

103^D CONGRESS
1ST SESSION

H. R. 659

To provide assistance to certain producers of high-moisture feed grains through a recourse loan program; establishing a period to allow for the orderly repayment of such loans; and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 1993

Mr. CAMP (for himself, Mr. ALLARD, Mr. BARRETT of Nebraska, Mr. EMERSON, Mr. BARCIA, Mr. GUNDERSON, and Mr. KILDEE) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide assistance to certain producers of high-moisture feed grains through a recourse loan program; establishing a period to allow for the orderly repayment of such loans; 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 That section 404 of the Food, Agriculture, Conservation,
4 and Trade Act of 1990 (Public Law 101-624; 7 U.S.C.
5 1444f(q)) is amended by adding at the end thereof the
6 following new paragraph:

7 “(3) REDUCED QUALITY OF HIGH MOISTURE
8 RECOURSE LOAN.—(A) Notwithstanding any other

1 provision of law, effective for the 1992 through 1995
2 crops of feed grains, the Secretary shall make avail-
3 able recourse loans to producers on a farm who do
4 not normally harvest their crop of feed grains in a
5 high moisture state (or on that portion of the crop
6 which is not normally harvested in a high moisture
7 state). Such recourse loans shall be made available
8 whenever the crop (or the portion of the crop not
9 normally harvested in a high moisture state) is har-
10 vested with a moisture content in excess of Commod-
11 ity Credit Corporation standards for loans made
12 under paragraphs (1) and (6) of subsection (a) of
13 this section, or whenever the crop has a test weight
14 below the minimum weight required for Commodity
15 Credit Corporation nonrecourse loans made under
16 such paragraphs.

17 “(B) Recourse loans under this paragraph shall
18 be made to producers on a farm who—

19 “(i) present certified scale tickets from an
20 inspected, certified commercial scale, including
21 licensed warehouses, feedlots, feed mills, distill-
22 eries, or other similar entities approved by the
23 Secretary; or

24 “(ii) present field or other physical meas-
25 urements of the standing or stored feed grain

1 crop in regions of the country that do not have
2 certified commercial scales from which certified
3 scale tickets may be obtained within reasonable
4 proximity of harvest operation; and

5 “(iii) certify that the quantity of feed grain
6 to be placed under loan was in fact harvested
7 on the farm; and

8 “(iv) participate in an acreage limitation
9 program for the crop of feed grains established
10 by the Secretary.

11 “(C) A producer shall not be eligible for a loan
12 under this paragraph unless any prior loans made
13 under the authority of this paragraph have been
14 fully repaid.

15 “(D) Loans made under this paragraph shall
16 bear interest at a rate determined by the Secretary,
17 but in no event shall the rate exceed the rate of in-
18 terest charged for loans made under paragraphs (1)
19 and (6) of subsection (a) of this section.

20 “(E) Loans under this paragraph shall be made
21 in an amount as determined by the Secretary equal
22 to at least eighty percent, but not greater than nine-
23 ty percent, of the lowest county adjusted
24 nondiscounted loan rate for the appropriate crop
25 year for loans made to producers of feed grains

1 meeting the Commodity Credit Corporation stand-
2 ards for nonrecourse loans under paragraphs (1)
3 and (6) of subsection (a) of this section.

4 “(F) Loans made under this paragraph shall be
5 repaid in three equal annual installments, with the
6 first such installment being due and payable 365
7 days following the advance of the loan funds to the
8 producer and consisting of one-third of the principal
9 amount of the outstanding loan and 100 percent of
10 the accrued interest thereon. The second installment
11 shall consist of one-half of the principal amount of
12 the outstanding loan balance and 100 percent of the
13 accrued interest thereon, and the third installment
14 shall consist of the remaining principal of the loan
15 and 100 percent of the accrued interest thereon. In
16 the event any installment is not made within 60
17 days following the date upon which it becomes due
18 and payable, the Secretary shall have the right with-
19 out further notice to offset the entire balance of the
20 amount owed on the loan, including interest thereon,
21 against any other payments the producer may be en-
22 titled to receive under one or more of the annual
23 programs established under the Agricultural Act of
24 1949 (7 U.S.C. 1421 et seq.) for wheat, feed grains,
25 upland cotton, rice, and oilseeds.

1 “(G) The Secretary may permit a producer who
2 has obtained a loan under this paragraph to repay
3 a part or all of any annual installment required
4 under subparagraph (F) by tendering to the Com-
5 modity Credit Corporation a quantity of feed grain
6 which is of acceptable quality to meet the standards
7 for a nonrecourse loan under paragraphs (1) and (6)
8 of subsection (a) of this section. Such tender shall
9 be made by the producer at any facility approved for
10 storage of commodities owned by the Corporation
11 which facility is situated in the same county (or a
12 county adjacent to the county) in which the produc-
13 er’s farm is located, and the producer’s loan install-
14 ment payment shall be credited with an amount
15 equal to the per bushel county adjusted loan rate for
16 the grade and quality of grain tendered times the
17 total number of bushels tendered in payment by the
18 producer as approved by the Secretary.

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