

110TH CONGRESS
1ST SESSION

S. 1242

To amend the Federal Crop Insurance Act and the Farm Security and Rural Investment Act of 2002 to establish a biofuel pilot program to offer crop insurance to producers of experimental biofuel crops and a program to make loans and loan guarantees to producers of experimental biofuel crops.

IN THE SENATE OF THE UNITED STATES

APRIL 26, 2007

Mr. TESTER introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Federal Crop Insurance Act and the Farm Security and Rural Investment Act of 2002 to establish a biofuel pilot program to offer crop insurance to producers of experimental biofuel crops and a program to make loans and loan guarantees to producers of experimental biofuel crops.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXPERIMENTAL BIOFUEL PILOT PROGRAM.**

4 (a) IN GENERAL.—Section 523 of the Federal Crop
5 Insurance Act (7 U.S.C. 1523) is amended by adding at
6 the end the following:

1 “(f) EXPERIMENTAL BIOFUEL PILOT PROGRAM.—

2 “(1) DEFINITIONS.—In this subsection:

3 “(A) EXPERIMENTAL BIOFUEL CROP.—

4 “(i) IN GENERAL.—The term ‘experi-
5 mental biofuel crop’ means a crop—

6 “(I) that is produced for use
7 as—

8 “(aa) a nonpetroleum fuel
9 source; or

10 “(bb) nonpetroleum lubri-
11 cant;

12 “(II) for which there is informa-
13 tion to demonstrate that there are
14 sufficient safeguards to prevent the
15 spread of the crop as a noxious weed,
16 as determined by the Corporation;

17 “(III) for which there is not an
18 existing crop-specific policy or plan of
19 insurance offered pursuant to this
20 title; and

21 “(IV) for which yield data exists
22 for at least 1 crop year, as determined
23 by the Corporation based on research
24 or data, including research or data
25 provided by—

1 “(aa) an institution of high-
 2 er education (as defined in sec-
 3 tion 101(a) of the Higher Edu-
 4 cation Act of 1965 (20 U.S.C.
 5 1001(a))); or

6 “(bb) a research facility ap-
 7 proved by the Corporation.

8 “(ii) INCLUSION.—The term ‘experi-
 9 mental biofuel crop’ includes camelina.

10 “(B) PRODUCER.—The term ‘producer’
 11 means an owner, landlord, tenant, or share-
 12 cropper on a farm that—

13 “(i) produces, and has beneficial in-
 14 terest in, an experimental biofuel crop; and

15 “(ii) files a record of the farming op-
 16 eration for the farm in the appropriate
 17 county office of the Farm Service Agency.

18 “(2) ESTABLISHMENT.—The Corporation shall
 19 carry out a pilot program under which producers of
 20 experimental biofuel crops may elect to receive crop
 21 insurance in accordance with this subsection.

22 “(3) EXPECTED MARKET PRICE.—In estab-
 23 lishing the expected market price for each experi-
 24 mental biofuel crop, the Corporation may consider
 25 the expected market price established or approved by

1 the Corporation for other reference crops, including
2 similar oilseed and biofuel crops, as determined by
3 the Corporation.

4 “(4) ACTUAL PRODUCTION HISTORY.—In deter-
5 mining the actual production history for a producer
6 of an experimental biofuel crop, the Corporation may
7 consider the production history for the producer of,
8 or may apply transitional yields based on, reference
9 crops, including oilseed and biofuel crops with simi-
10 lar yields to the experimental biofuel crop, as deter-
11 mined by the Corporation.

12 “(5) REQUIREMENT.—As a condition of receiv-
13 ing crop insurance under this subsection, producers
14 shall—

15 “(A) submit to the Corporation such yield
16 and productivity information as the Corporation
17 considers to be necessary to determine historical
18 crop yields for the experimental biofuel crops;
19 and

20 “(B) agree that the Corporation may make
21 the yield and productivity information available
22 to the public.

23 “(6) LIMITATIONS.—

1 “(A) ACREAGE.—The Corporation shall
2 enroll in the pilot program under this sub-
3 section not more than—

4 “(i) 250 acres per producer;

5 “(ii) 100,000 acres per State; and

6 “(iii) 500,000 total acres.

7 “(B) EXPENDITURES.—The Corporation
8 shall carry out the experimental biofuel pilot
9 program under this subsection so that, to the
10 maximum extent practicable, all costs associ-
11 ated with the pilot program do not exceed
12 \$15,000,000 for the period of fiscal years 2008
13 through 2012.

14 “(C) ADMINISTRATIVE COSTS.—The Cor-
15 poration may use not more than 10 percent of
16 amounts made available under this or any other
17 Act for administrative and operating expenses
18 of the Risk Management Agency to pay admin-
19 istrative costs to assess whether certain biofuel
20 crops are experimental biofuel crops for which
21 crop insurance can be provided under this sub-
22 section.”.

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

1 “(E) Costs associated with the conduct of
 2 the experimental biofuel pilot program carried
 3 out under section 523(f), subject to the limita-
 4 tions in paragraph (6) of that subsection.”.

5 **SEC. 2. EXPERIMENTAL BIOFUEL PROGRAMS.**

6 Title IX of the Farm Security and Rural Investment
 7 Act (7 U.S.C. 8101 et seq.) is amended by adding at the
 8 end the following:

9 **“SEC. 9013. EXPERIMENTAL BIOFUEL PROGRAMS.**

10 “(a) DEFINITIONS.—In this section, the terms ‘ex-
 11 perimental biofuel crop’ and ‘producer’ have the meanings
 12 given the terms in section 523(f)(1) of the Federal Crop
 13 Insurance Act (7 U.S.C. 1523(f)(1)).

14 “(b) LOAN AND LOAN GUARANTEE PROGRAM.—

15 “(1) IN GENERAL.—To improve and stabilize
 16 farm income, to promote a better balance between
 17 supply and demand for experimental biofuel crops,
 18 and to assist producers in the orderly marketing of
 19 crops, the Secretary shall establish a program under
 20 which the Secretary shall make loans and loan guar-
 21 antees to producers of experimental biofuel crops.

22 “(2) USE OF FUNDS.—Producers of experi-
 23 mental biofuel crops that receive loans or loan guar-
 24 antees under this subsection may use the funds—

1 “(A) to pay reasonable storage costs in-
2 curred by the producers, as determined by the
3 Secretary; and

4 “(B) to pay other appropriate costs, as de-
5 termined by the Secretary.

6 “(c) GRANT PROGRAM.—The Secretary may make
7 grants to research facilities and institutions of higher edu-
8 cation (as defined in section 101(a) of the Higher Edu-
9 cation Act of 1965 (20 U.S.C. 1001(a))—

10 “(1) to study the use of experimental biofuel
11 crops for animal feed; and

12 “(2) to conduct research on specific harvesting
13 and planting techniques for new experimental biofuel
14 crops.

15 “(d) FUNDING.—

16 “(1) IN GENERAL.—Notwithstanding any other
17 provision of law, on October 1, 2007, and on each
18 October 1 thereafter through October 1, 2011, out
19 of any funds in the Treasury not otherwise appro-
20 priated, the Secretary of the Treasury shall transfer
21 to the Secretary—

22 “(A) \$5,000,000 to carry out subsection
23 (b); and

24 “(B) \$5,000,000 to carry out subsection
25 (c).

1 “(2) RECEIPT AND ACCEPTANCE.—The Sec-
2 retary shall be entitled to receive, shall accept, and
3 shall use to carry out this section the funds trans-
4 ferred under paragraph (1), without further appro-
5 priation.

6 “(3) AVAILABILITY OF FUNDS.—Funds trans-
7 ferred under paragraph (1) shall remain available
8 until expended.”.

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