H. R. 5198

To aid minority farmers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 1990

Mr. Espy introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To aid minority farmers, and for other purposes.

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. SHORT TITLE.

4 This Act may be cited as the "Minority Farmers Rights
5 Act of 1990".

6 SEC. 2. FINDINGS AND STATEMENT OF PURPOSES.

7 (a) FINDINGS.—

8 (1) The Congress finds that a state of emergency
9 exists among minority American landowners and farm-
10 ers. Minority landowners and farmers are losing owner-
11 ship of their land at an unprecedented and intolerable
12 rate. Black land ownership has declined from over
15,000,000 acres in 1910 to approximately 5,000,000 acres today, and Black farmers are losing their land at a rate that is 2½ times higher than the rate at which white farmers are losing their land. In the last century, American Indian land holdings have fallen from 500,000,000 acres to 50,000,000 acres, and American Indian and other minority farmers are losing land at a rate comparable to the rate at which Black farmers are losing their land.

(2) The Congress finds that historical patterns of discrimination, neglect, lack of access, limited education and other related factors have contributed to the decline of land ownership by all minorities in America.

(3) The Congress agrees with and adopts the following statement of the United States Commission on Civil Rights in its 1982 report, entitled The Decline of Black Farming in America: “A society where whites control virtually all agricultural production and land development (including commercial, industrial, and resort development) is not racially equal. Such an imbalance can only serve to further diminish the state of Blacks in the social order and reinforce their skepticism regarding the concept of equality under the law.”.

(4) The Congress agrees with and adopts the following statement from the Final Findings and Recom
recommendations of the National Indian Agriculture Working
Group, prepared in December 1987 for the Assistance
Secretary of Agriculture for Indian Affairs: "A serious
and potentially devastating decline is currently affect-
ing all sections of the Indian Agriculture Community.
Indian use of Indian lands has dropped off rapidly in
recent years, and idle Indian lands have increased at a
rate as high as 40 percent in one year. Hundreds of
thousands of acres of Indian lands are in danger of
foreclosure through the default of Indian farmers and
ranchers. The expected result is a continually widening
gap between the standards of living of the Native
American and Alaskan Native people and the general
population of this country."

(5) The Congress finds that the Farmers Home
Administration, the Federal Government's lender of
last resort to small family farmers, has exacerbated the
loss of minority owned land and minority operated
farms through specific acts of discrimination against,
and a general policy of indifference to, the needs and
problems of minority farmers in the implementation of
the loan programs of the Farmers Home Administra-
tion, and that this discrimination has been documented
by the United States Commission on Civil Rights and
by the United States Department of Agriculture.
(6) The Congress finds that racial and ethnic diversity in the ownership of our agricultural land is important and beneficial to our Nation, and that cultural diversity and pluralism are valuable in the composition of our family farm population, agriculture community, and rural population.

(7) The Congress finds that the past and continued loss of minority owned land and minority operated farms poses a threat to the general health and welfare of the Nation and interferes with orderly commerce.

(b) GOALS.—The purposes of this Act are as follows:

(1) To stop the contraction of the minority agricultural landbase as quickly as possible.

(2) To seek to restore the level of Black land ownership to 15,000,000 acres by the year 2000.

(3) To increase minority land ownership and farm operation to a level commensurate with the rural minority population in each region of the Nation.

(4) To eradicate racial discrimination and indifference to the special needs and problems of minority farmers, and to remove all cultural, ethnic, educational, programmatic, and regulatory barriers to minority participation in all programs administered by the Secretary.
(5) To maintain, increase, and perpetuate racial and ethnic diversity in the ownership of farmland, and cultural diversity and pluralism in the composition of the family farm population.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) AGRICULTURAL LAND.—The term "agricultural land" means land that is used or is suitable for agricultural production.

(2) COMMUNITY BASED ORGANIZATION.—The term "community based organization”—

(A) means any private, nonprofit organization which—

(i) is representative of 1 or more minority communities or significant segments of 1 or more minority communities; and

(ii) provides education, job training, technical assistance, advocacy, and other related services to minority community members; and

(B) includes any tribal government.

(3) DEPARTMENT.—The term "Department" means the Department of Agriculture.
(4) DIRECTOR.—The term "Director" means the Director of the Office of Advocacy and Enterprise of the Department.

(5) HEIR PROPERTY.—The term "heir property" means any interest in real property the title to which—

(A) was held by a minority individual at the time of the death of the individual; and

(B) is unclear.

(6) 1890 HISTORICALLY BLACK LAND GRANT COLLEGE.—The term "1890 historically black land grant college" means any college for the education of colored students that receives funds pursuant to chapter 841, section 1 of the Act of August 30, 1890, (26 Stat. 417).

(7) LAND BANK.—The term "land bank" means any public or private agency, corporation, association, or program established to acquire, hold, exchange, or convey land between and among minority farmers with the objective of preserving and restoring the minority agricultural landbase.

(8) MINORITY AGRICULTURAL LANDBASE.—The term "minority agricultural landbase" means the aggregate of the minority agricultural land in the United States.
(9) **MINORITY AGRICULTURAL LAND.**—The term “minority agricultural land” means agricultural land which is—

(A) owned or controlled by 1 or more minority persons;

(B) operated only by 1 or more minority persons; or

(C) heir property.

(10) **MINORITY PERSON.**—The term “minority person” means any—

(A) minority individual; and

(B) family farm corporation which is owned or controlled by 1 or more minority individuals.

(11) **MINORITY INDIVIDUAL.**—The term “minority individual” means an individual who is a member of a group some or all of the members of which have been subjected to racial, ethnic, or cultural prejudice because of the identity of such members as members of a group (including Black not of Hispanic origin, American Indian, Alaskan Native, Hispanic, Asian or Pacific Islander), without regard to the qualities of such members.

(12) **MINORITY FARMER.**—The term “minority farmer” means a minority person—
(A) who owns or operates a qualified minority farm; and

(B) produces agricultural commodities on the farm.

(13) QUALIFIED MINORITY FARM.—The term “qualified minority farm” means a farm the majority of the labor for the operation of which is provided by—

(A) in the case of a farm owned or operated by a minority individual, the individual or the members of the individual’s family; and

(B) in the case of a farm owned or operated by a family farm corporation described in paragraph (10)(B), with the members of the families of the shareholders of the corporation who are minority individuals.

(14) QUALIFIED STAFF.—The term “qualified staff” means an employee of the Department who—

(A) has specific training and experience in the successful operation of small farms;

(B) is sensitive to the special needs of the operators of qualified minority farms; and

(C) receives basic training and regular retraining in all special provisions and programs of the Department for minority or socially disadvantaged farmers.
(15) **SECRETARY.**—The term "Secretary" means the Secretary of Agriculture.

**SEC. 4. DUTIES OF THE SECRETARY.**

(a) **IN GENERAL.**—The Secretary shall establish specific policies and programs in accordance with subsection (b) to achieve the purposes of this Act. The Under Secretary of Agriculture for Small Community and Rural Development shall be directly responsible for the implementation and oversight of such policies and programs.

(b) **POLICIES AND PROGRAMS.**—The policies and programs established under this subsection shall—

(1) include activities and procedures specifically tailored to identify, stop, and prevent any act, practice, or policy of any program or employee of the Department, which has the purpose or effect of discriminating against any minority farmer;

(2) include a specific plan under which the Department is to use its resources to assist in ending the contraction of the minority agricultural landbase;

(3) include specific activities and procedures to be used to increase opportunities for minority individuals to become agricultural producers and landowners; and

(4) include interdepartmental and intraagency monitoring, oversight, and coordination of programs designed to reverse the contraction of the minority agric...
cultural landbase so that the percentage of the agricultural land in each county that is part of the minority agricultural landbase reflects the percentage of the population of the county consisting of minority individuals.

(c) Office of Advocacy and Enterprise.—The Secretary shall increase the duties, staff responsibilities, staffing, and budget of the Office of Advocacy and Enterprise of the Department in sufficient amounts to carry out the policies and programs established under this Act.

(d) Farmers Home Administration Staff.—The Secretary shall expand increase the staff of the Farmers Home Administration as follows:

(1) Target Participation Rate Below 5 Percent.—In any State in which the target participation rate for socially disadvantaged groups, as established under section 355(a)(1) of the Consolidated Farm and Rural Development Act, is 5 percent or less, the Secretary shall assign a specific qualified member of the Farmers Home Administration staff in the State to implement the policies and programs established under this Act.

(2) Target Participation Rate Between 5 and 20 Percent.—In any State in which such target participation rate is at least 5 but no greater than 20
percent, the Secretary shall employ 1 additional qualified staff member who shall—

(A) serve as an adjunct staff member of the Office of Advocacy and Enterprise; and

(B) implement the policies and programs established under this Act.

(3) TARGET PARTICIPATION RATE GREATER THAN 20 PERCENT.—In any State in which such target percentage rate is greater than 20 percent, the Secretary shall employ at least 2 additional qualified staff members, and any further such staff members as are necessary, who shall—

(A) serve as adjunct staff members of the Office of Advocacy and Enterprise; and

(B) implement the policies and programs established under this Act.

SEC. 5. PRESERVATION AND RESTORATION OF MINORITY AGRICULTURAL LANDBASE.

(a) IN GENERAL.—The Secretary, in consultation with Federal and State programs, private organizations, and interested parties, shall take immediate steps to ensure, to the extent practicable, that the variety, quantity, and distribution of land in the minority agricultural landbase is not reduced from the variety, quantity, and distribution of the land in such landbase, as of the effective date of this Act, and shall estab-
lish policies and programs that contribute to the expansion of such landbase.

(b) METHOD OF PRESERVATION.—The Secretary shall carry out subsection (a) by administering and implementing policies and programs which—

(1) encourage any sale or transfer of any portion of the minority agricultural landbase to other minority farmers;

(2) encourage and assist minority persons that own, control, or operate land in the minority agricultural landbase to acquire a number of acres of agricultural land that is at least as great as the number of acres of such land transferred out of the landbase; and

(3) increase the minority agricultural landbase by providing education, outreach, technical and advocacy services, and targeted funding to assist minority individuals in becoming agricultural producers and landowners.

(c) USE OF FEDERAL AND STATE LAND INVENTORIES.—

(1) Within 180 days after the effective date of this Act, the Secretary shall implement a program which, to the maximum extent possible, encourages and, in the case of land held or administered by the Department, requires land owned by the United States or any
State to be used to reverse the contraction of the minority agricultural landbase.

(2) The program required by paragraph (1) shall include education, technical assistance, intraagency coordination, financial assistance, financial incentives, and land acquisition by the Department.

(3) The Secretary may expand such funds as are necessary to create incentives, provide credit, or acquire property from other Federal or State agencies or departments to carry out the program required by paragraph (1).

(d) CREATION AND MAINTENANCE OF MINORITY LAND BANKS.—

(1) The Secretary shall establish policies and programs that encourage and assist in the creation and maintenance of land banks controlled by minority individuals.

(2) The Secretary shall designate the Director to implement the policies and programs established under paragraph (1).

(3) The Director shall encourage and facilitate the participation of other Federal and State agencies and private organizations in the development and operation of land banks controlled by minority individuals.
1 SEC. 6. ALLOCATION OF DIRECT LENDING FUNDS FOR FARMERS HOME ADMINISTRATION.
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3 Section 346(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)) is amended to read as follows:
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5 "(b)(1) For the fiscal year ending September 30, 1991, real estate and operating loans may be insured and made to be sold and insured from the Agricultural Credit Insurance Fund established under section 309, in an amount equal to $1,500,000,000, of which not less than $350,000 shall be for farm ownership loans under subtitle A.
6
7 "(2) Such amount shall be increased for the fiscal years ending on September 30, 1992 through 1995, by a percentage equal to the cost of production index calculated by the Department. Such percentage shall be no less than 2 percent nor more than 10 percent in any 1 year."
8
9 SEC. 7. TARGETED PARTICIPATION RATES FOR DEPARTMENT OF AGRICULTURE PROGRAMS.
10
11 (a) FARMERS HOME ADMINISTRATION DIRECT LOAN PROGRAMS.—Section 355 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003) is amended by adding at the end the following:
12
13 "(e) FARMERS HOME ADMINISTRATION DIRECT LOAN PROGRAMS.—
14
15 "(1) IN GENERAL.—The Secretary shall apply the target participation rates for socially disadvantaged
groups, as established pursuant to subsection (a)(1), on a State-by-State and county-by-county basis to all funds distributed for Farmers Home Administration direct farm operating, ownership, and housing loan programs.

"(2) REAllocation OF unSPENT TARGETed FUNDS.—Within 45 days, the Secretary shall reallocate targeted operating ownership loan funds that have not been used by socially disadvantaged farmers. Such funds shall be available to meet the needs of other eligible farmers in the county.

"(3) POOLING OF FUNDS TO MEET TARGETS.—The Secretary shall place an amount equal to not less than 2 percent, and not more than 5 percent, of all funds appropriated annually to the Farmers Home Administration for direct farm loan programs in a special national pool.

"(4) ACCESS TO THE POOL.—If the application of a nonminority applicant for a loan under subtitle B is denied due to lack of funds, the Secretary shall consider the application under the national pool, based on the target participation rate for the county of the applicant. If the application of a socially disadvantaged borrower for an operating loan is denied due to lack of funds, the
Secretary shall consider the application under the national pool.”.

(b) Farmers Home Administration Guaranteed Loan Programs.—

(1) Duties of Institutions Making Loans Guaranteed by the Secretary.—Each financial institution that participates in making loans guaranteed by the Secretary under section 309(h) of the Consolidated Farm and Rural Development Act shall—

(A) actively seek to make loans to minority farmers; and

(B) report to the Secretary—

(i) the total number of loans made by the institution that are guaranteed by the Secretary; and

(ii) the total number of such loans that are made to minority farmers.

(2) Duty of the Secretary.—The Secretary shall inform each financial institution described in paragraph (1) of the target participating rates for direct loan programs.

(c) Agricultural Stabilization and Conservation Service.—

(1) Crop Base Readjustment Program for Minority Farmers.—
(A) Existing Farm Operators.—All farm operators who are minority farmers and are not beginning operators shall be eligible to receive adjusted base in each program crop in the same proportion as the county's average base to cropland ratio for the crop, if the operator's base is less than the county average.

(B) Beginning Farm Operators.—All beginning farm operators shall receive, in their first year of operation, adjusted base in each program crop in the same proportion as the county's average base to cropland ratio for the crop, if the operator's base is less than the county average.

(C) Program Yield.—All farm operators eligible for adjustment under subparagraph (A) or (B) shall be eligible to establish in the crop year after enactment or their initial year of operation, the county average as their program payment yield.

(2) Notification.—The ACSC county committees shall, before October 1 of each year, notify, through local media (including minority-owned media), all minority farmers of their eligibility for the Crop Base Readjustment Program. Such committees shall notify such operators when forfeited quotas become
available, and of the application procedures to receive such quotas. The Director shall, before October 1 of each year, notify all participating community-based organizations and institutions of the effective date of the program and of the application and appeals procedures.

(3) REPORT TO CONGRESS.—The Director shall report, not later than September 30, 1992, and annually thereafter, in detail on a State-by-State and county-by-county basis, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the rate of minority participation for each program under this section. The report shall include a breakdown in allocation of crop base in each program crop compared to the target participation rate established pursuant to section 355(a)(1) of the Consolidated Farm and Rural Development Act, on a State-by-State and county-by-county basis.

(d) SOIL CONSERVATION SERVICE.—

(1) OUTREACH TO SocialLY DISADVANTAGED FARMERS.—

(A) OUTREACH AND ASSISTANCE.—The Secretary shall provide outreach and technical assistance through the Office of Advocacy and Enterprise to all minority farmers to enable them to
participate in the programs established by this section. Such assistance shall include information on applications and bidding procedures, and such other information necessary to ensure that minority farmers are able to meaningfully participate in such programs.

(B) Grants and Agreements.—The Secretary and the Director of the Office of Advocacy and Enterprise may make and enter into grants, contracts, and other agreements in furtherance of this section with 1890 historically black land grant colleges, traditionally minority community colleges, and community based organizations with demonstrated experience in providing education and other services to family farmers.

(C) Report.—The Director shall report not later than September 30, 1992, and annually thereafter, in detail on a State-by-State and county-by-county basis, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the rate of minority participation for each program under this section. The report shall compare the application rates with the target participation rates established pursuant
to section 355(a)(1) of the Consolidated Farm and
Rural Development Act, on a State-by-State and
county-by-county basis.

(d) FORESTRY SERVICE.—The Secretary shall apply
the target participation rates for socially disadvantaged
groups, as established pursuant to section 355(a)(1) of the
Consolidated Farm and Rural Development Act, on a State-
by-State and county-by-county basis to all funds and re-
sources distributed to farmers to plant trees.

(e) AGRICULTURAL RESEARCH SERVICE.—The Secre-
tary shall target a specific percentage of the research funds
authorized under this Act towards 1890 historically black
land grant colleges, and other research institutions with mi-
nority enrollment exceeding 25 percent, or research projects
specifically aimed at increasing minority farmer participation.
These can include research agreements with community
based organizations that have at least 2 years demonstrated
experience in reaching minority constituencies.

(f) AGRICULTURAL EXTENSION SERVICE STAFF.—The
Secretary shall assign and improve the qualifications and per-
formance of the staff of the Agricultural Extension Services
as follows:

(1) TARGET PARTICIPATION RATE BELOW 15
PERCENT.—In any county in which the target partici-
pation rate for socially disadvantaged groups, as estab-
lished pursuant to section 355(a)(1) of the Consolidated
Farm and Rural Development Act, is 15 percent or
less, the Secretary shall assign a specific qualified
member of the staff of the Agricultural Extension
Service in the State who shall implement the policies
and programs established under this Act.

(2) Target participation rate between 15
and 30 percent.—In any county in which such
target participation rate is at least 15 but no greater
than 30 percent, the Secretary shall assign 2 qualified
staff members who shall serve as adjunct staff members
of the Office of Advocacy and Enterprise and who shall
implement the policies and programs established under
this Act.

(3) Target participation rate greater
than 30 percent.—In any county in which such
target percentage rate is greater than 30 percent, the
Secretary shall assign at least 3 qualified staff mem-
bers who shall serve as adjunct staff members of the
Office of Advocacy and Enterprise and who shall im-
plement the policies and programs established under
this Act.

(4) Allocation of resources to aid minori-
ty farmers.—The Secretary shall develop and imple-
ment a plan to allocate a significant portion of its re-
sources (including personnel) to increasing the number of minority farmers and assisting minority farmers in developing efficient and profitable farming operations. The Secretary shall also use community based organizations in carrying out this subsection.

(g) Other Department of Agriculture Programs.—The target participation rates for socially disadvantaged groups, as established pursuant to section 355(a)(1) of the Consolidated Farm and Rural Development Act, shall where feasible, be applied on a State-by-State and county-by-county basis to any other programs administered by the Secretary and other Federal programs that assist minority farmers and landowners.

(h) Affirmative Action.—The Secretary shall establish affirmative action programs and other forms of assistance, to be administered by the Director, that will facilitate increased minority farmer participation in—

(1) loan programs and inventory land sales by the Farm Credit System;

(2) orders regulating the handling of commodities issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c);

(3) low input and sustainable agricultural programs; and
(4) rural community economic development programs of the Department and other agencies.

(i) Report to Congress.—

(1) In General.—The Director shall report in detail to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives, for each program of the Department, the specific targets established and the results achieved.

(2) Contents.—The report required by paragraph (1) shall—

(A) compare targeted goals with actual results and shall include analysis and explanation when such goals are not met; and

(B) indicate, on a State-by-State and county-by-county basis—

(i) the amount of targeted funds loaned to minority farmers;

(ii) the amount of targeted funds reallocated pursuant to section 355(e)(2) of the Consolidated Farm and Rural Development Act; and

(iii) the amount of guaranteed loan funds loaned to minority farmers.
SEC. 8. OUTREACH AND EDUCATION PROGRAM.

Section 623 of the Agricultural Credit Act of 1987 (7 U.S.C. 1985 note) is amended—

(1) by inserting "(a)" before "The Secretary"; and

(2) by adding at the end the following:

"(b) INFORMATION AND ASSISTANCE.—In carrying out subsection (a), and to ensure that the target participation rates established pursuant to section 355 of the Consolidated Farm and Rural Development Act are achieved and section 622 of this Act is carried out, the Secretary shall provide outreach education, technical assistance and legal assistance to encourage and assist minority farmers—

"(1) to take advantage of the benefits provided by the Minority Farmers Rights Act of 1990;

"(2) to take advantage of the target participation rates for Department programs, as established under section 355(a)(1) of the Consolidated Farm and Rural Development Act; and

"(3) to apply for loans, grants, benefits, or entitlements provided under State or Federal programs.

"(c) GRANTS AND CONTRACTS.—The Secretary and the Director of the Office of Advocacy and Enterprise may make and enter into grants, contracts, and other agreements in the furtherance of this section with:

"(1) Fifty percent of the funds made to community based organizations with demonstrated experience
and commitment in providing education, advocacy, or other services to minority farmers. Such community based organizations must provide documentary evidence of their past experience and commitment of working with minority farmers during the two years preceding their application for assistance under this legislation, or of their ability and commitment to establish an organization to provide such services.

“(2) Fifty percent of the funds made to institutions of post-secondary education, with a priority given to 1890 Historically Black Land Grant Colleges; Indian Tribal Community Colleges and Alaska Native Cooperative Colleges; Hispanic Serving Institutions of Higher Education; and other educational institutions with demonstrated experience in providing education, advocacy or other services to minority family farmers in the region in which such institutions are located. In entering into grants, contracts, and other agreements in accordance with the preceding sentence, the Secretary shall give priority to minority educational institutions, and other educational institutions described in paragraph (4).

“(d) Limitation on Authorization of Appropriations.—

“(1) To carry out the programs established under this section, there are authorized to be appropriated to
the Secretary $10,000,000 for each of fiscal years 1991 through 1995.

"(2) The Secretary shall fully expend all funds appropriated pursuant to paragraph (1)."

SEC. 9. AFFIRMATIVE ACTION AND CONTRACTING GOAL.

(a) EMPLOYMENT.—Within 180 days after the effective date of this Act, the Secretary shall establish a written affirmative action program for each agency and program within the Department. The program shall include specific provisions with respect to employment, training, promotions, and receipt of benefits, and establish goals and timetables. The program description shall be made available to the public. The Secretary shall report annually to the Congress on the implementation of this section.

(b) CONTRACT GOAL.—Within 180 days after the effective date of this Act, the Secretary shall establish a written program for each agency within the Department for set-asides for purchasing from minority-owned businesses and organizations as part of all contracting activities. The program shall include specific plans for recruiting minority businesses. The program description shall be made available to the public. The Secretary shall report annually to the Congress on the implementation of this section. A goal of 5 percent of the amount described in subsection (c) shall be the objective of the Department in each of fiscal years 1991 through 1995.
for the total combined amount obligated for contracts de-
scribed in subsection (c).

(c) AMOUNT.—The requirements of subsection (b) for
y any fiscal year apply to the combined total of the following
amounts:

(1) Funds obligated for contracts entered into with
the Department for such fiscal year for procurement.

(2) Funds obligated for contracts entered into with
the Department for such fiscal year for education, re-
search, development, test, and evaluation.

(3) Funds obligated for contracts entered into with
the Department for such fiscal year for construction.

(4) Funds obligated for contracts entered into for
operation and maintenance.

(5) Funds obligated for contracts entered into for
agricultural program operation, including provision of
technical assistance, outreach, and direct services.

SEC. 10. MINORITY YOUTH AND MINORITY FIRST-TIME
FARMERS.

(a) IN GENERAL.—The Secretary shall establish special
programs, to be administered by the Director, to attract, en-
courage, and assist minority youth and minority first-time
farmers to participate in farming and rural development
careers.
(b) **Demonstration Programs.**—In order to carry
out subsection (a), the Secretary shall support any demon-
stration programs whether within the Department or operat-
ed by private groups or community-based organizations
which encourage minority youth and minority first time farm-
ers to participate in farming, including programs involving—

(1) lower interest rates for youth and first time
borrowers of loans made under the Consolidated Farm
and Rural Development Act;

(2) school-based and vocational agriculture enter-
prises for youth;

(3) scholarship funds;

(4) older farmer-youth agriculture apprenticeship
training projects;

(5) programs to assist farmworkers to become
farmers; and

(6) other demonstration projects to aid minority
youth and first time farmers.

(c) **Limitations on Authorization of Appropriations.**—

(1) To carry out the programs established under
this section, there are authorized to be appropriated to
the Secretary not to exceed $12,000,000 for each of
(2) The Secretary shall fully expend all funds appropriated pursuant to paragraph (1).

**SEC. 11. ACCESS TO PURCHASE INVENTORY LAND.**

Section 335(e)(4)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(e)(4)(B)) is amended—

(1) by inserting "(i)" after "(B)"; and

(2) by adding after and below the end the following:

"(ii)(I) Before making such an offer, the Secretary shall calculate the productive value and the appraised market value of such land.

"(II) If the appraised market value of the land is greater than the productive value of the land, the purchaser may purchase the land at productive value only if the purchaser signs a net recapture agreement.

"(III) This clause shall apply only to the previous owner, a beginning farmer (including a re-entry farmer), and a farmer who is socially disadvantaged.

"(IV) The net recapture agreement shall have a term of 5 years and shall provide for recapture based on the difference between the productive value of the real security property at the time of purchase out of FmHA's inventory and the appraised market value at the time the initial purchaser sells or otherwise conveys."
“(V) The recapture amount shall be 100 percent of the
difference between the initial purchase price (productive
value at the time of the initial sale out of FmHA inventory)
and the appraised market value at the time the initial pur-
chaser sells or otherwise conveys.

“(VI) Recapture shall take place upon the sale or con-
veyance of the real security property.

“(VII) Transfer of title to an immediate family member
of the borrower upon the death or retirement of the borrower
shall not be treated as conveyance for purposes of subclause
(VI), provided that the transferee actively engages in farming
the security property immediately after the transfer.

“(iii) If the appraised market value is greater than the
productive value, the purchaser may purchase at the ap-
praised market value without signing a recapture agreement.

“(iv) If the appraised market value is less than or equal
to the productive value, the purchaser may purchase at a
lower value without signing a recapture agreement.”.

SEC. 12. APPEALS PROCESS FOR COMPLAINTS OF DISCRIMI-
NATION.

(a) IN GENERAL.—Any complaint of discrimination
filed by any minority farmer against any employee or agent
of the Department shall immediately be referred to the Direc-
tor for investigation. Any complaint or allegation of discrimi-
nation raised in a hearing or in an appeal under section 333B
of the Consolidated Farm and Rural Development Act by any minority farmer against any employee or agent of the Department shall be reported immediately to the Director.

(b) FINDINGS OF INVESTIGATION.—The Director shall document and report the findings of his investigation to the Secretary, and shall make such recommendations as the Director deems necessary to any other agency of government.

(c) COMPLAINT.—If the complainant has raised the complaint within, or as a basis for, a hearing or appeal under section 333B of the Consolidated Farm and Rural Development Act, the Director shall report directly and make recommendations to the Director of the National Appeals Division. If the Director determines that the appeal procedure under such section is an inadequate mechanism for resolution of the complaint of discrimination, or that the outcome of an appeal is inadequate to redress an act of discrimination, the Director may make findings, award civil damages and grant attorney fees to the complainant, levy civil fines on persons who repeatedly discriminate against minority individuals, and refer the matter for further civil or legal action by the Department or the Department of Justice. The Director shall keep detailed records of all proceedings, findings, and cases disposed of under this section. In determining whether the appeals procedure or resolution is inadequate, the Director shall, among other things, consider whether the appeals procedure
or remedy will place the complainant in the same position the
complainant would have been in if the complainant had not
been discriminated against.

(d) CLEARINGHOUSE FOR COMPLAINTS.—The Office
of Advocacy and Enterprise shall serve as a clearinghouse for
all complaints of discrimination brought by minority farmers
against employees or agencies of the Department, and shall
analyze such complaints to determine if any pattern or prac-
tice of discrimination exists. The Director shall recommend to
the Secretary any corrective legislation, regulation, or legal
action the Director deems necessary to end any such pattern
or practice.

(e) ANNUAL REPORT.—The Secretary shall report to
the Congress and to appropriate Federal and State agencies
in detail each year—

(1) the numbers of complaints or allegations of
discrimination filed with or referred to the Director;
(2) the manner in which those complaints were in-
vestigated and resolved by the Department;
(3) the longest, shortest and average periods of
time taken to investigate and resolve the complaints
and allegations; and
(4) the findings and recommendations of the Di-
rector and the Secretary under subsection (d).
(f) OTHER REMEDIES UNAFFECTED.—The procedures and remedies provided in or developed under this section shall be in addition to any other procedure or remedy provided by law or regulation, and need not be exhausted by any complainant prior to seeking relief by means of any other such procedure.

SEC. 13. REGULATIONS.

As soon as is practicable after the effective date of this Act, the Secretary shall promulgate final regulations governing the manner in which the Secretary is to implement this Act and the amendments made by this Act.

SEC. 14. REPORT TO THE CONGRESS.

Within 180 days after the effective date of this Act and annually thereafter, the Secretary shall submit to the Congress a comprehensive report on the actions taken by the Secretary to carry out this Act and the progress made in achieving the goals of this Act.

SEC. 15. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1990.