tilled,” after “tilled”;

(3) in subparagraph (B)—

(A) in the subparagraph heading, by striking “INELIGIBILITY FOR” and inserting “REDUCTION IN”;

(B) by striking clause (i) and inserting the following:

“(i) IN GENERAL.—During the first 4 crop years of planting, as determined by the Secretary, native sod acreage that has been tilled for the production of an annual crop after the date of enactment of the Agricultural Act of 2014 shall be subject to a reduction in benefits under this section as described in this subparagraph.”; and

(C) by adding at the end the following:

“(iii) REDUCTION.—For purposes of the reduction in benefits for the acreage described in clause (i)—

“(I) the approved yield shall be determined by using a yield equal to 65 percent of the transitional yield of the producer; and

“(II) the service fees or premiums for crops planted on native sod shall be equal to 200 percent of the amount determined in subsections (l)(2) or (k), as applicable, but in no case shall exceed the amount determined in subsection (l)(2)(B)(ii).”;

(4) by striking subparagraph (C) and inserting the following:

“(C) APPLICATION.—This paragraph shall only apply to native sod acreage in the States of Minnesota, Iowa, North Dakota, South Dakota, Montana, and Nebraska.”.

(c) CROPLAND REPORT.—

(1) BASELINE.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the cropland acreage in each applicable county and State, and the change in cropland acreage from the preceding year in each applicable county and State, beginning with calendar year 2000 and including that information for the most recent year for which that information is available.

(2) ANNUAL UPDATES.—Not later than January 1, 2015, and each January 1 thereafter through January 1, 2018, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes—

(A) the cropland acreage in each applicable county and State as of the date of submission of the report; and

(B) the change in cropland acreage from the preceding year in each applicable county and State.

#### **SEC. 11015. COVERAGE LEVELS BY PRACTICE.**

Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended by adding at the end the following:

“(p) COVERAGE LEVELS BY PRACTICE.—Beginning with the 2015 crop year, a producer that produces an agricultural commodity on both dry land and irrigated land may elect a different coverage level for each production practice.”.

#### **SEC. 11016. BEGINNING FARMER AND RANCHER PROVISIONS.**

(a) DEFINITION.—Section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)) is amended—

(1) by redesignating paragraphs (3) through (9) as paragraphs (4) through (10), respectively; and

(2) by inserting after paragraph (2) the following: “(3) BEGINNING FARMER OR RANCHER.—The term ‘beginning farmer or rancher’ means a farmer or rancher who has not actively operated and managed a

farm or ranch with a bona fide insurable interest in a crop or livestock as an owner operator, landlord, tenant, or sharecropper for more than 5 crop years, as determined by the Secretary.”.

(b) PREMIUM ADJUSTMENTS.—Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) in subsection (b)(5)(E), by inserting “and beginning farmers or ranchers” after “limited resource farmers”;

(2) in subsection (e), by adding at the end the following:

“(8) PREMIUM FOR BEGINNING FARMERS OR RANCHERS.—

Notwithstanding any other provision of this subsection regarding payment of a portion of premiums, a beginning farmer or rancher shall receive premium assistance that is 10 percentage points greater than premium assistance that would otherwise be available under paragraphs (2) (except for subparagraph (A) of that paragraph), (5), (6), and (7) for the applicable policy, plan of insurance, and coverage level selected by the beginning farmer or rancher.”; and (3) in subsection (g)—

(A) in paragraph (2)(B)—

(i) in clause (i), by striking “or” at the end;

(ii) in clause (ii)(III), by striking the period at the end and inserting “; or”; and

(iii) by adding at the end the following:

“(iii) if the producer is a beginning farmer or rancher who was previously involved in a farming or ranching operation, including involvement in the decisionmaking or physical involvement in the production of the crop or livestock on the farm, for any acreage obtained by the beginning farmer or rancher, a yield that is the higher of—

“(I) the actual production history of the previous producer of the crop or livestock on the acreage determined under subparagraph (A); or

“(II) a yield of the producer, as determined in clause (i).”; and

(B) in paragraph (4)(B)(ii)—

(i) by inserting “(I)” after “(ii)”;

(ii) by striking the period at the end and inserting “; or”; and

(iii) by adding at the end the following:

“(II) in the case of beginning farmers or ranchers, replace each excluded yield with a yield equal to 80 percent of the applicable transitional yield.”.

#### **SEC. 11017. STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON.**

(a) AVAILABILITY OF STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON.—The Federal Crop Insurance Act is amended by inserting after section 508A (7 U.S.C. 1508a) the following:

#### **“SEC. 508B. STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON.**

“(a) AVAILABILITY.—Beginning not later than the 2015 crop of upland cotton, the Corporation shall make available to producers of upland cotton an additional policy (to be known as the ‘Stacked Income Protection Plan’), which shall provide coverage consistent with the Group Risk Income Protection Plan (and the associated Harvest Revenue Option Endorsement) offered by the Corporation for the 2011 crop year.

“(b) REQUIRED TERMS.—The Corporation may modify the Stacked Income Protection Plan on a program-wide basis, except that the Stacked Income Protection Plan shall comply with the following requirements:

“(1) Provide coverage for revenue loss of not less than 10 percent and not more than 30 percent of expected county revenue, specified in increments of 5 percent. The deductible shall be the minimum percent of revenue loss at which indemnities are triggered under the plan, not to be less than 10 percent of the expected county revenue.

“(2) Be offered to producers of upland cotton in all counties with upland cotton production—

7 USC 1508b.



“(A) at a county-wide level to the fullest extent practicable; or  
“(B) in counties that lack sufficient data, on the basis of such larger geographical area as the Corporation determines to provide sufficient data for purposes of providing the coverage.  
“(3) Be purchased in addition to any other individual or area coverage in effect on the producer’s acreage or as a standalone policy, except that if a producer has an individual or area coverage for the same acreage, the maximum coverage available under the Stacked Income Protection Plan shall not exceed the deductible for the individual or area coverage.  
“(4) Establish coverage based on—  
“(A) the expected price established under existing Group Risk Income Protection or area wide policy offered by the Corporation for the applicable county (or area) and crop year; and  
“(B) an expected county yield that is the higher of—  
“(i) the expected county yield established for the existing area-wide plans offered by the Corporation for the applicable county (or area) and crop year (or, in geographic areas where area-wide plans are not offered, an expected yield determined in a manner consistent with those of area-wide plans); or  
“(ii) the average of the applicable yield data for the county (or area) for the most recent 5 years, excluding the highest and lowest observations, from the Risk Management Agency or the National Agricultural Statistics Service (or both) or, if sufficient county data is not available, such other data considered appropriate by the Secretary.  
“(5) Use a multiplier factor to establish maximum protection per acre (referred to as a ‘protection factor’) of not less than the higher of the level established on a program wide basis or 120 percent.  
“(6) Pay an indemnity based on the amount that the expected county revenue exceeds the actual county revenue, as applied to the individual coverage of the producer. Indemnities under the Stacked Income Protection Plan shall not include or overlap the amount of the deductible selected under paragraph (1).  
“(7) In all counties for which data are available, establish separate coverage levels for irrigated and nonirrigated practices.  
“(c) PREMIUM.—Notwithstanding section 508(d), the premium for the Stacked Income Protection Plan shall—  
“(1) be sufficient to cover anticipated losses and a reasonable reserve; and  
“(2) include an amount for operating and administrative expenses established in accordance with section 508(k)(4)(F).  
“(d) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—  
Subject to section 508(e)(4), the amount of premium paid by the Corporation for all qualifying coverage levels of the Stacked Income Protection Plan shall be—  
“(1) 80 percent of the amount of the premium established under subsection (c) for the coverage level selected; and  
128 STAT. 966 PUBLIC LAW 113–79—FEB. 7, 2014  
“(2) the amount determined under subsection (c)(2), subject to section 508(k)(4)(F), for the coverage to cover administrative and operating expenses.  
“(e) RELATION TO OTHER COVERAGES.—The Stacked Income Protection Plan is in addition to all other coverages available to producers of upland cotton.”.  
(b) CONFORMING AMENDMENT.—Section 508(k)(4)(F) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(F)) is amended by inserting “or authorized under subsection (c)(4)(C) or section 508B” after “of this subparagraph”.

**SEC. 11018. PEANUT REVENUE CROP INSURANCE.**

The Federal Crop Insurance Act is amended by inserting after section 508B (as added by section 11017), the following:

**“SEC. 508C. PEANUT REVENUE CROP INSURANCE.**

“(a) IN GENERAL.—Effective beginning with the 2015 crop year, the Risk Management Agency and the Corporation shall make available to producers of peanuts a revenue crop insurance program for peanuts.

“(b) EFFECTIVE PRICE.—Subject to subsection (c), for purposes of the revenue crop insurance program and the multiperil crop insurance program under this Act, the effective price for peanuts shall be equal to the Rotterdam price index for peanuts or other appropriate price as determined by the Secretary, as adjusted to reflect the farmer stock price of peanuts in the United States.

“(c) ADJUSTMENTS.—

“(1) IN GENERAL.—The effective price for peanuts established under subsection (b) may be adjusted by the Risk Management Agency and the Corporation to correct distortions.

“(2) ADMINISTRATION.—If an adjustment is made under paragraph (1), the Risk Management Agency and the Corporation shall—

“(A) make the adjustment in an open and transparent manner; and

“(B) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the reasons for the adjustment.”.

#### **SEC. 11019. AUTHORITY TO CORRECT ERRORS.**

Section 515(c) of the Federal Crop Insurance Act (7 U.S.C. 1515(c)) is amended—

(1) in the first sentence, by striking “The Secretary” and inserting the following:

“(1) IN GENERAL.—The Secretary”;

(2) in the second sentence, by striking “Beginning with” and inserting the following:

“(2) FREQUENCY.—Beginning with”; and

(3) by adding at the end the following: “(3) CORRECTIONS.—

“(A) IN GENERAL.—In addition to the corrections permitted by the Corporation as of the day before the date of enactment of the Agricultural Act of 2014, the Corporation shall establish procedures that allow an agent or an approved insurance provider, subject to subparagraph (B)—

“(i) within a reasonable amount of time following the applicable sales closing date, to correct errors in 7 USC 1508c.information that is provided by a producer for the purpose of obtaining coverage under any policy or plan of insurance made available under this subtitle to ensure that the eligibility information is correct and consistent with information reported by the producer for other programs administered by the Secretary;

“(ii) within a reasonable amount of time following—

“(I) the acreage reporting date, to reconcile errors in the information reported by the producer with correct information determined from any other program administered by the Secretary; or

“(II) the date of any subsequent correction of data by the Farm Service Agency made as a result of the verification of information, to make conforming corrections; and

“(iii) at any time, to correct electronic transmission errors that were made by an agent or approved insurance provider, or such errors made by the Farm Service Agency or any other agency of the Department of Agriculture in transmitting the information provided by the producer for purposes of other programs of the Department to the extent an agent or approved insurance provider relied upon the erroneous information for crop insurance purposes.

“(B) LIMITATION.—In accordance with the procedures of the Corporation, correction to the information described in clauses (i) and (ii) of subparagraph (A) may only be made if the corrections do not allow the producer—

“(i) to avoid ineligibility requirements for insurance or obtain a disproportionate benefit under the crop insurance program or any related program administered by the Secretary;

“(ii) to obtain, enhance, or increase an insurance guarantee or indemnity if a cause of loss exists or has occurred before any correction has been made, or avoid premium owed if no loss is likely to occur;

or

“(iii) to avoid an obligation or requirement under any Federal or State law.

“(C) EXCEPTION TO LATE FILING SANCTIONS.—Any corrections made within a reasonable amount of time, in accordance with established procedures, pursuant to this paragraph shall not be subject to any late filing sanctions authorized in the reinsurance agreement with the Corporation.

“(D) LATE PAYMENT OF DEBT.—In the case of a producer that has inadvertently failed to pay a debt due as specified by regulations of the Corporation and has been determined to be ineligible for crop insurance pursuant to the terms of the policy as a result of that failure, the Corporation may determine to allow the producer to pay the debt and purchase the crop insurance after the sales closing date, in accordance with procedures and limitations established by the Corporation.”.

128 STAT. 968 PUBLIC LAW 113–79—FEB. 7, 2014

**SEC. 11020. IMPLEMENTATION.**

Section 515 of the Federal Crop Insurance Act (7 U.S.C. 1515) is amended—

(1) in subsection (j), by striking paragraph (1) and inserting the following:

“(1) SYSTEMS MAINTENANCE AND UPGRADES.—

“(A) IN GENERAL.—The Secretary shall maintain and upgrade the information management systems of the Corporation used in the administration and enforcement of this subtitle.

“(B) REQUIREMENT.—

“(i) IN GENERAL.—In maintaining and upgrading the systems, the Secretary shall ensure that new hardware and software are compatible with the hardware and software used by other agencies of the Department to maximize data sharing and promote the purposes of this section.

“(ii) ACREAGE REPORT STREAMLINING INITIATIVE

PROJECT.—As soon as practicable, the Secretary shall develop and implement an acreage report streamlining initiative project to allow producers to report acreage and other information directly to the Department.”; and

(2) in subsection (k), by striking paragraph (1) and inserting the following:

“(1) INFORMATION TECHNOLOGY.—

“(A) IN GENERAL.—For purposes of subsection (j)(1), the Corporation may use, from amounts made available from the insurance fund established under section 516(c), not more than—

“(i) (I) for fiscal year 2014, \$14,000,000; and

“(ii) (I) for each of fiscal years 2015 through 2018, \$9,000,000; or

“(ii) if the Acreage Crop Reporting Streamlining Initiative (ACRSI) project is substantially completed by September 30, 2015, not more than \$14,000,000 for each of the fiscal years 2015 through 2018.

“(B) NOTIFICATION.—The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the substantial completion of the Acreage Crop Reporting Streamlining Initiative (ACRSI) project not later than July 1, 2015.”.

**SEC. 11021. CROP INSURANCE FRAUD.**

Section 516(b)(2) of the Federal Crop Insurance Act (7 U.S.C. 1516(b)(2)) is amended by adding at the end the following:

“(C) REVIEWS, COMPLIANCE, AND INTEGRITY.—

“(i) IN GENERAL.—For each of the 2014 and subsequent reinsurance years, the Corporation may use the insurance fund established under subsection (c), but not to exceed \$9,000,000 for each fiscal year, to pay costs—

“(I) to reimburse expenses incurred for the operations and review of policies, plans of insurance, and related materials (including actuarial and related information); and

“(II) to assist the Corporation in maintaining program actuarial soundness and financial integrity.

“(ii) SECRETARIAL ACTION.—For the purposes described in clause (i), the Secretary may, without further appropriation—

“(I) merge some or all of the funds made available under this subparagraph into the accounts of the Risk Management Agency; and

“(II) obligate those funds.

“(iii) MAINTENANCE OF FUNDING.—Funds made available under this subparagraph shall be in addition to other funds made available for costs incurred by the Corporation or the Risk Management Agency.”.

## **SEC. 11022. RESEARCH AND DEVELOPMENT PRIORITIES.**

(a) **AUTHORITY TO CONDUCT RESEARCH AND DEVELOPMENT, PRIORITIES.**—Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) is amended—

(1) in the subsection heading, by striking “CONTRACTING”;

(2) in paragraph (1), in the matter preceding subparagraph (A), by striking “may enter into contracts to carry out research and development to” and inserting “may conduct activities or enter into contracts to carry out research and development to maintain or improve existing policies or develop new policies to”;

(3) in paragraph (2)—

(A) in subparagraph (A), by inserting “conduct research and development or” after “The Corporation may”; and

(B) in subparagraph (B), by inserting “conducting research and development or” after “Before”;

(4) in paragraph (5), by inserting “after expert review in accordance with section 505(e)” after “approved by the Board”;

(5) in paragraph (6), by striking “a pasture, range, and forage program” and inserting “policies that increase participation by producers of underserved agricultural commodities, including sweet sorghum, biomass sorghum, rice, peanuts, sugarcane, alfalfa, pennycress, dedicated energy crops, and specialty crops”;

(6) by redesignating paragraph (17) as paragraph (25); and

(7) by inserting after paragraph (16), the following:

“(17) **MARGIN COVERAGE FOR CATFISH.**—

“(A) **IN GENERAL.**—The Corporation shall offer to enter into a contract with a qualified entity to conduct research and development regarding a policy to insure producers against reduction in the margin between the market value of catfish and selected costs incurred in the production of catfish.

“(B) **ELIGIBILITY.**—Eligibility for the policy described in subparagraph (A) shall be limited to freshwater species of catfish that are propagated and reared in controlled or selected environments.

“(C) **IMPLEMENTATION.**—The Board shall review the policy described in subparagraph (B) under section 508(h) and approve the policy if the Board finds that the policy—

“(i) will likely result in a viable and marketable policy consistent with this subsection;

“(ii) would provide crop insurance coverage in a significantly improved form;

“(iii) adequately protects the interests of producers;

and

“(iv) meets other requirements of this subtitle determined appropriate by the Board.

“(18) **BIOMASS AND SWEET SORGHUM ENERGY CROP INSURANCE POLICIES.**—

“(A) **IN GENERAL.**—The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding—

“(i) a policy to insure biomass sorghum that is grown expressly for the purpose of producing a feedstock for renewable biofuel, renewable electricity, or biobased products; and

“(ii) a policy to insure sweet sorghum that is grown for a purpose described in clause (i).

“(B) **RESEARCH AND DEVELOPMENT.**—Research and development with respect to each of the policies required in subparagraph (A) shall evaluate the effectiveness of risk management tools for the production of biomass sorghum or sweet sorghum, including policies and plans of insurance that—

“(i) are based on market prices and yields;

“(ii) to the extent that insufficient data exist to develop a policy based on market prices and yields, evaluate the policies and plans of insurance based on the use of weather indices, including excessive or inadequate rainfall, to protect the interest of crop producers; and

“(iii) provide protection for production or revenue losses, or both.

“(19) **STUDY ON SWINE CATASTROPHIC DISEASE PROGRAM.**—

“(A) **IN GENERAL.**—The Corporation shall contract with 1 or more qualified entities to conduct a study to determine the feasibility of insuring swine producers for a catastrophic event.

“(B) REPORT.—Not later than 1 year after the date of the enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).

“(20) WHOLE FARM DIVERSIFIED RISK MANAGEMENT INSURANCE PLAN.—

“(A) IN GENERAL.—Unless the Corporation approves a whole farm insurance plan, similar to the plan described in this paragraph, to be available to producers for the 2016 reinsurance year, the Corporation shall conduct activities or enter into contracts to carry out research and development to develop a whole farm risk management insurance plan, with a liability limitation of \$1,500,000, that allows a diversified crop or livestock producer the option to qualify for an indemnity if actual gross farm revenue is below 85 percent of the average gross farm revenue or the expected gross farm revenue that can reasonably be expected of the producer, as determined by the Corporation.

“(B) ELIGIBLE PRODUCERS.—The Corporation shall permit producers (including direct-to-consumer marketers and producers servicing local and regional and farm identity-preserved markets) who produce multiple agricultural commodities, including specialty crops, industrial crops, livestock, and aquaculture products, to participate in the plan developed under subparagraph (A) in lieu of any other plan under this subtitle.

“(C) DIVERSIFICATION.—The Corporation may provide diversification-based additional coverage payment rates, premium discounts, or other enhanced benefits in recognition of the risk management benefits of crop and livestock diversification strategies for producers that—

“(i) grow multiple crops; or

“(ii) may have income from the production of livestock that uses a crop grown on the farm.

“(D) MARKET READINESS.—The Corporation may include coverage for the value of any packing, packaging, or any other similar on-farm activity the Corporation determines to be the minimum required in order to remove the commodity from the field.

“(21) STUDY ON POULTRY CATASTROPHIC DISEASE PROGRAM.—

“(A) IN GENERAL.—The Corporation shall contract with a qualified person to conduct a study to determine the feasibility of insuring poultry producers for a catastrophic event.

“(B) REPORT.—Not later than 1 year after the date of the enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).

“(22) POULTRY BUSINESS INTERRUPTION INSURANCE POLICY.—

“(A) DEFINITIONS.—In this paragraph, the terms ‘poultry’ and ‘poultry grower’ have the meanings given those terms in section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)).

“(B) AUTHORITY.—The Corporation shall offer to enter into a contract or cooperative agreement with an institution of higher education or other legal entity to carry out research and development regarding a policy to insure the commercial production of poultry against business interruptions caused by integrator bankruptcy.

“(C) RESEARCH AND DEVELOPMENT.—As part of the research and development conducted pursuant to a contract or cooperative agreement entered into under subparagraph

(B), the entity shall—

“(i) evaluate the market place for business interruption insurance that is available to poultry growers;

“(ii) determine what statutory authority would be necessary to implement a business interruption insurance through the Corporation;

“(iii) assess the feasibility of a policy or plan of insurance offered under this subtitle to insure against a portion of losses due to business interruption or to the bankruptcy of an business integrator; and

“(iv) analyze the costs to the Federal Government of a Federal business interruption insurance program for poultry growers or producers.

“(D) DEADLINE FOR CONTRACT OR COOPERATIVE AGREEMENT.—

Not later than 180 days after the date of enactment of this paragraph, the Corporation shall offer to enter into the contract or cooperative agreement required by subparagraph (B).

**“(E) DEADLINE FOR COMPLETION OF RESEARCH AND**

**DEVELOPMENT.—**Not later than 1 year after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the research and development conducted pursuant to the contract or cooperative agreement entered into under subparagraph (B).]

**“(23) STUDY OF FOOD SAFETY INSURANCE.—**

**“(A) IN GENERAL.—**The Corporation shall offer to enter into a contract with 1 or more qualified entities to conduct a study to determine whether offering policies that provide coverage for specialty crops from food safety and contamination issues would benefit agricultural producers.

**“(B) SUBJECT.—**The study described in subparagraph (A) shall evaluate policies and plans of insurance coverage that provide protection for production or revenue impacted by food safety concerns including, at a minimum, government, retail, or national consumer group announcements of a health advisory, removal, or recall related to a contamination concern.

**“(C) REPORT.—**Not later than 1 year after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).”

**“(24) ALFALFA CROP INSURANCE POLICY.—**

**“(A) IN GENERAL.—**The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding a policy to insure alfalfa.

**“(B) REPORT.—**Not later than 1 year after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).”

(b) **FUNDING.—**Section 522(e) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) in the subparagraph heading, by striking “AUTHORITY.—” and inserting “CONDUCTING AND CONTRACTING FOR RESEARCH AND DEVELOPMENT.—”; and

(ii) by inserting “conduct research and development and” after “the Corporation may use to”; and

(B) in subparagraph (B), by inserting “conduct research and development and” after “for the fiscal year to”;

(2) in paragraph (3), in the matter preceding subparagraph (A), by striking “to provide either reimbursement payments or contract payments”; and

(3) by striking paragraph (4).

**SEC. 11023. CROP INSURANCE FOR ORGANIC CROPS.**

(a) **IN GENERAL.—**Section 508(c)(6) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(6)) is amended by adding at the end the following:

**“(D) ORGANIC CROPS.—**

**“(i) IN GENERAL.—**As soon as possible, but not later than the 2015 reinsurance year, the Corporation shall offer producers of organic crops price elections for all organic crops produced in compliance with standards issued by the Department of Agriculture under the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) that reflect the actual retail or wholesale prices, as appropriate, received by producers for organic crops, as determined by the Secretary using all relevant sources of information.

**“(ii) ANNUAL REPORT.—**The Corporation shall submit to the Committee on Agriculture of the House

of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on progress made in developing and improving Federal crop insurance for organic crops, including—

“(I) the numbers and varieties of organic crops insured;

“(II) the progress of implementing the price elections required under this subparagraph, including the rate at which additional price elections are adopted for organic crops;

“(III) the development of new insurance approaches relevant to organic producers; and

“(IV) any recommendations the Corporation considers appropriate to improve Federal crop insurance coverage for organic crops.”.

(b) **CONFORMING AMENDMENT.**—Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) (as amended by section 11022) is amended—

(1) by striking paragraph (10); and

(2) by redesignating paragraphs (11) through (25) as paragraphs

(10) through (24), respectively.

#### **SEC. 11024. PROGRAM COMPLIANCE PARTNERSHIPS.**

(a) **IN GENERAL.**—Section 522(d) of the Federal Crop Insurance Act (7 U.S.C. 1522(d)) is amended by striking paragraph (1) and inserting the following:

“(1) **PURPOSE.**—The purpose of this subsection is to authorize the Corporation to enter into partnerships with public and private entities for the purpose of either—

“(A) increasing the availability of loss mitigation, financial, and other risk management tools for producers, with a priority given to risk management tools for producers of agricultural commodities covered by section 196 of the Agricultural Market Transition Act (7 U.S.C. 7333), specialty crops, and underserved agricultural commodities; or

“(B) improving analysis tools and technology regarding compliance or identifying and using innovative compliance strategies.”.

(b) **OBJECTIVES.**—Section 522(d)(3) of the Federal Crop Insurance Act (7 U.S.C. 1522(d)(3)) is amended—

(1) in subparagraph (F), by striking “and” at the end;

(2) by redesignating subparagraph (G) as subparagraph (H); and

(3) by inserting after subparagraph (F) the following: “(G) to improve analysis tools and technology regarding compliance or identifying and using innovative compliance strategies; and”.

#### **SEC. 11025. PILOT PROGRAMS.**

Section 523(a) of the Federal Crop Insurance Act (7 U.S.C. 1523(a)) is amended—

(1) in paragraph (1), by inserting “, at the sole discretion of the Corporation,” after “may”; and

(2) by striking paragraph (5).

#### **SEC. 11026. INDEX-BASED WEATHER INSURANCE PILOT PROGRAM.**

Section 523 of the Federal Crop Insurance Act (7 U.S.C. 1523) is amended by adding at the end the following:

“(j) **UNDERSERVED CROPS AND REGIONS PILOT PROGRAMS.**—

“(1) **DEFINITION OF LIVESTOCK COMMODITY.**—In this subsection, the term ‘livestock commodity’ includes cattle, sheep, swine, goats, and poultry, including pasture, rangeland, and forage as a source of feed for that livestock.

“(2) **AUTHORIZATION.**—Notwithstanding subsection (a)(2), the Corporation may conduct 2 or more pilot programs to provide producers of underserved specialty crops and livestock commodities with index-based weather insurance, subject to the requirements of this section.

“(3) **REVIEW AND APPROVAL OF SUBMISSIONS.**—

“(A) **IN GENERAL.**—The Board shall approve 2 or more proposed policies or plans of insurance from approved insurance providers if the Board determines that the policies or plans provide coverage as specified in paragraph (2), and meet the conditions described in this paragraph

“(B) **REQUIREMENTS.**—To be eligible for approval under this subsection, the approved insurance provider shall have—

“(i) adequate experience underwriting and administering policies or plans of insurance that are comparable to the proposed policy or plan of insurance;

“(ii) sufficient assets or reinsurance to satisfy the underwriting obligations of the approved insurance provider, and possess a sufficient insurance credit rating from an appropriate credit rating bureau, in accordance with Board procedures; and

“(iii) applicable authority and approval from each State in which the approved insurance provider intends to sell the insurance product.

“(C) REVIEW REQUIREMENTS.—In reviewing applications under this subsection, the Board shall conduct the review in a manner consistent with the standards, rules, and procedures for policies or plans of insurance submitted under section 508(h) and the actuarial soundness requirements applied to other policies and plans of insurance made available under this subtitle.

“(D) PRIORITIZATION.—The Board shall prioritize applications that provide a new kind of coverage for specialty crops and livestock commodities that previously had no available crop insurance, or has demonstrated a low level of participation under existing coverage.

“(4) PAYMENT OF PREMIUM SUPPORT.—

“(A) IN GENERAL.—The Corporation shall pay a portion of the premium for producers that purchase a policy or plan of insurance approved pursuant to this subsection.

“(B) AMOUNT.—The premium subsidy shall provide a similar dollar amount of premium subsidy per acre that the Corporation pays for comparable policies or plans of insurance reinsured under this subtitle, except that in no case shall the premium subsidy exceed 60 percent of total premium, as determined by the Corporation.

“(C) CALCULATION.—The premium subsidy, as determined by the Corporation, shall be calculated as—

“(i) a percentage of premium;

“(ii) a percentage of expected loss determined pursuant to a reasonable actuarial methodology; or

“(iii) a fixed dollar amount per acre.

“(D) PAYMENT.—Subject to subparagraphs (B) and (C), the premium subsidy under this subsection shall be paid by the Corporation in the same manner and under the same terms and conditions as premium subsidy for other policies and plans of insurance.

“(E) OPERATING AND ADMINISTRATIVE EXPENSE PAYMENTS.—

“(i) IN GENERAL.—Subject to clause (ii), operating and administrative expense payments may be made for policies and plans of insurance approved under this subsection in an amount that is commensurate with similar policies and plans of insurance reinsured under this subtitle, on the condition that the operating and administrative expenses are not included in premiums.

“(ii) LIMITATION.—Subject to subparagraph (F)(i), Federal reinsurance, research and development costs, other reimbursements, or maintenance fees shall not be provided or collected for policies and plans of insurance approved under this subsection.

“(F) APPROVED INSURANCE PROVIDERS.—Any policy or plan of insurance approved under this subsection may be sold only by the approved insurance provider that submits the application and by any additional approved insurance provider that—

“(i) agrees to pay maintenance fees or other payments to the approved insurance provider that submitted the application in an amount agreed to by the applicant and the additional approved insurance provider, on the condition that the fees or payments shall be reasonable and appropriate to ensure that the policies or plans of insurance may be made available by additional approved insurance providers; and

“(ii) meets the eligibility criteria of paragraph (3)(B), as determined by the Board.

“(G) RELATIONSHIP TO OTHER PROVISIONS.—The requirements of this paragraph shall apply notwithstanding paragraph (6).

“(5) OVERSIGHT.—The Corporation shall develop and publish procedures to administer policies or plans of insurance approved under this subsection that—



“(A) require each approved insurance provider to report sales, acreage and claim data, and any other data that the Corporation determines to be appropriate, to allow the Corporation to evaluate sales and performance of the product; and

“(B) contain such other requirements as the Corporation determines necessary to ensure that the products

—  
“(i) do not have a significant adverse impact on the crop insurance delivery system;

“(ii) are in the best interests of producers; and

“(iii) do not result in a reduction of program integrity.

“(6) CONFIDENTIALITY.—

“(A) IN GENERAL.—All reports required under paragraph (5) and all other proprietary information and data generated or derived from applicants under this subsection shall be considered to be confidential commercial or financial information for the purposes of section 552(b)(4) of title 5, United States Code.

“(B) STANDARD.—If information concerning a proposal could be withheld by the Secretary under the standard for privileged or confidential information pertaining to trade secrets and commercial or financial information under section 552(b)(4) of title 5, United States Code, the information shall not be released to the public.

“(7) INELIGIBLE PURPOSES.—In no case shall a policy or plan of insurance made available under this subsection provide coverage substantially similar to privately available hail insurance.

“(8) FUNDING.—

“(A) LIMITATION ON EXPENDITURES.—Notwithstanding any other provision in this subsection, of the funds of the Corporation, the Corporation shall use to carry out this section not more than \$12,500,000 for each of fiscal years 2015 through 2018, to remain available until expended.

“(B) RELATION TO OTHER PROGRAMS.—The amount of funds made available under this section shall be in addition to amounts made available under other provisions of this subtitle, including amounts made available under subsection (b).”.

#### **SEC. 11027. ENHANCING PRODUCER SELF-HELP THROUGH FARM FINANCIAL BENCHMARKING.**

(a) DEFINITION.—Section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)) (as amended by section 11016(a)(1)) is amended—

(1) by redesignating paragraphs (7) through (10) as paragraphs (8) through (11), respectively; and

(2) by inserting after paragraph (6) the following:

“(7) FARM FINANCIAL BENCHMARKING.—The term ‘farm financial benchmarking’ means—

“(A) the process of comparing the performance of an agricultural enterprise against the performance of other similar enterprises, through the use of comparable and reliable data, in order to identify business management strengths, weaknesses, and steps necessary to improve management performance and business profitability; and

“(B) benchmarking of the type conducted by farm management and producer associations consistent with the activities described in or funded pursuant to section 1672D of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925f).”.

(b) PARTNERSHIPS FOR RISK MANAGEMENT FOR PRODUCERS OF SPECIALTY CROPS AND UNDERSERVED AGRICULTURAL COMMODITIES.—

Section 522(d)(3)(F) of the Federal Crop Insurance Act (7 U.S.C. 1522(d)(3)(F)) is amended by inserting “farm financial benchmarking,” after “management,”.

(c) CROP INSURANCE EDUCATION AND RISK MANAGEMENT ASSISTANCE.—Section 524(a) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)) is amended—

(1) in paragraph (3)(A), by inserting “farm financial benchmarking,” after “risk reduction,”; and

(2) in paragraph (4), in the matter preceding subparagraph (A), by inserting “(including farm financial benchmarking)” after “management strategies”.

#### **SEC. 11028. TECHNICAL AMENDMENTS.**

(a) Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

- (1) in subsection (b)—
- (A) by striking paragraph (7); and
- (B) by redesignating paragraphs (8) through (11) as paragraphs (7) through (10), respectively;
- (2) in subsection (e)(2), in the matter preceding subparagraph (A), by striking “paragraph (3)” and inserting “paragraphs (3), (6), and (7)”; and
- (3) in subsection (k)(8)(C), by striking “subparagraph (A)(iii)” and inserting “subparagraph (A)(ii)”.
  - (b) Section 522 of the Federal Crop Insurance Act (7 U.S.C. 1522) is amended—
    - (1) in subsection (b)(4)(A), by striking “paragraphs (1)” and inserting “paragraph (1)”; and
    - (2) in subsection (e)(1), by adding a period at the end.
  - (c) Section 531(d)(3)(A) of the Federal Crop Insurance Act (7 U.S.C. 1531(d)(3)(A)) is amended—
    - (1) by striking “(A) ELIGIBLE LOSSES.—” and all that follows through “An eligible” in clause (i) and inserting the following:  
“(A) ELIGIBLE LOSSES.—An eligible”;
    - (2) by striking clause (ii); and
    - (3) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively, and indenting appropriately.
  - (d) Section 901(d)(3)(A) of the Trade Act of 1974 (19 U.S.C. 2497(d)(3)(A)) is amended—
    - (1) by striking “(A) ELIGIBLE LOSSES.—” and all that follows through “An eligible” in clause (i) and inserting the following: “(A) ELIGIBLE LOSSES.—An eligible”;
    - (2) by striking clause (ii); and
    - (3) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively, and indenting appropriately.