

Public Law 113–79
113th Congress

An Act

To provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2018, and for other purposes.

Feb. 7, 2014
[H.R. 2642]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Agricultural Act
of 2014.

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Agricultural Act of 2014”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
Sec. 2. Definition of Secretary of Agriculture.

TITLE I—COMMODITIES

Subtitle A—Repeals and Reforms

PART I—REPEALS

- Sec. 1101. Repeal of direct payments.
Sec. 1102. Repeal of counter-cyclical payments.
Sec. 1103. Repeal of average crop revenue election program.

PART II—COMMODITY POLICY

- Sec. 1111. Definitions.
Sec. 1112. Base acres.
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Sec. 1118. Producer agreements.
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Subtitle B—Marketing Loans

- Sec. 1201. Availability of nonrecourse marketing assistance loans for loan commodities.
Sec. 1202. Loan rates for nonrecourse marketing assistance loans.
Sec. 1203. Term of loans.
Sec. 1204. Repayment of loans.
Sec. 1205. Loan deficiency payments.
Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.
Sec. 1207. Special marketing loan provisions for upland cotton.
Sec. 1208. Special competitive provisions for extra long staple cotton.
Sec. 1209. Availability of recourse loans for high moisture feed grains and seed cotton.
Sec. 1210. Adjustments of loans.

Subtitle C—Sugar

- Sec. 1301. Sugar policy.

Subtitle D—Dairy

PART I—MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS

- Sec. 1401. Definitions.

- Sec. 1402. Calculation of average feed cost and actual dairy production margins.
- Sec. 1403. Establishment of margin protection program for dairy producers.
- Sec. 1404. Participation of dairy operations in margin protection program.
- Sec. 1405. Production history of participating dairy operations.
- Sec. 1406. Margin protection payments.
- Sec. 1407. Premiums for margin protection program.
- Sec. 1408. Effect of failure to pay administrative fees or premiums.
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PART II—REPEAL OR REAUTHORIZATION OF OTHER DAIRY-RELATED PROVISIONS

- Sec. 1421. Repeal of dairy product price support program.
- Sec. 1422. Temporary continuation and eventual repeal of milk income loss contract program.
- Sec. 1423. Repeal of dairy export incentive program.
- Sec. 1424. Extension of dairy forward pricing program.
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- Sec. 1426. Extension of dairy promotion and research program.
- Sec. 1427. Repeal of Federal Milk Marketing Order Review Commission.

PART III—DAIRY PRODUCT DONATION PROGRAM

- Sec. 1431. Dairy product donation program.

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

- Sec. 1501. Supplemental agricultural disaster assistance.

Subtitle F—Administration

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- Sec. 1602. Suspension of permanent price support authority.
- Sec. 1603. Payment limitations.
- Sec. 1604. Rulemaking related to significant contribution for active personal management.
- Sec. 1605. Adjusted gross income limitation.
- Sec. 1606. Geographically disadvantaged farmers and ranchers.
- Sec. 1607. Personal liability of producers for deficiencies.
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- Sec. 1612. Tracking of benefits.
- Sec. 1613. Signature authority.
- Sec. 1614. Implementation.
- Sec. 1615. Research option.

TITLE II—CONSERVATION Subtitle A—

Conservation Reserve Program

- Sec. 2001. Extension and enrollment requirements of conservation reserve program.
- Sec. 2002. Farmable wetland program.
- Sec. 2003. Duties of owners and operators.
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- Sec. 2005. Payments.
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Subtitle B—Conservation Stewardship Program

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- Sec. 2201. Purposes.
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Subtitle D—Dairy

PART I—MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS

7 USC 9051.

SEC. 1401. DEFINITIONS.

In this part and part III:

(1) **ACTUAL DAIRY PRODUCTION MARGIN.**—The term “actual dairy production margin” means the difference between the all-milk price and the average feed cost, as calculated under section 1402.

(2) **ALL-MILK PRICE.**—The term “all-milk price” means the average price received, per hundredweight of milk, by dairy operations for all milk sold to plants and dealers in the United States, as determined by the Secretary.

(3) **AVERAGE FEED COST.**—The term “average feed cost” means the average cost of feed used by a dairy operation to produce a hundredweight of milk, determined under section 1402 using the sum of the following:

(A) The product determined by multiplying 1.0728 by the price of corn per bushel.

(B) The product determined by multiplying 0.00735 by the price of soybean meal per ton.

(C) The product determined by multiplying 0.0137 by the price of alfalfa hay per ton.

(4) **CONSECUTIVE 2-MONTH PERIOD.**—The term “consecutive 2-month period” refers to the 2-month period consisting of the months of January and February, March and April, May and June, July and August, September and October, or November and December, respectively.

(5) **DAIRY OPERATION.**—

(A) **IN GENERAL.**—The term “dairy operation” means, as determined by the Secretary, 1 or more dairy producers that produce and market milk as a single dairy operation in which each dairy producer—

(i) shares in the risk of producing milk; and

(ii) makes contributions (including land, labor, management, equipment, or capital) to the dairy operation of the individual or entity, which are at least commensurate with the individual or entity’s share of the proceeds of the operation.

(B) **ADDITIONAL OWNERSHIP STRUCTURES.**—The Secretary shall determine additional ownership structures to be covered by the definition of dairy operation.

(6) **MARGIN PROTECTION PROGRAM.**—The term “margin protection program” means the margin protection program required by section 1403.

(7) **MARGIN PROTECTION PROGRAM PAYMENT.**—The term “margin protection program payment” means a payment made to a participating dairy operation under the margin protection program pursuant to section 1406.

(8) **PARTICIPATING DAIRY OPERATION.**—The term “participating dairy operation” means a dairy operation that registers under section 1404 to participate in the margin protection program.

(9) **PRODUCTION HISTORY.**—The term “production history” means the production history determined for a participating dairy operation under subsection (a) or (b) of section 1405 when the participating dairy operation first registers to participate in the margin protection program.

(10) **SECRETARY.**—The term “Secretary” means the Secretary of Agriculture.

(11) **UNITED STATES.**—The term “United States”, in a geographical sense, means the 50 States, the District of Columbia, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and any other territory or possession of the United States.

SEC. 1402. CALCULATION OF AVERAGE FEED COST AND ACTUAL DAIRY PRODUCTION MARGINS. 7 USC 9052.

(a) **CALCULATION OF AVERAGE FEED COST.**—The Secretary shall calculate the national average feed cost for each month using the following data:

(1) The price of corn for a month shall be the price received during that month by farmers in the United States for corn, as reported in the monthly Agricultural Prices report by the Secretary.

(2) The price of soybean meal for a month shall be the central Illinois price for soybean meal, as reported in the Market News—Monthly Soybean Meal Price Report by the Secretary.

(3) The price of alfalfa hay for a month shall be the price received during that month by farmers in the United States for alfalfa hay, as reported in the monthly Agricultural Prices report by the Secretary.

(b) **CALCULATION OF ACTUAL DAIRY PRODUCTION MARGIN.**—

(1) **IN GENERAL.**—For use in the margin protection program, the Secretary shall calculate the actual dairy production margin for each consecutive 2-month period by subtracting—

(A) the average feed cost for that consecutive 2-month period, determined in accordance with subsection (a); from

(B) the all-milk price for that consecutive 2-month period.

(2) **TIME FOR CALCULATION.**—The calculation required by this subsection shall be made as soon as practicable using the full-month price of the applicable reference month.

SEC. 1403. ESTABLISHMENT OF MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS. 7 USC 9053.

Not later than September 1, 2014, the Secretary shall establish and administer a margin protection program for dairy producers

under which participating dairy operations are paid a margin protection payment when actual dairy production margins are less than the threshold levels for a margin protection payment.

7 USC 9054.

SEC. 1404. PARTICIPATION OF DAIRY OPERATIONS IN MARGIN PROTECTION PROGRAM.

(a) **ELIGIBILITY.**—All dairy operations in the United States shall be eligible to participate in the margin protection program to receive margin protection payments.

(b) **REGISTRATION PROCESS.**—

(1) **IN GENERAL.**—The Secretary shall specify the manner and form by which a participating dairy operation may register to participate in the margin protection program.

(2) **TREATMENT OF MULTIPRODUCER DAIRY OPERATIONS.**—If a participating dairy operation is operated by more than 1 dairy producer, all of the dairy producers of the participating dairy operation shall be treated as a single dairy operation for purposes of participating in the margin protection program.

(3) **TREATMENT OF PRODUCERS WITH MULTIPLE DAIRY OPERATIONS.**—If a dairy producer operates 2 or more dairy operations, each dairy operation of the producer shall separately register to participate in the margin protection program.

(c) **ANNUAL ADMINISTRATIVE FEE.**—

(1) **ADMINISTRATIVE FEE REQUIRED.**—Each participating dairy operation shall—

(A) pay an administrative fee to register to participate in the margin protection program; and

(B) pay the administrative fee annually through the duration of the margin protection program specified in section 1409.

(2) **AMOUNT OF FEE.**—The administrative fee for a participating dairy operation shall be \$100.

(3) **USE OF FEES.**—The Secretary shall use administrative fees collected under this subsection to cover administrative costs incurred to carry out the margin protection program.

(d) **RELATION TO LIVESTOCK GROSS MARGIN FOR DAIRY PROGRAM.**—A dairy operation may participate in the margin protection program or the livestock gross margin for dairy program under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), but not both.

7 USC 9055.

SEC. 1405. PRODUCTION HISTORY OF PARTICIPATING DAIRY OPERATIONS.

(a) **PRODUCTION HISTORY.**—

(1) **IN GENERAL.**—Except as provided in subsection (b), when a dairy operation first registers to participate in the margin protection program, the production history of the dairy operation for the margin protection program is equal to the highest annual milk marketings of the participating dairy operation during any one of the 2011, 2012, or 2013 calendar years.

(2) **ADJUSTMENT.**—In subsequent years, the Secretary shall adjust the production history of a participating dairy operation determined under paragraph (1) to reflect any increase in the national average milk production.

(b) **ELECTION BY NEW DAIRY OPERATIONS.**—In the case of a participating dairy operation that has been in operation for less than a year, the participating dairy operation shall elect 1 of the

following methods for the Secretary to determine the production history of the participating dairy operation:

(1) The volume of the actual milk marketings for the months the participating dairy operation has been in operation extrapolated to a yearly amount.

(2) An estimate of the actual milk marketings of the participating dairy operation based on the herd size of the participating dairy operation relative to the national rolling herd average data published by the Secretary.

(c) **REQUIRED INFORMATION.**—A participating dairy operation shall provide all information that the Secretary may require in order to establish the production history of the participating dairy operation for purposes of participating in the margin protection program.

SEC. 1406. MARGIN PROTECTION PAYMENTS.

7 USC 9056.

(a) **COVERAGE LEVEL THRESHOLD AND COVERAGE PERCENTAGE.**—For purposes of receiving margin protection payments for a consecutive 2-month period, a participating dairy operation shall annually elect—

(1) a coverage level threshold that is equal to \$4.00, \$4.50, \$5.00, \$5.50, \$6.00, \$6.50, \$7.00, \$7.50, or \$8.00; and

(2) a percentage of coverage, in 5-percent increments, beginning with 25 percent and not exceeding 90 percent of the production history of the participating dairy operation.

(b) **PAYMENT THRESHOLD.**—A participating dairy operation shall receive a margin protection payment whenever the average actual dairy production margin for a consecutive 2-month period is less than the coverage level threshold selected by the participating dairy operation.

(c) **AMOUNT OF MARGIN PROTECTION PAYMENT.**—The margin protection payment for the participating dairy operation shall be determined as follows:

(1) The Secretary shall calculate the amount by which the coverage level threshold selected by the participating dairy operation exceeds the average actual dairy production margin for the consecutive 2-month period.

(2) The amount determined under paragraph (1) shall be multiplied by—

(A) the coverage percentage selected by the participating dairy operation; and

(B) the production history of the participating dairy operation divided by 6.

SEC. 1407. PREMIUMS FOR MARGIN PROTECTION PROGRAM.

7 USC 9057.

(a) **CALCULATION OF PREMIUMS.**—For purposes of participating in the margin protection program, a participating dairy operation shall pay an annual premium equal to the product obtained by multiplying—

(1) the coverage percentage elected by the participating dairy operation under section 1406(a)(2);

(2) the production history of the participating dairy operation; and

(3) the premium per hundredweight of milk imposed by this section for the coverage level selected.

(b) **PREMIUM PER HUNDREDWEIGHT FOR FIRST 4 MILLION POUNDS OF PRODUCTION.**—

(1) IN GENERAL.—For the first 4,000,000 pounds of milk marketings included in the production history of a participating dairy operation, the premium per hundredweight for each coverage level is specified in the table contained in paragraph (2).

(2) PRODUCER PREMIUMS.—Except as provided in paragraph (3), the following annual premiums apply:

Coverage Level	Premium per Cwt.
\$4.00	None
\$4.50	\$0.010
\$5.00	\$0.025
\$5.50	\$0.040
\$6.00	\$0.055
\$6.50	\$0.090
\$7.00	\$0.217
\$7.50	\$0.300
\$8.00	\$0.475

(3) SPECIAL RULE.—The premium per hundredweight specified in the table contained in paragraph (2) for each coverage level (except the \$8.00 coverage level) shall be reduced by 25 percent for each of calendar years 2014 and 2015.

(c) PREMIUM PER HUNDREDWEIGHT FOR PRODUCTION IN EXCESS OF 4 MILLION POUNDS.—

(1) IN GENERAL.—For milk marketings in excess of 4,000,000 pounds included in the production history of a participating dairy operation, the premium per hundredweight for each coverage level is specified in the table contained in paragraph (2).

(2) PRODUCER PREMIUMS.—The following annual premiums apply:

Coverage Level	Premium per Cwt.
\$4.00	None
\$4.50	\$0.020
\$5.00	\$0.040
\$5.50	\$0.100
\$6.00	\$0.155
\$6.50	\$0.290
\$7.00	\$0.830
\$7.50	\$1.060
\$8.00	\$1.360

(d) TIME FOR PAYMENT OF PREMIUM.—The Secretary shall provide more than 1 method by which a participating dairy operation may pay the premium required under this section in any manner

that maximizes participating dairy operation payment flexibility and program integrity.

(e) PREMIUM OBLIGATIONS.—

(1) PRO-RATION OF PREMIUM FOR NEW PARTICIPANTS.—In the case of a participating dairy operation that first registers to participate in the margin protection program for a calendar year after the start of the calendar year, the participating dairy operation shall pay a pro-rated premium for that calendar year based on the portion of the calendar year for which the participating dairy operation purchases the coverage.

(2) LEGAL OBLIGATION.—A participating dairy operation in the margin protection program for a calendar year shall be legally obligated to pay the applicable premium for that calendar year, except that the Secretary may waive that obligation, under terms and conditions determined by the Secretary, for any participating dairy operation in the case of death, retirement, permanent dissolution of a participating dairy operation, or other circumstances as the Secretary considers appropriate to ensure the integrity of the program.

SEC. 1408. EFFECT OF FAILURE TO PAY ADMINISTRATIVE FEES OR PREMIUMS. 7 USC 9058.

(a) LOSS OF BENEFITS.—A participating dairy operation that fails to pay the required annual administrative fee under section 1404 or is in arrears on premium payments under section 1407—

(1) remains legally obligated to pay the administrative fee or premiums, as the case may be; and

(2) may not receive margin protection payments until the fees or premiums are fully paid.

(b) ENFORCEMENT.—The Secretary may take such action as necessary to collect administrative fees and premium payments for participation in the margin protection program.

SEC. 1409. DURATION. 7 USC 9059.

The margin protection program shall end on December 31, 2018.

SEC. 1410. ADMINISTRATION AND ENFORCEMENT. 7 USC 9060.

(a) IN GENERAL.—The Secretary shall promulgate regulations to address administrative and enforcement issues involved in carrying out the margin protection program.

(b) RECONSTITUTION.—The Secretary shall promulgate regulations to prohibit a dairy producer from reconstituting a dairy operation for the purpose of the dairy producer receiving margin protection payments.

(c) ADMINISTRATIVE APPEALS.—Using authorities under section 1001(h) of the Food Security Act of 1985 (7 U.S.C. 1308(h)) and subtitle H of the Department of Agriculture Reorganization Act (7 U.S.C. 6991 et seq.), the Secretary shall promulgate regulations to provide for administrative appeals of decisions of the Secretary that are adverse to participants of the margin protection program.

(d) INCLUSION OF ADDITIONAL ORDER.—Section 143(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7253(a)(2)) is amended by adding at the end the following new sentence: “Subsection (b) does not apply to the authority of the Secretary under this subsection.”.

**PART II—REPEAL OR REAUTHORIZATION OF
OTHER DAIRY-RELATED PROVISIONS**

SEC. 1421. REPEAL OF DAIRY PRODUCT PRICE SUPPORT PROGRAM.

Section 1501 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8771) is repealed.

SEC. 1422. TEMPORARY CONTINUATION AND EVENTUAL REPEAL OF MILK INCOME LOSS CONTRACT PROGRAM.

7 USC 8773 note.

(a) TEMPORARY CONTINUATION OF PAYMENTS UNDER MILK INCOME LOSS CONTRACT PROGRAM.—Section 1506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773) is amended—

(1) in subsection (a), by adding at the end the following new paragraph:

“(6) TERMINATION DATE.—The term ‘termination date’ means the earlier of the following:

“(A) The date on which the Secretary certifies to Congress that the margin protection program required by section 1403 of the Agricultural Act of 2014 is operational.

“(B) September 1, 2014.”;

(2) in subsection (c)(3)—

(A) in subparagraph (B), by inserting after “August 31, 2013,” the following: “and for the period beginning February 1, 2014, and ending on the termination date,”; and

(B) in subparagraph (C), by striking “and thereafter,” and inserting “and ending January 31, 2014,”;

(3) in subsection (d)—

(A) in paragraph (2), by striking “For any month beginning on or after September 1, 2013,” and inserting “During the period beginning on September 1, 2013, and ending on January 31, 2014,”;

(B) by redesignating paragraph (3) as paragraph (4); and

(C) by inserting after paragraph (2) the following new paragraph (3):

“(3) FINAL ADJUSTMENT AUTHORITY.—During the period beginning on February 1, 2014, and ending on the termination date, if the National Average Dairy Feed Ration Cost for a month during that period is greater than \$7.35 per hundredweight, the amount specified in subsection (c)(2)(A) used to determine the payment rate for that month shall be increased by 45 percent of the percentage by which the National Average Dairy Feed Ration Cost exceeds \$7.35 per hundredweight.”;

(4) in subsection (e)(2)(A)—

(A) in clause (ii), by inserting after “August 31, 2013,” the following: “and for the period beginning February 1, 2014, and ending on the termination date,”; and

(B) in clause (iii), by striking “effective beginning September 1, 2013,” and inserting “for the period beginning September 1, 2013, and ending January 31, 2014,”;

(5) in subsection (g), by striking “during the period beginning on the date that is 90 days after the date of enactment of this Act and ending on September 30, 2013” and inserting “until the termination date”; and

(6) in subsection (h)(1), by striking “September 30, 2013” and inserting “the termination date”.

(b) REPEAL OF MILK INCOME LOSS CONTRACT PROGRAM.—

(1) REPEAL.—Effective on the termination date, section 1506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773) is repealed.

(2) TERMINATION DATE DEFINED.—In paragraph (1), the term “termination date” means the earlier of the following:

(A) The date on which the Secretary certifies to Congress that the margin protection program required by section 1403 is operational.

(B) September 1, 2014.

SEC. 1423. REPEAL OF DAIRY EXPORT INCENTIVE PROGRAM.

(a) REPEAL.—Section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14) is repealed.

(b) CONFORMING AMENDMENTS.—Section 902(2) of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7201(2)) is amended—

(1) by striking subparagraph (D); and

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

SEC. 1424. EXTENSION OF DAIRY FORWARD PRICING PROGRAM.

Section 1502(e) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8772(e)) is amended—

(1) in paragraph (1), by striking “2012” and inserting “2018”; and

(2) in paragraph (2), by striking “2015” and inserting “2021”.

SEC. 1425. EXTENSION OF DAIRY INDEMNITY PROGRAM.

Section 3 of Public Law 90–484 (7 U.S.C. 4501) is amended by striking “2012” and inserting “2018”.

SEC. 1426. EXTENSION OF DAIRY PROMOTION AND RESEARCH PROGRAM.

Section 113(e)(2) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(e)(2)) is amended by striking “2012” and inserting “2018”.

SEC. 1427. REPEAL OF FEDERAL MILK MARKETING ORDER REVIEW COMMISSION.

Section 1509 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1726) is repealed.

PART III—DAIRY PRODUCT DONATION PROGRAM

SEC. 1431. DAIRY PRODUCT DONATION PROGRAM.

7 USC 9071.

(a) PROGRAM REQUIRED; PURPOSE.—Not later than 120 days after the date on which the Secretary certifies to Congress that the margin protection program is operational, the Secretary shall establish and administer a dairy product donation program for the purposes of—

(1) addressing low operating margins experienced by participating dairy operations; and

(2) providing nutrition assistance to individuals in low-income groups.

(b) PROGRAM TRIGGER.—The Secretary shall announce that the dairy product donation program is in effect for a month, and undertake activities under subsection (c) during the month, whenever the actual dairy production margin has been \$4.00 or less per hundredweight of milk for each of the immediately preceding 2 months.

(c) REQUIRED PROGRAM ACTIVITIES.—

(1) IN GENERAL.—Whenever the dairy product donation program is in effect under subsection (b), the Secretary shall immediately purchase dairy products, at prevailing market prices, until such time as one of the termination conditions specified in subsection (d)(1) is met.

(2) CONSULTATION.—To determine the types and quantities of dairy products to purchase under the dairy product donation program, the Secretary shall consult with public and private nonprofit organizations organized to feed low-income populations.

(d) TERMINATION OF PROGRAM ACTIVITIES.—

(1) TERMINATION THRESHOLDS.—The Secretary shall cease activities under the dairy product donation program, and shall not reinstate activities under the program until the condition specified in subsection (b) is again met, whenever any one of the following occurs:

(A) The Secretary has made purchases under the dairy product donation program for three consecutive months, even if the actual dairy production margin remains \$4.00 or less per hundredweight of milk.

(B) The actual dairy production margin has been greater than \$4.00 per hundredweight of milk for the immediately preceding month.

(C) The actual dairy production margin has been \$4.00 or less, but more than \$3.00, per hundredweight of milk for the immediately preceding month and during the same month—

(i) the price in the United States for cheddar cheese was more than 5 percent above the world price; or

(ii) the price in the United States for non-fat dry milk was more than 5 percent above the world price of skim milk powder.

(D) The actual dairy production margin has been \$3.00 or less per hundredweight of milk for the immediately preceding month and during the same month—

(i) the price in the United States for cheddar cheese was more than 7 percent above the world price; or

(ii) the price in the United States for non-fat dry milk was more than 7 percent above the world price of skim milk powder.

(2) DETERMINATIONS.—For purposes of this subsection, the Secretary shall determine the price in the United States for cheddar cheese and non-fat dry milk and the world price of cheddar cheese and skim milk powder.

(e) DISTRIBUTION OF PURCHASED DAIRY PRODUCTS.—

(1) IN GENERAL.—The Secretary of Agriculture shall distribute, but not store, the dairy products purchased under the dairy product donation program in a manner that encourages the domestic consumption of such dairy products by

diverting them to persons in low-income groups, as determined by the Secretary.

(2) USE OF PUBLIC OR PRIVATE NONPROFIT ORGANIZATIONS.— The Secretary shall utilize the services of public and private nonprofit organizations for the distribution of dairy products purchased under the dairy product donation program. A public or private nonprofit organization that receives dairy products may transfer the products to another public or private nonprofit organization that agrees to use the dairy products to provide, without cost or waste, nutrition assistance to individuals in low-income groups.

(f) PROHIBITION ON RE SALE OF PRODUCTS.—A public or private nonprofit organization that receives dairy products under subsection (e) may not sell the products back into commercial markets.

(g) USE OF COMMODITY CREDIT CORPORATION FUNDS.—As specified in section 1601(a), the funds, facilities, and authorities of the Commodity Credit Corporation shall be available to the Secretary for the purposes of implementing and administering the dairy product donation program.

(h) DURATION.—In addition to the termination conditions specified in subsection (d)(1), the dairy product donation program shall end on December 31, 2018.