

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2330

To amend the Agricultural Act of 1949 to extend the agricultural price support programs for certain commodities through 2002 and to modify the operation of such programs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 1995

Mr. EMERSON (for himself, Mr. COMBEST, Mr. BAKER of Louisiana, Mr. LIVINGSTON, Mr. TAUZIN, Mr. MCCRERY, Mr. LAUGHLIN, Mr. CHAMBLISS, Mr. PARKER, Mr. EVERETT, Mr. WICKER, Mr. THORNBERRY, Mr. HAYES, Mr. TAYLOR of Mississippi, and Mr. DICKEY) introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To amend the Agricultural Act of 1949 to extend the agricultural price support programs for certain commodities through 2002 and to modify the operation of such programs, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Agricultural Competitiveness Act of 1995”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Sense of Congress regarding regulatory and tax relief for agricultural producers and role of farm programs in ending the federal deficit.

### **TITLE I—EXTENSION OF CERTAIN COMMODITY PROGRAMS**

- Sec. 101. Extension of loans, payments, and acreage reduction programs for wheat through 2002.
- Sec. 102. Extension of loans, payments, and acreage reduction programs for feed grains through 2002.
- Sec. 103. Extension of loans, payments, and acreage reduction programs for cotton through 2002.
- Sec. 104. Extension of loans, payments, and acreage reduction programs for rice through 2002.
- Sec. 105. Extension of loans and payments for oilseeds through 2002.

### **TITLE II—MODIFICATION OF COMMODITY PROGRAM OPERATIONS**

- Sec. 201. Increase in flex acres to reduce acres for which deficiency payments are available.
- Sec. 202. Application of same repayment criteria to 0/50 and 0/85 payments as regular deficiency payments.
- Sec. 203. Increased planting flexibility.
- Sec. 204. Alternative repayment provision for marketing loans.
- Sec. 205. Peanut program.
- Sec. 206. Sugar program.
- Sec. 207. Effect of amendments on 1991 through 1995 crops.

### **TITLE III—GENERAL COMMODITY PROVISIONS**

- Sec. 301. Extension of supplemental set-aside and acreage limitation authority.
- Sec. 302. Extension of deficiency and land diversion payments.
- Sec. 303. Extension of authority to adjust established prices.
- Sec. 304. Extension of limitation on adjustments of support prices.
- Sec. 305. Extension of option to extend programs.
- Sec. 306. References to terms regarding price support.
- Sec. 307. Extension of acreage base and yield system.
- Sec. 308. Normally planted acreage.
- Sec. 309. Extension of National Agricultural Cost of Production Standards Review Board.
- Sec. 310. Extension of payment limitations.
- Sec. 311. Extension of requirements for notice and public participation in Secretary determinations.
- Sec. 312. Determination of normal supply.
- Sec. 313. Extension of options pilot program.

### **TITLE IV—REPEAL OF EMERGENCY LIVESTOCK FEED ASSISTANCE PROGRAM**

- Sec. 401. Repeal of emergency livestock feed assistance program.

### **TITLE V—FEDERAL CROP INSURANCE**

Sec. 501. Conversion of catastrophic risk protection program to a voluntary program.

**TITLE VI—MISCELLANEOUS PROGRAMS**

Sec. 601. Reduction in funding levels for export enhancement program.

Sec. 602. Spending limitations on conservation reserve program.

**TITLE VII—COMMISSION ON 21ST CENTURY PRODUCTION AGRICULTURE**

Sec. 701. Establishment.

Sec. 702. Composition.

Sec. 703. Comprehensive review of past and future of production agriculture.

Sec. 704. Reports.

Sec. 705. Powers.

Sec. 706. Commission procedures.

Sec. 707. Personnel matters.

Sec. 708. Termination of Commission.

**1 SEC. 2. SENSE OF CONGRESS REGARDING REGULATORY  
2 AND TAX RELIEF FOR AGRICULTURAL PRO-  
3 DUCERS AND ROLE OF FARM PROGRAMS IN  
4 ENDING THE FEDERAL DEFICIT.**

5 (a) FINDINGS.—The Congress finds that—

6 (1) the continuation of significant Federal  
7 budgetary deficits harms the economic well-being of  
8 the United States and is detrimental to the develop-  
9 ment of sound, long-term agricultural policy;

10 (2) agricultural price support and production  
11 adjustment programs are necessary for the contin-  
12 ued economic health of United States agriculture,  
13 which must compete in international markets  
14 against subsidized foreign competition; and

15 (3) regulatory and tax relief for agricultural  
16 producers is necessary so that agricultural producers  
17 in the United States can continue to produce an

1 abundant supply of agricultural commodities and  
2 compete in international markets.

3 (b) SENSE OF CONGRESS.—Based on the findings ex-  
4 pressed in subsection (a), it is the sense of Congress  
5 that—

6 (1) agricultural price support and production  
7 adjustment programs should be—

8 (A) implemented, to the maximum extent  
9 practicable, in a manner that is consistent with  
10 the primary goal of the concurrent resolution on  
11 the budget for fiscal year 1996 (H.Con.Res. 67,  
12 agreed to June 29, 1995) to end Federal budg-  
13 et deficits; and

14 (B) modified, as necessary, to ensure that  
15 the programs comply with applicable budget  
16 reconciliation instructions in the concurrent res-  
17 olution that are designed to end Federal budget  
18 deficits, in a manner consistent with section  
19 306 of the concurrent resolution;

20 (2) regulatory relief for agricultural producers  
21 should be enacted and implemented, including the  
22 application of cost/benefit principles in the issuance  
23 of agricultural regulations; and

24 (3) tax relief for agricultural producers should  
25 be enacted in the form of capital gains tax reduc-

1 tions, estate tax exemptions, and mechanisms to av-  
2 erage tax loads over high and low income years.

3 **TITLE I—EXTENSION OF CER-**  
4 **TAIN COMMODITY PROGRAMS**

5 **SEC. 101. EXTENSION OF LOANS, PAYMENTS, AND ACREAGE**  
6 **REDUCTION PROGRAMS FOR WHEAT**  
7 **THROUGH 2002.**

8 (a) AGRICULTURAL ACT OF 1949.—Section 107B of  
9 the Agricultural Act of 1949 (7 U.S.C. 1445b-3a) is  
10 amended—

11 (1) in the section heading by striking “**1995**”  
12 and inserting “**2002**”;

13 (2) in subsections (a)(1), (a)(4)(C), (b)(1),  
14 (c)(1)(A), (c)(1)(B)(iii), (e)(1)(G), (e)(3)(A),  
15 (e)(3)(C)(iii), (f)(1), (q), by striking “1995” each  
16 place it appears and inserting “2002”;

17 (3) in the heading of subsection (c)(1)(B)(ii),  
18 by striking “AND 1995” and inserting “THROUGH  
19 2002”;

20 (4) in subsection (c)(1)(B)(ii), by striking “and  
21 1995” and inserting “through 2002”; and

22 (5) in subsections (c)(1)(E)(i) and  
23 (c)(1)(E)(vii), by striking “1997” each place it ap-  
24 pears and inserting “2002”;

1           (6) in the heading of subsection (e)(1)(G), by  
2 striking “1995” and inserting “2002”; and

3           (7) in subsection (g)(1), by striking “and  
4 1995” and inserting “through 2002”.

5           (b) FOOD SECURITY WHEAT RESERVE.—Section  
6 302(i) of the Food Security Wheat Reserve Act of 1980  
7 (7 U.S.C. 1736f–1(i)) is amended by striking “1995” both  
8 places it appears and inserting “2002”.

9           (c) NONAPPLICABILITY OF CERTIFICATE REQUIRE-  
10 MENTS.—Sections 379d through 379j of the Agricultural  
11 Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) shall not  
12 be applicable to wheat processors or exporters during the  
13 period June 1, 1996, through May 31, 2003.

14           (d) SUSPENSION OF LAND USE, WHEAT MARKETING  
15 ALLOCATION, AND PRODUCER CERTIFICATE PROVI-  
16 SIONS.—Sections 331 through 339, 379b, and 379c of the  
17 Agricultural Adjustment Act of 1938 (7 U.S.C. 1331  
18 through 1339, 1379b, and 1379c) shall not be applicable  
19 to the 1996 through 2002 crops of wheat.

20           (e) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—  
21 The joint resolution entitled “A joint resolution relating  
22 to corn and wheat marketing quotas under the Agricul-  
23 tural Adjustment Act of 1938, as amended”, approved  
24 May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be

1 applicable to the crops of wheat planted for harvest in the  
2 calendar years 1996 through 2002.

3 (f) NONAPPLICABILITY OF SECTION 107 OF AGRICULTURAL ACT OF 1949.—Section 107 of the Agricultural  
4 CULTURAL ACT OF 1949.—Section 107 of the Agricultural  
5 Act of 1949 (7 U.S.C. 1445a) shall not be applicable to  
6 the 1996 through 2002 crops of wheat.

7 **SEC. 102. EXTENSION OF LOANS, PAYMENTS, AND ACREAGE**  
8 **REDUCTION PROGRAMS FOR FEED GRAINS**  
9 **THROUGH 2002.**

10 (a) AGRICULTURAL ACT OF 1949.—Section 105B of  
11 the Agricultural Act of 1949 (7 U.S.C. 1444f) is amend-  
12 ed—

13 (1) in the section heading, by striking “**1995**”  
14 and inserting “**2002**”;

15 (2) in subsections (a)(1), (a)(4)(C), (a)(6),  
16 (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(1)(G), (e)(1)(H),  
17 (e)(2)(H), (e)(3)(A), (e)(3)(C)(iii), (f)(1), (p)(1),  
18 (q)(1), and (r), by striking “1995” each place it ap-  
19 pears and inserting “2002”;

20 (3) in the heading of subsection (c)(1)(B)(ii),  
21 by striking “AND 1995” and inserting “THROUGH  
22 2002”;

23 (4) in subsection (c)(1)(B)(ii), by striking “and  
24 1995” and inserting “through 2002”;



1 (1) in the section heading, by striking “**1997**”  
2 and inserting “**2002**”;

3 (2) in subsections (a)(1), (b)(1), (c)(1)(A),  
4 (c)(1)(B)(ii), (c)(1)(D)(i), (c)(1)(D)(v)(II), and (o),  
5 by striking “1997” each place it appears and insert-  
6 ing “2002”;

7 (3) in the heading of subsection  
8 (c)(1)(D)(v)(II), by striking “1997 CROPS” and in-  
9 sserting “2002 CROPS”;

10 (4) in subsection (e)(1)(D), by striking “the  
11 1997 crop” and inserting “each of the 1997 through  
12 2002 crops”;

13 (5) in subsections (e)(3)(A) and (f)(1), by strik-  
14 ing “1995” each place it appears and inserting  
15 “2002”; and

16 (6) in subparagraphs (B)(i), (D)(i), (E)(i), and  
17 (F)(i) of subsection (a)(5), by striking “1998” each  
18 place it appears and inserting “2003”.

19 (c) COTTONSEED AND COTTONSEED OIL.—Section  
20 203(b) of the Agricultural Act of 1949 (7 U.S.C.  
21 1446d(b)) is amended by striking “1995” and inserting  
22 “2002”.

23 (d) AGRICULTURAL ADJUSTMENT ACT OF 1938.—  
24 Section 374(a) of the Agricultural Adjustment Act of

1 1938 (7 U.S.C. 1374(a)) is amended by striking “1995”  
2 each place it appears and inserting “2002”.

3 (e) SUSPENSION OF BASE ACREAGE ALLOTMENTS,  
4 MARKETING QUOTAS, AND RELATED PROVISIONS.—Sec-  
5 tions 342, 343, 344, 345, 346, and 377 of the Agricultural  
6 Adjustment Act of 1938 (7 U.S.C. 1342–1346 and 1377)  
7 shall not be applicable to any of the 1996 through 2002  
8 crops of upland cotton.

9 (f) SUSPENSION OF MISCELLANEOUS COTTON PRO-  
10 VISIONS.—Section 103(a) of the Agricultural Act of 1949  
11 (7 U.S.C. 1444(a)) shall not be applicable to the 1996  
12 through 2002 crops.

13 (g) PRELIMINARY ALLOTMENTS FOR 2003 CROP OF  
14 UPLAND COTTON.—Notwithstanding any other provision  
15 of law, the permanent State, county, and farm base acre-  
16 age allotments for the 1977 crop of upland cotton, ad-  
17 justed for any underplantings in 1977 and reconstituted  
18 as provided in section 379 of the Agricultural Adjustment  
19 Act of 1938 (7 U.S.C. 1379), shall be the preliminary al-  
20 lotments for the 2003 crop.

21 (h) COTTON CLASSIFICATION SERVICES.—The first  
22 sentence of section 3a of the Act of March 3, 1927 (com-  
23 monly known as the “Cotton Statistics and Estimates  
24 Act”) (chapter 337; 7 U.S.C. 473a), is amended by strik-  
25 ing “1996” and inserting “2002”.

1 **SEC. 104. EXTENSION OF LOANS, PAYMENTS, AND ACREAGE**  
2 **REDUCTION PROGRAMS FOR RICE THROUGH**  
3 **2002.**

4 Section 101B of the Agricultural Act of 1949 (7  
5 U.S.C. 1441-2) is amended—

6 (1) in the section heading, by striking “**1995**”  
7 and inserting “**2002**”;

8 (2) in subsections (a)(1), (a)(3), (b)(1),  
9 (c)(1)(A), (c)(1)(B)(iii), (e)(3)(A), (f)(1), and (n),  
10 by striking “1995” each place it appears and insert-  
11 ing “2002”;

12 (3) in subsection (a)(5)(D)(i), by striking  
13 “1996” and inserting “2001”;

14 (4) in the heading of subsection (c)(1)(B)(ii),  
15 by striking “AND 1995” and inserting “THROUGH  
16 2002”;

17 (5) in subsection (c)(1)(B)(ii), by striking “and  
18 1995” and inserting “through 2002”;

19 (6) in subsections (c)(1)(D)(i) and  
20 (c)(1)(D)(v)(II), by striking “1997” each place it  
21 appears and inserting “2002”; and

22 (7) in the heading of subsection  
23 (c)(1)(D)(v)(II), by striking “1997 CROPS” and in-  
24 sserting “2002 CROPS”.

1 **SEC. 105. EXTENSION OF LOANS AND PAYMENTS FOR OIL-**  
2 **SEEDS THROUGH 2002.**

3 Section 205 of the Agricultural Act of 1949 (7 U.S.C.  
4 1446f) is amended—

5 (1) in the section heading, by striking “**1995**”  
6 and inserting “**2002**”;

7 (2) in subsections (b), (c), (e)(1), and (n), by  
8 striking “1995” each place it appears and inserting  
9 “2002”; and

10 (3) in subsections (c) and (h)(2), by striking  
11 “1997” each places it appears and inserting “2002”.

12 **TITLE II—MODIFICATION OF**  
13 **COMMODITY PROGRAM OPER-**  
14 **ATIONS**

15 **SEC. 201. INCREASE IN FLEX ACRES TO REDUCE ACRES**  
16 **FOR WHICH DEFICIENCY PAYMENTS ARE**  
17 **AVAILABLE.**

18 (a) WHEAT.—Subsection (c)(1)(C)(ii) of section  
19 107B of the Agricultural Act of 1949 (7 U.S.C. 1445b-  
20 3a) is amended by striking “85 percent” and inserting  
21 “85 percent (through the 1995 crop of wheat) and 70 per-  
22 cent (for the 1996 through 2002 crops)”.

23 (b) FEED GRAINS.—Subsection (c)(1)(C)(ii) of sec-  
24 tion 105B of such Act (7 U.S.C. 1444f) is amended by  
25 striking “85 percent” and inserting “85 percent (through

1 the 1995 crop) and 70 percent (for the 1996 through 2002  
2 crops)”).

3 (c) UPLAND COTTON.—Subsection (c)(1)(C)(ii) of  
4 section 103B of such Act (7 U.S.C. 1444–2) is amended  
5 by striking “85 percent” and inserting “85 percent  
6 (through the 1995 crop of upland cotton) and 70 percent  
7 (for the 1996 through 2002 crops)”).

8 (d) RICE.—Subsection (c)(1)(C)(ii) of section 101B  
9 of such Act (7 U.S.C. 1441–2) is amended by striking “85  
10 percent” and inserting “85 percent (through the 1995  
11 crop of rice) and 70 percent (for the 1996 through 2002  
12 crops)”).

13 **SEC. 202. APPLICATION OF SAME REPAYMENT CRITERIA TO**  
14 **0/50 AND 0/85 PAYMENTS AS REGULAR DEFICI-**  
15 **CIENCY PAYMENTS.**

16 (a) WHEAT.—Subsection (c)(1)(E) of section 107B  
17 of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a) is  
18 amended by striking clause (ii) and inserting the following  
19 new clause:

20 “(ii) DEFICIENCY PAYMENTS; REPAY-  
21 MENT.—Notwithstanding any other provi-  
22 sion of this section, for the 1996 through  
23 2002 crops of wheat, any producer who de-  
24 votes a portion of the maximum payment  
25 acres for wheat for the farm to conserva-

1           tion uses (or other uses as provided in sub-  
2           paragraph (F)) under this subparagraph  
3           shall receive deficiency payments on the  
4           acreage that is considered to be planted to  
5           wheat and eligible for payments under this  
6           subparagraph for the crop. Such deficiency  
7           payments shall be made at the payment  
8           rate provided in subparagraph (B) for defi-  
9           ciency payments under subparagraph (A)  
10          and shall be subject to repayment under  
11          the terms set forth in section 114.”.

12          (b) FEED GRAINS.—Subsection (c)(1)(E) of section  
13 105B of such Act (7 U.S.C. 1444f) is amended by striking  
14 clause (ii) and inserting the following new clause:

15                 “(ii) DEFICIENCY PAYMENTS; REPAY-  
16                 MENT.—Notwithstanding any other provi-  
17                 sion of this section, for the 1996 through  
18                 2002 crops of feed grains, any producer  
19                 who devotes a portion of the maximum  
20                 payment acres for feed grains for the farm  
21                 to conservation uses (or other uses as pro-  
22                 vided in subparagraph (F)) under this sub-  
23                 paragraph shall receive deficiency pay-  
24                 ments on the acreage that is considered to  
25                 be planted to feed grains and eligible for

1 payments under this subparagraph for the  
2 crop. Such deficiency payments shall be  
3 made at the payment rate provided in sub-  
4 subparagraph (B) for deficiency payments  
5 under subparagraph (A) and shall be sub-  
6 ject to repayment under the terms set  
7 forth in section 114.”.

8 (c) UPLAND COTTON.—Subsection (c)(1)(D) of sec-  
9 tion 103B of such Act (7 U.S.C. 1444–2) is amended by  
10 striking clause (iii) and inserting the following new clause:

11 “(iii) DEFICIENCY PAYMENTS; REPAY-  
12 MENT.—Notwithstanding any other provi-  
13 sion of this section, for the 1996 through  
14 2002 crops of upland cotton, any producer  
15 who devotes a portion of the maximum  
16 payment acres for upland cotton for the  
17 farm to conservation uses (or other uses as  
18 provided in subparagraph (F)) under this  
19 subparagraph shall receive deficiency pay-  
20 ments on the acreage that is considered to  
21 be planted to upland cotton and eligible for  
22 payments under this subparagraph for the  
23 crop. Such deficiency payments shall be  
24 made at the payment rate provided in sub-  
25 paragraph (B) for deficiency payments

1 under subparagraph (A) and shall be sub-  
2 ject to repayment under the terms set  
3 forth in section 114.”.

4 (d) RICE.—Subsection (c)(1)(D) of section 101B of  
5 such Act (7 U.S.C. 1441–2) is amended by striking clause  
6 (iii) and inserting the following new clause:

7 “(iii) DEFICIENCY PAYMENTS; REPAY-  
8 MENT.—Notwithstanding any other provi-  
9 sion of this section, for the 1996 through  
10 2002 crops of rice, any producer who de-  
11 votes a portion of the maximum payment  
12 acres for rice for the farm to conservation  
13 uses (or other uses as provided in subpara-  
14 graph (F)) under this subparagraph shall  
15 receive deficiency payments on the acreage  
16 that is considered to be planted to rice and  
17 eligible for payments under this subpara-  
18 graph for the crop. Such deficiency pay-  
19 ments shall be made at the payment rate  
20 provided in subparagraph (B) for defi-  
21 ciency payments under subparagraph (A)  
22 and shall be subject to repayment under  
23 the terms set forth in section 114.”.

1 **SEC. 203. INCREASED PLANTING FLEXIBILITY.**

2 (a) EXPANSION OF 25 PERCENT LIMITATION.—Sub-  
3 section (c) of section 504 of the Agricultural Act of 1949  
4 (7 U.S.C. 1464) is amended to read as follows:

5 “(c) LIMITATION ON ACREAGE.—The quantity of the  
6 crop acreage base that may be planted to a commodity,  
7 other than the specific program crop, under this section  
8 may not exceed 100 percent of the crop acreage base.”.

9 (b) TWO-WAY FLEXIBILITY.—Such section is further  
10 amended by adding at the end the following new sub-  
11 section:

12 “(f) TWO-WAY FLEXIBILITY.—

13 “(1) PLANTING ON HISTORICAL SOYBEAN ACRE-  
14 AGE.—Notwithstanding any other provision of this  
15 Act, producers of a program crop on a farm who are  
16 participating in the production adjustment program  
17 for the program crop under this Act shall be allowed  
18 to plant the program crop in a quantity that exceeds  
19 the permitted acreage for the crop without losing the  
20 eligibility of the producers for loans, purchases, or  
21 payments with respect to the crop under this Act if  
22 the acreage planted to the program crop on the farm  
23 in excess of the permitted acreage does not exceed  
24 25 percent of the historical soybean acreage on the  
25 farm for the crop.

1           “(2) ADDITIONAL FLEXIBILITY.—Any authority  
2 to plant a program crop in excess of the permitted  
3 acreage for the crop under this subsection shall be  
4 in addition to authority provided under subsection  
5 (d).

6           “(3) LIMITATION.—The Secretary may limit  
7 the application of this subsection with respect to a  
8 program crop if the Secretary determines the limita-  
9 tion to be necessary to prevent an increase in the  
10 acreage limitation program that would otherwise be  
11 implemented in accordance with sections 101B,  
12 103B, 105B, and 107B during a crop year for the  
13 crop.”.

14           (c) CONFORMING AMENDMENTS.—Such section is  
15 further amended—

16           (1) in subsection (d)—

17                   (A) by striking “Notwithstanding” and in-  
18 serting “Except as provided in subsection (f)  
19 and notwithstanding”; and

20                   (B) in paragraph (1), by striking “25 per-  
21 cent” and inserting “100 percent”; and

22           (2) in subsection (e)(2)(A), by striking “25 per-  
23 cent” and inserting “100 percent”.

1 **SEC. 204. ALTERNATIVE REPAYMENT PROVISION FOR MAR-**  
2 **KETING LOANS.**

3 (a) WHEAT.—

4 (1) MARKETING LOAN REPAYMENT.—Sub-  
5 section (a) of section 107B of the Agricultural Act  
6 of 1949 (7 U.S.C. 1445b-3a) is amended—

7 (A) by striking paragraph (3) and all that  
8 follows through paragraph (4)(A) and inserting  
9 the following:

10 “(3) MARKETING LOANS.—

11 “(A) IN GENERAL.—The Secretary shall  
12 permit the producers on a farm to repay a loan  
13 made under this subsection for a crop at a level  
14 (except as provided in subparagraph (C)) that  
15 is the lesser of—

16 “(i) the loan level determined for the  
17 crop; and

18 “(ii) the prevailing world market price  
19 for wheat (adjusted to United States qual-  
20 ity and location), as determined by the  
21 Secretary.”; and

22 (B) by redesignating paragraph (5) as  
23 paragraph (4).

24 (2) CONFORMING AMENDMENT.—Subsection  
25 (c)(1) of such section is amended by striking sub-  
26 paragraph (D).

1 (b) FEED GRAINS.—

2 (1) MARKETING LOAN REPAYMENT.—Sub-  
3 section (a) of section 105B of the Agricultural Act  
4 of 1949 (7 U.S.C. 1444f) is amended—

5 (A) by striking paragraph (3) and all that  
6 follows through paragraph (4)(A) and inserting  
7 the following:

8 “(3) MARKETING LOANS.—

9 “(A) IN GENERAL.—The Secretary shall  
10 permit the producers on a farm to repay a loan  
11 made under this subsection for a crop at a level  
12 (except as provided in subparagraph (C)) that  
13 is the lesser of—

14 “(i) the loan level determined for the  
15 crop; and

16 “(ii) the prevailing world market price  
17 for feed grains (adjusted to United States  
18 quality and location), as determined by the  
19 Secretary.”; and

20 (B) by redesignating paragraphs (5) and  
21 (6) as paragraphs (4) and (5), respectively.

22 (2) CONFORMING AMENDMENT.—Subsection  
23 (c)(1) of such section is amended by striking sub-  
24 paragraph (D).

1 **SEC. 205. PEANUT PROGRAM.**

2 (a) NATIONAL POUNDAGE QUOTAS AND ACREAGE  
3 ALLOTMENTS.—Section 358–1 of the Agricultural Adjust-  
4 ment Act of 1938 (7 U.S.C. 1358–1) is amended to read  
5 as follows:

6 **“SEC. 358-1. NATIONAL POUNDAGE QUOTAS AND ACREAGE**  
7 **ALLOTMENTS FOR PEANUTS.**

8 “(a) NATIONAL POUNDAGE QUOTAS.—

9 “(1) ESTABLISHMENT.—The national poundage  
10 quota for peanuts for each marketing year shall be  
11 established by the Secretary at a level that is equal  
12 to the quantity of peanuts (in tons) that the Sec-  
13 retary estimates will be devoted in each such mar-  
14 keting year to domestic edible and related uses, ex-  
15 cluding seed. The Secretary shall also include in his  
16 annual estimate of domestic edible and related uses,  
17 the estimated quantity of peanuts and peanut prod-  
18 ucts to be imported into the United States for the  
19 marketing year for which the quota is being estab-  
20 lished.

21 “(2) ANNOUNCEMENT.—The national poundage  
22 quota for a marketing year shall be announced by  
23 the Secretary not later than December 15 preceding  
24 the marketing year.

25 “(3) APPORTIONMENT AMONG STATES.—The  
26 national poundage quota established under para-

1 graph (1) shall be apportioned among the States so  
2 that the poundage quota allocated to each State  
3 shall be equal to the percentage of the national  
4 poundage quota allocated to farms in the State for  
5 1995.

6 “(b) FARM POUNDAGE QUOTAS.—

7 “(1) IN GENERAL.—

8 “(A) ESTABLISHMENT.—A farm poundage  
9 quota for each marketing year shall be estab-  
10 lished—

11 “(i) for each farm that had a farm  
12 poundage quota for peanuts for the 1995  
13 marketing year;

14 “(ii) if the poundage quota appor-  
15 tioned to a State under subsection (a)(3)  
16 for any such marketing year is larger than  
17 the quota for the immediately preceding  
18 marketing year, for each other farm on  
19 which peanuts were produced for market-  
20 ing in at least 2 of the 3 immediately pre-  
21 ceding crop years, as determined by the  
22 Secretary; and

23 “(iii) as approved and determined by  
24 the Secretary under section 358c, for each  
25 farm on which peanuts are produced in

1 connection with experimental and research  
2 programs.

3 “(B) QUANTITY.—The farm poundage  
4 quota for each marketing year for each farm  
5 described in subparagraph (A)(i) shall be the  
6 same as the farm poundage quota for the farm  
7 for the immediately preceding marketing year,  
8 as adjusted under paragraph (2), but not in-  
9 cluding any increases resulting from the alloca-  
10 tion of quotas voluntarily released for one year  
11 under paragraph (7). The farm poundage  
12 quota, if any, for each marketing year for each  
13 farm described in subparagraph (A)(ii) shall be  
14 equal to the quantity of peanuts allocated to the  
15 farm for the year under paragraph (2).

16 “(C) TRANSFERS.—For purposes of this  
17 subsection, if the farm poundage quota, or any  
18 part thereof, is permanently transferred in ac-  
19 cordance with section 358a or 358b, the receiv-  
20 ing farm shall be considered as possessing the  
21 farm poundage quota (or portion thereof) of the  
22 transferring farm for all subsequent marketing  
23 years.

24 “(2) ADJUSTMENTS.—

1           “(A) ALLOCATION OF INCREASED QUOTA  
2           GENERALLY.—Except as provided in subpara-  
3           graph (C), if the poundage quota apportioned  
4           to a State under subsection (a)(3) of any mar-  
5           keting year is increased over the poundage  
6           quota apportioned to farms in the State for the  
7           immediately preceding marketing year, the in-  
8           crease shall be allocated proportionately, based  
9           on farm production history for peanuts for the  
10          3 immediately preceding years, among—

11                   “(i) all farms in the State for each of  
12                   which a farm poundage quota was estab-  
13                   lished for the marketing year immediately  
14                   preceding the marketing year for which the  
15                   allocation is being made; and

16                   “(ii) all other farms in the State on  
17                   each of which peanuts were produced in at  
18                   least 2 of the 3 immediately preceding crop  
19                   years, as determined by the Secretary.

20          “(B) DECREASE.—If the poundage quota  
21          apportioned to a State under subsection (a)(3)  
22          for any marketing year is decreased from the  
23          poundage quota apportioned to farms in the  
24          State under subsection (a)(3) for the imme-  
25          diately preceding marketing year, the decrease

1 shall be allocated among all the farms in the  
2 State for each of which a farm poundage quota  
3 was established for the marketing year imme-  
4 diately preceding the marketing year for which  
5 the allocation is being made.

6 “(C) SPECIAL RULE ON TENANT’S SHARE  
7 OF INCREASED QUOTA.—Subject to terms and  
8 conditions prescribed by the Secretary, on  
9 farms that were leased to a tenant for peanut  
10 production, the tenant shall share equally with  
11 the owner of the farm in that percentage of the  
12 quota referred to in subparagraph (A) and oth-  
13 erwise allocated to the farm as the result of the  
14 tenant’s production on the farm of additional  
15 peanuts. Not later than April 1 of each year or  
16 as soon as practicable, the tenant’s share of any  
17 such quota shall be allocated to a farm within  
18 the county owned by the tenant or sold by the  
19 tenant to the owner of any farm within the  
20 county and permanently transferred to that  
21 farm. Any quota not so disposed of as provided  
22 in this subparagraph shall be allocated to other  
23 quota farms in the State under paragraph (6)  
24 as part of the quota reduced from farms in the  
25 State due to the failure to produce the quota.

1           “(3) QUOTA NOT PRODUCED.—

2                   “(A) IN GENERAL.—Insofar as practicable  
3           and on such fair and equitable basis as the Sec-  
4           retary may by regulation prescribe, the farm  
5           poundage quota established for a farm for any  
6           marketing year shall be reduced to the extent  
7           that the Secretary determines that the farm  
8           poundage quota established for the farm for  
9           any 2 of the 3 marketing years preceding the  
10          marketing year for which the determination is  
11          being made was not produced, or considered  
12          produced, on the farm.

13                   “(B) EXCLUSIONS.—For purposes of this  
14          paragraph, the farm poundage quota for any  
15          such preceding marketing year shall not include  
16          any increase resulting from the allocation of  
17          quotas voluntarily released for 1 year under  
18          paragraph (7).

19           “(4) QUOTA CONSIDERED PRODUCED.—For  
20          purposes of this subsection, the farm poundage  
21          quota shall be considered produced on a farm if—

22                   “(A) the farm poundage quota was not  
23                  produced on the farm because of drought, flood,  
24                  or any other natural disaster, or any other con-

1           dition beyond the control of the producer, as  
2           determined by the Secretary; or

3           “(B) the farm poundage quota for the  
4           farm was either leased to another owner or op-  
5           erator of a farm within the same county for  
6           transfer to such farm for only 1 of the 3 mar-  
7           keting years immediately preceding the market-  
8           ing year for which the determination is being  
9           made or the farm poundage quota was released  
10          voluntarily under paragraph (7) for only 1 of  
11          the 3 marketing years immediately preceding  
12          the marketing year for which the determination  
13          is being made. The farm poundage quota shall  
14          not be considered produced for more than one  
15          marketing year out of the three immediately  
16          preceding marketing years under this subpara-  
17          graph.

18          “(5) QUOTA PERMANENTLY RELEASED.—Not-  
19          withstanding any other provision of law—

20                 “(A) the farm poundage quota established  
21                 for a farm under this subsection, or any part of  
22                 the quota, may be permanently released by the  
23                 owner of the farm, or the operator with the per-  
24                 mission of the owner; and

1           “(B) the poundage quota for the farm for  
2           which the quota is released shall be adjusted  
3           downward to reflect the quota that is so re-  
4           leased.

5           “(6) ALLOCATION OF QUOTAS REDUCED OR RE-  
6           LEASED.—

7           “(A) IN GENERAL.—Except as provided in  
8           subparagraph (B), the total quantity of the  
9           farm poundage quotas reduced or voluntarily  
10          released from farms in a State for any market-  
11          ing year under paragraphs (3) and (5) shall be  
12          allocated, as the Secretary may by regulation  
13          prescribe, to other farms in the State as pro-  
14          vided in subparagraph (B) on which peanuts  
15          were produced in at least 2 of the 3 crop years  
16          immediately preceding the year for which the  
17          allocation is being made.

18          “(B) SET-ASIDE FOR FARMS WITH NO  
19          QUOTA.—The total amount of farm poundage  
20          quota to be allocated in the State under sub-  
21          paragraph (A) shall be allocated to farms in the  
22          State for which no farm poundage quota was  
23          established for the immediately preceding year’s  
24          crop. The allocation to any such farm shall not  
25          exceed the average farm production of peanuts

1 for the 3 immediately preceding years during  
2 which peanuts were produced on the farm. Any  
3 farm quota pounds remaining after allocation to  
4 farms under this subparagraph shall be allo-  
5 cated to farms in the State on which poundage  
6 quotas were established for the immediately  
7 preceding year's crop.

8 “(7) QUOTA TEMPORARILY RELEASED.—

9 “(A) IN GENERAL.—The farm poundage  
10 quota, or any portion thereof, established for a  
11 farm for a marketing year may be voluntarily  
12 released to the Secretary to the extent that the  
13 quota, or any part thereof, will not be produced  
14 on the farm for the marketing year. Any farm  
15 poundage quota so released in a State shall be  
16 allocated to other farms in the State on such  
17 basis as the Secretary may by regulation pre-  
18 scribe.

19 “(B) EFFECTIVE PERIOD.—Except as oth-  
20 erwise provided in this section, any adjustment  
21 in the farm poundage quota for a farm under  
22 subparagraph (A) shall be effective only for the  
23 marketing year for which it is made and shall  
24 not be taken into consideration in establishing  
25 a farm poundage quota for the farm from which

1           the quota was released for any subsequent mar-  
2           keting year.

3           “(8) TRANSFER OF ADDITIONAL PEANUTS.—  
4           Additional peanuts on a farm from which the quota  
5           poundage was not harvested and marketed may be  
6           transferred to the quota loan pool for pricing pur-  
7           poses on such basis as the Secretary shall by regula-  
8           tion provide, except that the poundage of such pea-  
9           nuts so transferred shall not exceed the difference in  
10          the total peanuts meeting quality requirements for  
11          domestic edible use as determined by the Secretary  
12          marketed from the farm and the total farm pound-  
13          age quota, excluding quota pounds transferred to the  
14          farm in the fall. Peanuts transferred under provi-  
15          sions of this paragraph shall be supported at a total  
16          of not less than 70 percent of the quota support rate  
17          for the marketing years in which such transfers  
18          occur and such transfers for a farm shall not exceed  
19          25 percent of the total farm quota pounds, excluding  
20          pounds transferred in the fall.

21          “(9) TEMPORARY QUOTA ALLOCATION.—

22                 “(A) Temporary allocation of quota pounds  
23                 for the marketing year only in which the crop  
24                 is planted shall be made to producers as pro-  
25                 vided in this subsection. The temporary quota

1 allocation shall be equal to the pounds of seed  
2 peanuts planted on the farm as may be ad-  
3 justed under regulations that shall be pre-  
4 scribed by the Secretary. The temporary alloca-  
5 tion of quota pounds under this paragraph shall  
6 be in addition to the farm quota pounds estab-  
7 lished under paragraph (1).

8 “(B) The allocation of quota pounds to  
9 producers under the provisions of this sub-  
10 section shall be performed in such a manner as  
11 will not result in a net decrease in quota  
12 pounds on a farm in excess of 3 percent, after  
13 temporary seed quota is added, from the basic  
14 farm quota in 1996 and such decrease shall  
15 occur one time only and shall be applicable to  
16 the 1996 marketing year only.

17 “(C) Implementation of provisions in this  
18 subsection may continue so long as doing so  
19 does not result in increased cost to the Com-  
20 modity Credit Corporation by displacement of  
21 quota peanuts by additional peanuts in the do-  
22 mestic market, increased losses in the Associa-  
23 tion loan pools or other such increases in cost.

1           “(D) Nothing in this paragraph shall alter  
2           or change in any way the requirements of sec-  
3           tion 358e(b).

4           “(c) FARM YIELDS.—

5           “(1) IN GENERAL.—For each farm for which a  
6           farm poundage quota is established under subsection  
7           (b), and when necessary for purposes of this Act, a  
8           farm yield of peanuts shall be determined for each  
9           such farm.

10          “(2) QUANTITY.—The yield shall be equal to  
11          the average of the actual yield per acre on the farm  
12          for each of the 3 crop years in which yields were  
13          highest on the farm out of the 5 crop years 1973  
14          through 1977.

15          “(3) APPRAISED YIELDS.—If peanuts were not  
16          produced on the farm in at least 3 years during the  
17          5-year period or there was a substantial change in  
18          the operation of the farm during the period (includ-  
19          ing a change in operator, lessee who is an operator,  
20          or irrigation practices), the Secretary shall have a  
21          yield appraised for the farm. The appraised yield  
22          shall be that quantity determined to be fair and rea-  
23          sonable on the basis of yields established for similar  
24          farms that are located in the area of the farm and  
25          on which peanuts were produced, taking into consid-

1       eration land, labor, and equipment available for the  
2       production of peanuts, crop rotation practices, soil  
3       and water, and other relevant factors.

4       “(d) REFERENDUM RESPECTING POUNDAGE  
5 QUOTAS.—

6               “(1) IN GENERAL.—Not later than December  
7       15 of each calendar year, the Secretary shall con-  
8       duct a referendum of producers engaged in the pro-  
9       duction of quota peanuts in the calendar year in  
10      which the referendum is held to determine whether  
11      the producers are in favor of or opposed to poundage  
12      quotas with respect to the crops of peanuts produced  
13      in the 5 calendar years immediately following the  
14      year in which the referendum is held, except that, if  
15      as many as two-thirds of the producers voting in any  
16      referendum vote in favor of poundage quotas, no ref-  
17      erendum shall be held with respect to quotas for the  
18      second, third, fourth, and fifth years of the period.

19              “(2) PROCLAMATION.—The Secretary shall pro-  
20      claim the result of the referendum within 30 days  
21      after the date on which it is held.

22              “(3) VOTE AGAINST QUOTAS.—If more than  
23      one-third of the producers voting in the referendum  
24      vote against quotas, the Secretary also shall pro-  
25      claim that poundage quotas will not be in effect with

1       respect to the crop of peanuts produced in the cal-  
2       endar year immediately following the calendar year  
3       in which the referendum is held.

4       “(e) DEFINITIONS.—For the purposes of this part  
5       and title I of the Agricultural Act of 1949 (7 U.S.C. 1441  
6       et seq.):

7               “(1) ADDITIONAL PEANUTS.—The term ‘addi-  
8       tional peanuts’ means, for any marketing year—

9                       “(A) any peanuts that are marketed from  
10                      a farm for which a farm poundage quota has  
11                      been established and that are in excess of the  
12                      marketings of quota peanuts from the farm for  
13                      the year; and

14                     “(B) all peanuts marketed from a farm for  
15                     which no farm poundage quota has been estab-  
16                     lished in accordance with subsection (b).

17               “(2) CRUSHING.—The term ‘crushing’ means  
18       the processing of peanuts to extract oil for food uses  
19       and meal for feed uses, or the processing of peanuts  
20       by crushing or otherwise when authorized by the  
21       Secretary.

22               “(3) DOMESTIC EDIBLE USE.—The term ‘do-  
23       mestic edible use’ means use for milling to produce  
24       domestic food peanuts (other than those described in  
25       paragraph (2)) and use on a farm, except that the

1 Secretary may exempt from this definition seeds of  
2 peanuts that are used to produce peanuts excluded  
3 under section 358d(c), are unique strains, and are  
4 not commercially available.

5 “(4) QUOTA PEANUTS.—The term ‘quota pea-  
6 nuts’ means, for any marketing year, any peanuts  
7 produced on a farm having a farm poundage quota,  
8 as determined in subsection (b), that—

9 “(A) are eligible for domestic edible use as  
10 determined by the Secretary;

11 “(B) are marketed or considered marketed  
12 from a farm; and

13 “(C) do not exceed the farm poundage  
14 quota of the farm for the year.

15 “(f) CROPS.—Notwithstanding any other provision of  
16 law, this section shall be effective only for the 1996  
17 through 2002 crops of peanuts.”.

18 (b) SALE, LEASE, OR TRANSFER OF FARM POUND-  
19 AGE QUOTA.—Section 358b of the Agricultural Adjust-  
20 ment Act of 1938 (7 U.S.C. 1358b) is amended to read  
21 as follows:

22 **“SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUND-**  
23 **AGE QUOTA FOR PEANUTS.**

24 “(a) IN GENERAL.—

1           “(1) AUTHORITY.—Subject to such terms, con-  
2           ditions, or limitations as the Secretary may pre-  
3           scribe, the owner, or operator with the permission of  
4           the owner, of any farm for which a farm poundage  
5           quota has been established under this Act may sell  
6           or lease all or any part of the poundage quota to any  
7           other owner or operator of a farm within the same  
8           State if not less than 90 percent of the basic quota  
9           (the farm quota exclusive of temporary quota trans-  
10          fers), plus any poundage quota transferred to the  
11          farm under this subsection, has been planted or con-  
12          sidered planted on the farm from which the quota is  
13          to be transferred. The transfer shall be under such  
14          terms and conditions as the Secretary may by regu-  
15          lation prescribe. In the case of a fall transfer or a  
16          transfer after the normal planting season by a cash  
17          lessee, the landowner shall not be required to sign  
18          the transfer authorization. A fall transfer or a trans-  
19          fer after the normal planting season may be made  
20          not later than 72 hours after the peanuts that are  
21          the subject of the transfer are inspected and graded.  
22          Fall transfers of quota pounds shall not affect the  
23          farm quota history for the transferring or receiving  
24          farm and shall not result in reducing the farm  
25          poundage quota on the transferring farm.

1           “(2) TRANSFERS IN STATES WITH SMALL  
2           QUOTAS.—Notwithstanding paragraph (1) and (2),  
3           in the case of any State for which the poundage  
4           quota allocated to the State was less than 10,000  
5           tons for the preceding year’s crop, all or any part of  
6           a farm poundage quota may be transferred by sale  
7           or lease or otherwise from a farm to another farm  
8           in any State.

9           “(b) CONDITIONS.—Transfers (including transfer by  
10          sale or lease) of farm poundage quotas under this section  
11          shall be subject to all of the following conditions:

12                 “(1) LIENHOLDERS.—No transfer of the farm  
13                 poundage quota from a farm subject to a mortgage  
14                 or other lien shall be permitted unless the transfer  
15                 is agreed to by the lienholders, except that no such  
16                 agreement shall be necessary in the event of all  
17                 lease, if the operator had the lienholder’s agreement  
18                 for a previous spring cash lease.

19                 “(2) TILLABLE CROPLAND.—No transfer of the  
20                 farm poundage quota shall be permitted if the coun-  
21                 ty committee established under section 8(b) of the  
22                 Soil Conservation and Domestic Allotment Act (16  
23                 U.S.C. 590h(b)) determines that the receiving farm  
24                 does not have adequate tillable cropland to produce  
25                 the farm poundage quota.



1 rate equal to 140 percent of the support price  
2 for quota peanuts for the marketing year in  
3 which the marketing occurs. The penalty shall  
4 not apply to the marketing of breeder or Foun-  
5 dation seed peanuts grown and marketed by a  
6 publicly owned agricultural experiment station  
7 (including a State operated seed organization)  
8 under such regulations as the Secretary may  
9 prescribe.

10 “(B) MARKETING YEAR.—For purposes of  
11 this section, the marketing year for peanuts  
12 shall be the 12-month period beginning August  
13 1 and ending July 31.

14 “(C) MARKETING ADDITIONAL PEA-  
15 NUTS.—The marketing of any additional pea-  
16 nuts from a farm shall be subject to the same  
17 penalty unless the peanuts, in accordance with  
18 regulations established by the Secretary, are—

19 “(i) placed under loan at the addi-  
20 tional loan rate in effect for the peanuts  
21 under section 108B of the Agricultural Act  
22 of 1949 and not redeemed by the produc-  
23 ers;

24 “(ii) marketed through an area mar-  
25 keting association designated pursuant to

1 section 108B(c)(1) of the Agricultural Act  
2 of 1949; or

3 “(iii) marketed under contracts be-  
4 tween handlers and producers pursuant to  
5 subsection (f).

6 “(2) PAYER.—The penalty shall be paid by the  
7 person who buys or otherwise acquires the peanuts  
8 from the producer or, if the peanuts are marketed  
9 by the producer through an agent, the penalty shall  
10 be paid by the agent. The person or agent may de-  
11 duct an amount equivalent to the penalty from the  
12 price paid to the producer.

13 “(3) FAILURE TO COLLECT.—If the person re-  
14 quired to collect the penalty fails to collect the pen-  
15 alty, the person and all persons entitled to share in  
16 the peanuts marketed from the farm or the proceeds  
17 thereof shall be jointly and severally liable with such  
18 persons who failed to collect the penalty for the  
19 amount of the penalty.

20 “(4) APPLICATION OF QUOTA.—Peanuts pro-  
21 duced in a calendar year in which farm poundage  
22 quotas are in effect for the marketing year begin-  
23 ning therein shall be subject to the quotas even  
24 though the peanuts are marketed prior to the date  
25 on which the marketing year begins.

1           “(5) FALSE INFORMATION.—If any producer  
2 falsely identifies, fails to accurately certify planted  
3 acres, or fails to account for the disposition of any  
4 peanuts produced on the planted acres, a quantity of  
5 peanuts equal to the greater of the farm’s average  
6 or actual yield, as determined by the Secretary,  
7 times the planted acres, shall be deemed to have  
8 been marketed in violation of permissible uses of  
9 quota and additional peanuts. Any penalty payable  
10 under this paragraph shall be paid and remitted by  
11 the producer.

12           “(6) UNINTENTIONAL VIOLATIONS.—The Sec-  
13 retary shall authorize, under such regulations as the  
14 Secretary shall issue, the county committees estab-  
15 lished under section 8(b) of the Soil Conservation  
16 and Domestic Allotment Act (16 U.S.C. 590h(b)) to  
17 waive or reduce marketing penalties provided for  
18 under this subsection in cases which the committees  
19 determine that the violations that were the basis of  
20 the penalties were unintentional or without knowl-  
21 edge on the part of the parties concerned.

22           “(7) DE MINIMIS VIOLATIONS.—Errors in  
23 weight that do not exceed one-tenth of 1 percent in  
24 the case of any one marketing document shall not be

1 considered to be marketing violations except in cases  
2 of fraud or conspiracy.

3 “(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

4 “(1) QUOTA PEANUTS.—Only quota peanuts  
5 may be retained for use as seed or for other uses on  
6 a farm. When peanuts are so retained, such reten-  
7 tion shall be considered as marketings of quota pea-  
8 nuts, except that the Secretary may exempt from  
9 consideration as marketings of quota peanuts seeds  
10 of peanuts for the quantity involved that are used to  
11 produce peanuts excluded under section 358d(c), are  
12 unique strains, and are not commercially available.

13 “(2) ADDITIONAL PEANUTS.—Additional pea-  
14 nuts shall not be retained for use on a farm and  
15 shall not be marketed for domestic edible use, except  
16 as provided in subsection (g).

17 “(3) SEED.—Except as provided in paragraph  
18 (1), seed for planting of any peanut acreage in the  
19 United States shall be obtained solely from quota  
20 peanuts marketed or considered marketed for do-  
21 mestic edible use.

22 “(c) MARKETING PEANUTS WITH EXCESS QUAN-  
23 TITY, GRADE, OR QUALITY.—On a finding by the Sec-  
24 retary that the peanuts marketed from any crop for do-  
25 mestic edible use by a handler are larger in quantity or

1 higher in grade or quality than the peanuts that could rea-  
2 sonably be produced from the quantity of peanuts having  
3 the grade, kernel content, the quality of the quota peanuts  
4 acquired by the handler from the crop for the marketing  
5 year, the handler shall be subject to a penalty equal to  
6 140 percent of the loan level for quota peanuts on the  
7 quantity of peanuts that the Secretary determines are in  
8 excess of the quantity, grade, or quality of the peanuts  
9 that could reasonably have been produced from the pea-  
10 nuts so acquired.

11 “(d) SUPERVISION OF HANDLERS OF ADDITIONAL  
12 PEANUTS.—

13 “(1) IN GENERAL.—Except as provided in para-  
14 graph (2), the Secretary shall require that the han-  
15 dling and disposal of additional peanuts be super-  
16 vised by agents of the Secretary or by area market-  
17 ing associations designated pursuant to section  
18 108B(c)(1) of the Agricultural Act of 1949.

19 “(2) SUPERVISION BY NONHANDLERS.—

20 “(A) IN GENERAL.—Supervision of the  
21 handling and disposal of additional peanuts by  
22 a handler shall not be required under para-  
23 graph (1) if the handler agrees in writing, prior  
24 to any handling or disposal of the peanuts, to

1           comply with regulations that the Secretary shall  
2           issue.

3           “(B) REGULATIONS.—The regulations is-  
4           sued by the Secretary under subparagraph (A)  
5           shall include the following provisions:

6                   “(i) TYPES OF EXPORTED OR  
7                   CRUSHED PEANUTS.—Handlers of shelled  
8                   or milled peanuts may export or crush pea-  
9                   nuts classified by type in all of the follow-  
10                  ing quantities:

11                           “(I) SOUND SPLIT KERNEL PEA-  
12                           NUTS.—Sound split kernel peanuts  
13                           purchased by the handler as addi-  
14                           tional peanuts to which, under price  
15                           support loan schedules, a mandated  
16                           deduction with respect to the price  
17                           paid to the producer of the peanuts  
18                           would be applied due to the percent-  
19                           age of the sound splits.

20                           “(II) SOUND MATURE KERNEL  
21                           PEANUTS.—Sound mature kernel pea-  
22                           nuts (which term includes sound split  
23                           kernel peanuts and sound whole ker-  
24                           nel peanuts) in an amount equal to  
25                           the poundage of the peanuts pur-

1           chased by the handler as additional  
2           peanuts, less the total poundage of  
3           sound split kernel peanuts described  
4           in subclause (I).

5           “(III) REMAINDER.—The re-  
6           maining quantity of total kernel con-  
7           tent of peanuts purchased by the han-  
8           dler as additional peanuts.

9           “(ii) DOCUMENTATION.—Handlers  
10          shall ensure that any additional peanuts  
11          exported or crushed are evidenced by on-  
12          board bills of lading or other appropriate  
13          documentation as may be required by the  
14          Secretary, or both.

15          “(iii) LOSS OF PEANUTS.—If a han-  
16          dler suffers a loss of peanuts as a result of  
17          fire, flood, or any other condition beyond  
18          the control of the handler, the portion of  
19          the loss allocated to contracted additional  
20          peanuts shall not be greater than the por-  
21          tion of the handler’s total peanut pur-  
22          chases for the year attributable to con-  
23          tracted additional peanuts purchased for  
24          export or crushing by the handler during  
25          the year.

1 “(iv) SHRINKAGE ALLOWANCE.—

2 “(I) IN GENERAL.—The obliga-  
3 tion of a handler to export or crush  
4 peanuts in quantities described in this  
5 subparagraph shall be reduced by a  
6 shrinkage allowance, to be determined  
7 by the Secretary, to reflect actual dol-  
8 lar value shrinkage experienced by  
9 handlers in commercial operations, ex-  
10 cept that the allowance shall not be  
11 less than 4 percent, except as pro-  
12 vided in subclause (II).

13 “(II) COMMON INDUSTRY PRAC-  
14 TICES.—The Secretary may provide a  
15 lower shrinkage allowance for a han-  
16 dler who fails to comply with the re-  
17 strictions on the use of peanuts, as  
18 may be specified by the Commodity  
19 Credit Corporation, to take into ac-  
20 count common industry practices.

21 “(3) ADEQUATE FINANCES AND FACILITIES.—A  
22 handler shall submit to the Secretary adequate fi-  
23 nancial guarantees, as well as evidence of adequate  
24 facilities and assets, with the facilities under the  
25 control and operation of the handler, to ensure the

1 handler's compliance with the obligation to export  
2 peanuts.

3 “(4) COMMINGLING OF LIKE PEANUTS.—Quota  
4 and additional peanuts of like type and segregation  
5 or quality may, under regulations issued by the Sec-  
6 retary, be commingled and exchanged on a dollar  
7 value basis to facilitate warehousing, handling, and  
8 marketing.

9 “(5) PENALTY.—

10 “(A) IN GENERAL.—Except as provided in  
11 subparagraph (B), the failure by a handler to  
12 comply with regulations issued by the Secretary  
13 governing the disposition and handling of addi-  
14 tional peanuts shall subject the handler to a  
15 penalty at a rate equal to 140 percent of the  
16 loan level for quota peanuts on the quantity of  
17 peanuts involved in the violation.

18 “(B) NONDELIVERY.—A handler shall not  
19 be subject to a penalty for failure to export ad-  
20 ditional peanuts if the peanuts were not deliv-  
21 ered to the handler.

22 “(6) REENTRY OF EXPORTED PEANUTS.—

23 “(A) PENALTIES.—If any additional pea-  
24 nuts or peanut products manufactured from ad-  
25 ditional peanuts exported by a handler are reen-

1           tered into the United States in commercial  
2           quantities as determined by the Secretary, the  
3           importer thereof shall be subject to a penalty at  
4           a rate equal to 140 percent of the loan level for  
5           quota peanuts on the quantity of peanuts reen-  
6           tered.

7           “(B) RECORDS.—Each person, firm, or  
8           handler who imports peanuts into the United  
9           States shall maintain such records and docu-  
10          ments as are required by the Secretary to en-  
11          sure compliance with this subsection.

12          “(e) SPECIAL EXPORT CREDITS.—

13           “(1) IN GENERAL.—The Secretary shall, with  
14          due regard for the integrity of the peanut program,  
15          promulgate regulations that will permit any handler  
16          of peanuts who manufactures peanut products from  
17          domestic edible peanuts to export the products and  
18          receive credit for the fulfillment of export obligations  
19          for the peanut content of the products against which  
20          the export credits the handler may thereafter apply,  
21          up to the amount thereof, equivalent quantities of  
22          additional peanuts of the same type acquired by the  
23          handler and used in the domestic edible market. The  
24          peanuts so acquired for the domestic edible market  
25          as provided in this subsection shall be of the same

1 crop year as the peanuts used in the manufacture of  
2 the products so exported.

3 “(2) CERTIFICATION.—Under such regulations,  
4 the Secretary shall require all handlers who are pea-  
5 nut product manufacturers to submit annual certifi-  
6 cations of peanut product content on a product-by-  
7 product basis. Any changes in peanut product for-  
8 mulas as affecting peanut content shall be recorded  
9 within 90 days of the changes. The Secretary shall  
10 conduct an annual review of the certifications. The  
11 Secretary shall pursue all available remedies with re-  
12 spect to persons who fail to comply with this para-  
13 graph.

14 “(3) RECORDS.—The Secretary shall require  
15 handlers who are peanut product manufacturers to  
16 maintain and provide such documents as are nec-  
17 essary to ensure compliance with this subsection and  
18 to maintain the integrity of the peanut program.

19 “(f) CONTRACTS FOR PURCHASE OF ADDITIONAL  
20 PEANUTS.—

21 “(1) IN GENERAL.—Handlers may, under such  
22 regulations as the Secretary may issue, contract with  
23 producers for the purchase of additional peanuts for  
24 crushing or export, or both.

25 “(2) SUBMISSION TO SECRETARY.—

1           “(A) CONTRACT DEADLINE.—Any such  
2 contract shall be completed and submitted to  
3 the Secretary (or if designated by the Sec-  
4 retary, the area marketing association) for ap-  
5 proval not later than September 15 of the year  
6 in which the crop is produced.

7           “(B) EXTENSION OF DEADLINE.—The  
8 Secretary may extend the deadline under sub-  
9 paragraph (A) by up to 15 days in response to  
10 damaging weather or related condition (as de-  
11 fined in section 112 of the Disaster Assistance  
12 Act of 1989 (7 U.S.C. 1421 et seq.)). The Sec-  
13 retary shall announce the extension no later  
14 than September 5 of the year in which the crop  
15 is produced.

16           “(3) FORM.—The contract shall be executed on  
17 a form prescribed by the Secretary. The form shall  
18 require such information as the Secretary deter-  
19 mines appropriate to ensure the proper handling of  
20 the additional peanuts, including the identity of the  
21 contracting parties, the poundage, and category of  
22 the peanuts, the disclosure of any liens, and the in-  
23 tended disposition of the peanuts.

24           “(4) INFORMATION FOR HANDLING AND PROC-  
25 ESSING ADDITIONAL PEANUTS.—Notwithstanding

1 any other provision of this section, any person wish-  
2 ing to handle and process additional peanuts as a  
3 handler shall submit to the Secretary (or if des-  
4 ignated by the Secretary, the area marketing asso-  
5 ciation), such information as may be required under  
6 subsection (d) by such date as prescribed by the Sec-  
7 retary so as to permit final action to be taken on the  
8 application by July 1 of each marketing year.

9 “(5) TERMS.—Each such contract shall contain  
10 the final price to be paid by the handler for the pea-  
11 nuts involved and a specific prohibition against the  
12 disposition of the peanuts for domestic edible or seed  
13 use.

14 “(6) SUSPENSION OF RESTRICTIONS ON IM-  
15 PORTED PEANUTS.—Notwithstanding any other pro-  
16 vision of this Act, if the President issues a proclama-  
17 tion under section 404(b) of the Uruguay Round  
18 Agreements Act expanding the quantity of peanuts  
19 subject to the in-quota rate of duty under a tariff-  
20 rate quota, or under section 22 of the Agricultural  
21 Adjustment Act (7 U.S.C. 624), reenacted with  
22 amendments by the Agricultural Marketing Agree-  
23 ment Act of 1937, temporarily suspending restric-  
24 tions on the importation of peanuts, the Secretary  
25 shall, subject to such terms and conditions as the

1 Secretary may prescribe, permit a handler, with the  
2 written consent of the producer, to purchase addi-  
3 tional peanuts from any producer who contracted  
4 with the handler and to offer the peanuts for sale  
5 for domestic edible use.

6 “(g) MARKETING OF PEANUTS OWNED OR CON-  
7 TROLLED BY THE COMMODITY CREDIT CORPORATION.—

8 “(1) IN GENERAL.—Subject to section 407 of  
9 the Agricultural Act of 1949 (7 U.S.C. 1427), any  
10 peanuts owned or controlled by the Commodity  
11 Credit Corporation may be made available for do-  
12 mestic edible use, in accordance with regulations is-  
13 sued by the Secretary, so long as doing so does not  
14 result in substantially increased cost to the Com-  
15 modity Credit Corporation. Additional peanuts re-  
16 ceived under loan shall be offered for sale for domes-  
17 tic edible use at prices not less than those required  
18 to cover all costs incurred with respect to the pea-  
19 nuts for such items as inspection, warehousing,  
20 shrinkage, and other expenses, plus—

21 “(A) not less than 100 percent of the loan  
22 value of quota peanuts if the additional peanuts  
23 are sold and paid for during the harvest season  
24 on delivery by and with the written consent of  
25 the producer;

1           “(B) not less than 105 percent of the loan  
2 value of quota peanuts if the additional peanuts  
3 are sold after delivery by the producer but not  
4 later than December 31 of the marketing year;  
5 or

6           “(C) not less than 107 percent of the loan  
7 value of quota peanuts if the additional peanuts  
8 are sold later than December 31 of the market-  
9 ing year.

10           “(2) ACCEPTANCE OF BIDS BY AREA MARKET-  
11 ING ASSOCIATIONS.—

12           “(A) IN GENERAL.—Except as provided in  
13 subparagraph (B), for the period from the date  
14 additional peanuts are delivered for loan to  
15 March 1 of the calendar year following the year  
16 in which the additional peanuts were harvested,  
17 the area marketing association designated pur-  
18 suant to section 108B(c)(1) of the Agricultural  
19 Act of 1949 shall have sole authority to accept  
20 or reject lot list bids when the sales price, as  
21 determined under this subsection, equals or ex-  
22 ceeds the minimum price at which the Commu-  
23 nity Credit Corporation may sell its stocks of  
24 additional peanuts.

1           “(B) MODIFICATION.—The area marketing  
2           association and the Community Credit Corpora-  
3           tion may agree to modify the authority granted  
4           by subparagraph (A) to facilitate the orderly  
5           marketing of additional peanuts.

6           “(3) PRODUCER MARKETING AND EXPENSES.—  
7           Notwithstanding any other provision of this Act, the  
8           Secretary shall, in any determination required under  
9           subsections (a)(2) and (b)(1) of section 108B of the  
10          Agricultural Act of 1949, include any additional  
11          marketing expenses required by law, excluding the  
12          amount of any assessment required under the Omni-  
13          bus Budget Reconciliation Act of 1990.

14          “(h) ADMINISTRATION.—

15                 “(1) INTEREST.—The person liable for payment  
16                 or collection of any penalty provided for in this sec-  
17                 tion shall be liable also for interest thereon at a rate  
18                 per annum equal to the rate per annum of interest  
19                 that was charged the Commodity Credit Corporation  
20                 by the Treasury of the United States on the date the  
21                 penalty became due.

22                 “(2) DE MINIMIS QUANTITY.—This section shall  
23                 not apply to peanuts produced on any farm on which  
24                 the acreage harvested for nuts is one acre or less if  
25                 the producers who share in the peanuts produced on

1 the farm do not share in the peanuts produced on  
2 any other farm.

3 “(3) LIENS.—Until the amount of the penalty  
4 provided by this section is paid, a lien on the crop  
5 of peanuts with respect to which the penalty is in-  
6 curred, and on any subsequent crop of peanuts sub-  
7 ject to farm poundage quotas in which the person  
8 liable for payment of the penalty has an interest,  
9 shall be in effect in favor of the United States.

10 “(4) PENALTIES.—

11 “(A) PROCEDURES.—Notwithstanding any  
12 other provision of law, the liability for and the  
13 amount of any penalty assessed under this sec-  
14 tion shall be determined in accordance with  
15 such procedures as the Secretary by regulation  
16 may prescribe. The facts constituting the basis  
17 for determining the liability for or amount of  
18 any penalty assessed under this section, when  
19 officially determined in conformity with the ap-  
20 plicable regulations prescribed by the Secretary,  
21 shall be final and conclusive and shall not be  
22 reviewable by any other officer or agency of the  
23 Government.

24 “(B) JUDICIAL REVIEW.—Nothing in this  
25 section shall be construed as prohibiting any

1 court of competent jurisdiction from reviewing  
2 any determination made by the Secretary with  
3 respect to whether the determination was made  
4 in conformity with the applicable law and regu-  
5 lations.

6 “(C) CIVIL PENALTIES.—All penalties im-  
7 posed under this section shall for all purposes  
8 be considered civil penalties.

9 “(5) REDUCTION OF PENALTIES.—

10 “(A) IN GENERAL.—Notwithstanding any  
11 other provision of law and except as provided in  
12 subparagraph (B), the Secretary may reduce  
13 the amount of any penalty assessed against  
14 handlers under this section by any appropriate  
15 amount, including, in an appropriate case,  
16 eliminating the penalty entirely, if the Secretary  
17 finds that the violation on which the penalty is  
18 based was minor or inadvertent, and that the  
19 reduction of the penalty will not impair the op-  
20 eration of the peanut program.

21 “(B) FAILURE TO EXPORT CONTRACTED  
22 ADDITIONAL PEANUTS.—The amount of any  
23 penalty imposed on a handler under this section  
24 that resulted from the failure to export or crush

1           contracted additional peanuts shall not be re-  
2           duced by the Secretary.

3           “(i) CROPS.—Notwithstanding any other provision of  
4 law, this section shall be effective only for the 1996  
5 through 2002 crops of peanuts.”.

6           (d) EXTENSION OF EXPERIMENTAL AND RESEARCH  
7 PROGRAMS FOR PEANUTS.—Subsection 358c(d) of the  
8 Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c(d))  
9 is amended by striking “1991 through 1995” and insert-  
10 ing “1996 through 2002”.

11          (e) PRICE SUPPORT PROGRAM.—Section 108B of the  
12 Agricultural Act of 1949 (7 U.S.C. 1445c-3) is amended  
13 to read as follows:

14 **“SEC. 108B. PRICE SUPPORT PROGRAM FOR PEANUTS.**

15          “(a) QUOTA PEANUTS.—

16                 “(1) IN GENERAL.—The Secretary shall make  
17 price support available to producers through loans,  
18 purchases, and other operations on quota peanuts  
19 for each crop.

20                 “(2) SUPPORT RATES.—The national average  
21 quota support rate for each crop of quota peanuts  
22 shall be the national average quota support rate for  
23 the immediately preceding crop adjusted to reflect  
24 any increase or decrease during the calendar year  
25 immediately preceding the marketing year for the

1 crop for which a level of support is being deter-  
2 mined, in the national average cost of peanut pro-  
3 duction, excluding any change in the cost of land,  
4 and the cost of any assessments required under sub-  
5 section (g), except that in no event shall the national  
6 average quota support rate be increased by more  
7 than 5 percent of the national average quota support  
8 rate for the preceding crop, nor be decreased by  
9 more than 5 percent of the national average quota  
10 support rate for the preceding crop.

11 “(3) INSPECTION, HANDLING, OR STORAGE.—  
12 The levels of support so announced shall not be re-  
13 duced by any deductions for inspection, handling, or  
14 storage.

15 “(4) LOCATION AND OTHER FACTORS.—The  
16 Secretary may make adjustments for location of pea-  
17 nuts and such other factors as are authorized by  
18 section 403.

19 “(5) ANNOUNCEMENT.—The Secretary shall  
20 announce the level of support for quota peanuts of  
21 each crop not later than February 15 preceding the  
22 marketing year for the crop for which the level of  
23 support is being determined.

24 “(b) ADDITIONAL PEANUTS.—

1           “(1) IN GENERAL.—The Secretary shall make  
2 price support available to producers through loans,  
3 purchases, or other operations on additional peanuts  
4 from each crop at such levels as the Secretary finds  
5 appropriate, taking into consideration the demand  
6 for peanut oil and peanut meal, expected prices of  
7 other vegetable oils and protein meals, and the de-  
8 mand for peanuts in foreign markets, except that  
9 the Secretary shall set the support rate on additional  
10 peanuts at a level estimated by the Secretary to en-  
11 sure that there are no losses to the Commodity  
12 Credit Corporation on the sale or disposal of the  
13 peanuts.

14           “(2) ANNOUNCEMENT.—The Secretary shall  
15 announce the level of support for additional peanuts  
16 of each crop not later than February 15 preceding  
17 the marketing year for the crop for which the level  
18 of support is being determined.

19           “(c) AREA MARKETING ASSOCIATIONS.—

20           “(1) WAREHOUSE STORAGE LOANS.—

21           “(A) IN GENERAL.—In carrying out sub-  
22 sections (a) and (b), the Secretary shall make  
23 warehouse storage loans available in each of the  
24 three producing areas (described in section  
25 1446.95 of title 7 of the Code of Federal Regu-

1           lations (January 1, 1989)) to a designated area  
2           marketing association of peanut producers that  
3           is selected and approved by the Secretary and  
4           that is operated primarily for the purpose of  
5           conducting the loan activities. The Secretary  
6           may not make warehouse storage loans avail-  
7           able to any cooperative that is engaged in oper-  
8           ations or activities concerning peanuts other  
9           than those operations and activities specified in  
10          this section and sections 358d and 358e of the  
11          Agricultural Adjustment Act of 1938.

12           “(B) ADMINISTRATIVE AND SUPERVISORY  
13          ACTIVITIES.—The area marketing associations  
14          shall be used in administrative and supervisory  
15          activities relating to price support and market-  
16          ing activities under this section and sections  
17          358d and 358e of the Agricultural Adjustment  
18          Act of 1938.

19           “(C) ASSOCIATION COSTS.—Loans made to  
20          the association under this paragraph shall in-  
21          clude, in addition to the price support value of  
22          the peanuts, such costs as the area marketing  
23          association reasonably may incur in carrying  
24          out its responsibilities, operations, and activities

1 under this section and sections 358d and 358e  
2 of the Agricultural Adjustment Act of 1938.

3 “(2) POOLS FOR QUOTA AND ADDITIONAL PEA-  
4 NUTS.—

5 “(A) IN GENERAL.—The Secretary shall  
6 require that each area marketing association es-  
7 tablish pools and maintain complete and accu-  
8 rate records by area and segregation for quota  
9 peanuts handled under loan and for additional  
10 peanuts placed under loan, except that separate  
11 pools shall be established for Valencia peanuts  
12 produced in New Mexico. Peanuts physically  
13 produced outside the State of New Mexico shall  
14 not be eligible for entry into or participation in  
15 the New Mexico pools. Bright hull and dark  
16 hull Valencia peanuts shall be considered as  
17 separate types for the purpose of establishing  
18 the pools.

19 “(B) NET GAINS.—Net gains on peanuts  
20 in each pool, unless otherwise approved by the  
21 Secretary, shall be distributed only to producers  
22 who placed peanuts in the pool shall be distrib-  
23 uted in proportion to the value of the peanuts  
24 placed in the pool by each producer. Net gains

1 for peanuts in each pool shall consist of the fol-  
2 lowing:

3 “(i) QUOTA PEANUTS.—For quota  
4 peanuts, the net gains over and above the  
5 loan indebtedness and other costs or losses  
6 incurred on peanuts placed in the pool plus  
7 an amount from all additional pool gains  
8 equal to any loss on disposition of all pea-  
9 nuts in the pool for quota peanuts.

10 “(ii) ADDITIONAL PEANUTS.—For ad-  
11 ditional peanuts, the net gains over and  
12 above the loan indebtedness and other  
13 costs or losses incurred on peanuts placed  
14 in the pool for additional peanuts less any  
15 amount allocated to offset any loss on the  
16 pool for quota peanuts as provided in  
17 clause (i).

18 “(d) LOSSES.—Notwithstanding any other provision  
19 of this section:

20 “(1) QUOTA PEANUTS PLACED UNDER LOAN.—  
21 Any distribution of net gains on additional peanuts  
22 (other than net gains on additional peanuts in sepa-  
23 rate type pools established under subsection  
24 (c)(2)(A) for Valencia peanuts produced in New  
25 Mexico) shall be first reduced to the extent of any

1 loss by the Commodity Credit Corporation on quota  
2 peanuts placed under loan.

3 “(2) QUOTA LOAN POOLS.—

4 “(A) TRANSFERS FROM ADDITIONAL LOAN  
5 POOLS.—The proceeds due any producer from  
6 any pool shall be reduced by the amount of any  
7 loss that is incurred with respect to peanuts  
8 transferred from an additional loan pool to a  
9 quota loan pool by such producer under section  
10 358–1(b)(8) of the Agricultural Adjustment Act  
11 of 1938.

12 “(B) OTHER LOSSES.—Losses in area  
13 quota pools shall be offset by reducing the gains  
14 of any producer in such pool by the amount of  
15 pool gains attributed to the same producer from  
16 the sale of additional peanuts for export and  
17 domestic edible use.

18 “(e) DISAPPROVAL OF QUOTAS.—Notwithstanding  
19 any other provision of law, no price support may be made  
20 available by the Secretary for any crop of peanuts with  
21 respect to which poundage quotas have been disapproved  
22 by producers, as provided for in section 358–1(d) of the  
23 Agricultural Adjustment Act of 1938.

24 “(f) QUALITY IMPROVEMENT.—

1           “(1) PRICE SUPPORT PEANUTS.—With respect  
2 to peanuts under price support loan, the Secretary  
3 shall—

4                   “(A) promote the crushing of peanuts at a  
5 greater risk of deterioration before peanuts of a  
6 lesser risk of deterioration;

7                   “(B) ensure that all Commodity Credit  
8 Corporation loan stocks of peanuts sold for do-  
9 mestic edible use must be shown to have been  
10 officially inspected by licensed Department of  
11 Agriculture inspectors both as farmer stock and  
12 shelled or cleaned in-shell peanuts;

13                   “(C) continue to endeavor to operate the  
14 peanut price support program so as to improve  
15 the quality of domestic peanuts and ensure the  
16 coordination of activities under the Peanut Ad-  
17 ministrative Committee established under Mar-  
18 keting Agreement No. 146, regulating the qual-  
19 ity of domestically produced peanuts (under the  
20 Agricultural Marketing Agreement Act of 1937  
21 (7 U.S.C. 601 et seq.)); and

22                   “(D) ensure that any changes made in the  
23 price support program as a result of this sub-  
24 section requiring additional production or han-  
25 dling at the farm level shall be reflected as an

1           upward adjustment in the Department of Agri-  
2           culture loan schedule.

3           “(2) EXPORTS AND OTHER PEANUTS.—The  
4           Secretary shall require that all peanuts, including  
5           peanuts imported into the United States, meet all  
6           U.S. quality standards under Marketing Agreement  
7           No. 146 and that importers of such peanuts fully  
8           comply with inspection, handling, storage and proc-  
9           essing requirements implemented under Marketing  
10          Agreement No. 146. The Secretary shall ensure that  
11          peanuts produced for the export market meet qual-  
12          ity, inspection, handling, storage and processing re-  
13          quirements under Marketing Agreement No. 146.

14          “(g) MARKETING ASSESSMENT.—

15                 “(1) IN GENERAL.—The Secretary shall pro-  
16                 vide, by regulation, for a nonrefundable marketing  
17                 assessment applicable to each crop of domestically-  
18                 grown peanuts and peanuts produced outside the  
19                 United States. The assessment shall be made in ac-  
20                 cordance with this subsection and shall be on a per  
21                 pound basis in an amount equal to 1.2 percent of  
22                 the applicable support rate under this subsection.

23                 “(2) FIRST PURCHASERS.—

1           “(A) IN GENERAL.—Except as provided  
2 under paragraphs (4) and (5), the first pur-  
3 chaser of peanuts shall—

4           “(i) collect from the producer a mar-  
5 keting assessment equal to the quantity of  
6 peanuts acquired multiplied by .65 percent  
7 of the applicable national average support  
8 rate;

9           “(ii) pay, in addition to the amount  
10 collected under clause (i), a marketing as-  
11 sessment in an amount equal to the quan-  
12 tity of peanuts acquired multiplied by .55  
13 percent of the applicable national average  
14 support rate; and

15           “(iii) remit the amounts required  
16 under clauses (i) and (ii) to the Commod-  
17 ity Credit Corporation in a manner speci-  
18 fied by the Secretary.

19           “(B) DEFINITION.—For purposes of this  
20 subsection, the term ‘first purchaser’ means a  
21 person acquiring peanuts from a producer, ex-  
22 cept that in the case of peanuts forfeited by a  
23 producer to the Commodity Credit Corporation,  
24 such term means the person acquiring the pea-  
25 nuts from the Commodity Credit Corporation.

1           “(3) OTHER PEANUTS.—Each importer of pea-  
2           nuts for domestic edible use produced outside of the  
3           United States shall remit to the Commodity Credit  
4           Corporation a nonrefundable marketing assessment  
5           in an amount equal to the product obtained by mul-  
6           tiplying the number of pounds of peanuts imported  
7           by the importer by 1.2 percent of the national aver-  
8           age support rate for domestic edible peanuts.

9           “(4) OTHER PRIVATE MARKETINGS.—In the  
10          case of a private marketing by a producer directly  
11          to a consumer through a retail or wholesale outlet  
12          or in the case of a marketing by the producer out-  
13          side of the continental United States, the producer  
14          shall be responsible for the full amount of the as-  
15          sessment and shall remit the assessment by such  
16          time as is specified by the Secretary.

17          “(5) LOAN PEANUTS.—In the case of peanuts  
18          that are pledged as collateral for a price support  
19          loan made under this section, one-half of the assess-  
20          ment shall be deducted from the proceeds of the  
21          loan. The remainder of the assessment shall be paid  
22          by the first purchaser of the peanuts. For purposes  
23          of computing net gains on peanuts under this sec-  
24          tion, the reduction in loan proceeds shall be treated  
25          as having been paid to the producer.

1           “(6) PENALTIES.—If any person fails to collect  
2           or remit an assessment required by this subsection  
3           or fails to comply with such requirements for record-  
4           keeping or otherwise as are required by the Sec-  
5           retary to carry out this subsection, the person shall  
6           be liable to the Secretary for a civil penalty up to  
7           an amount determined by multiplying—

8                   “(A) the quantity of peanuts involved in  
9                   the violation; by

10                   “(B) the national average quota peanut  
11                   price support level for the applicable crop year.

12           “(7) ENFORCEMENT.—The Secretary may en-  
13           force this subsection in the courts of the United  
14           States.

15           “(h) CROPS.—Notwithstanding any other provision  
16           of law, this section shall be effective only for the 1996  
17           through 2002 crops of peanuts.”.

18           (f) REPORTS AND RECORDS.—Effective only for the  
19           1996 through 2002 crops of peanuts, the first sentence  
20           of section 373(a) of the Agricultural Adjustment Act of  
21           1938 (7 U.S.C. 1373(a)) is amended by inserting before  
22           “all brokers and dealers in peanuts” the following: “all  
23           producers engaged in the production of peanuts,”.

24           (g) SUSPENSION OF CERTAIN PRICE SUPPORT PRO-  
25           VISIONS.—Section 101 of the Agricultural Act of 1949 (7

1 U.S.C. 1441) shall not be applicable to the 1996 through  
2 2002 crops of peanuts.

3 (h) REGULATIONS.—The Secretary of Agriculture  
4 shall issue such regulations as are necessary to carry out  
5 this Act and the amendments made by this Act. In issuing  
6 the regulations, the Secretary—

7 (1) is encouraged to comply with subchapter II  
8 of chapter 5 of title 5, United States Code;

9 (2) shall provide public notice through the Fed-  
10 eral Register of any such proposed regulations; and

11 (3) shall allow adequate time for written public  
12 comment prior to the formulation and issuance of  
13 any final regulations.

14 (i) FOOD, AGRICULTURE, CONSERVATION, AND  
15 TRADE ACT OF 1990.—Title VIII of the Food, Agri-  
16 culture, Conservation, and Trade Act of 1990 (Public Law  
17 101-624; 104 Stat. 3459) is amended—

18 (1) in section 801 (104 Stat. 3459), by striking  
19 “1995” and inserting “2000”;

20 (2) in section 807 (104 Stat. 3478), by striking  
21 “1995” and inserting “2000”; and

22 (3) in section 808 (7 U.S.C. 1441 note), by  
23 striking “1995” and inserting “2000”.

1 **SEC. 206. SUGAR PROGRAM.**

2 (a) ASSURANCE OF SUGAR SUPPLY.—Section 206 of  
3 the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended  
4 to read as follows:

5 **“SEC. 206. ASSURANCE OF SUGAR SUPPLY.**

6 “(a) IN GENERAL.—The price of each crop of sugar  
7 beets and sugarcane, respectively, shall be supported in  
8 accordance with this section.

9 “(b) SUGARCANE.—Subject to subsection (d), the  
10 Secretary shall support the price of domestically grown  
11 sugarcane through loans at 18 cents per pound for raw  
12 cane sugar.

13 “(c) SUGAR BEETS.—Subject to subsection (d), the  
14 Secretary shall support the price of each crop of domesti-  
15 cally grown sugar beets through loans at the level provided  
16 for refined beet sugar produced from the 1995 crop of do-  
17 mestically grown sugar beets.

18 “(d) ADJUSTMENT IN SUPPORT LEVEL.—

19 “(1) DOWNWARD ADJUSTMENT IN SUPPORT  
20 LEVEL.—

21 “(A) IN GENERAL.—The Secretary shall  
22 decrease the support price of domestically  
23 grown sugarcane and sugar beets from the  
24 price determined for the preceding crop, as es-  
25 tablished under this section, if negotiated re-  
26 ductions in export subsidies and domestic sub-

1 subsidies provided for sugar of the European  
2 Union and other major sugar growing, produc-  
3 ing, and exporting countries ('major countries')  
4 in the aggregate exceed the commitments made  
5 as part of the Uruguay Round Agreements.

6 "(B) EXTENT OF REDUCTION.—The Sec-  
7 retary shall not reduce the support price under  
8 this section below a level that provides an equal  
9 measure of support to that provided by any  
10 other major country or customs union based on  
11 an examination of both domestic and export  
12 subsidies subject to reduction in the Agreement  
13 on Agriculture referenced in 19 U.S.C.  
14 3511(d)(2).

15 "(C) MAJOR COUNTRIES.—For purposes of  
16 this subsection, the term 'major countries' in-  
17 cludes all countries allocated a share of the tar-  
18 iff rate quota for imported sugars and syrups  
19 by the United States Trade Representative pur-  
20 suant to additional U.S. note 5 of chapter 17  
21 of the Harmonized Tariff Schedule, all coun-  
22 tries of the European Union, and the People's  
23 Republic of China.

24 "(2) INCREASES IN SUPPORT LEVEL.—The Sec-  
25 retary may increase the support level for each crop

1 of domestically grown sugarcane and sugar beets  
2 from the level determined for the preceding crop  
3 based on such factors as the Secretary determines  
4 appropriate, including changes (during the 2 crop  
5 years immediately preceding the crop year for which  
6 the determination is made) in the cost of sugar  
7 products, the cost of domestic sugar production, the  
8 amount of any applicable assessments, and other  
9 factors or circumstances that may adversely affect  
10 domestic sugar production.

11 “(e) LOAN TYPE; PROCESSOR ASSURANCES.—

12 “(1) IN GENERAL.—Subject to paragraph (2),  
13 the Secretary shall carry out this section through  
14 the use of recourse loans.

15 “(2) MODIFICATION.—During any fiscal year in  
16 which the tariff rate quota for imports of sugar into  
17 the United States is set at or is increased to a level  
18 that exceeds the minimum level for such imports  
19 committed to by the United States under the Agree-  
20 ment on Agriculture contained in the Uruguay  
21 Round of Agreements of the General Agreement on  
22 Tariffs and Trade, the Secretary shall carry out this  
23 section by making available nonrecourse loans. Any  
24 recourse loan previously made available by the Sec-  
25 retary under this section during such fiscal year

1 shall be modified by the Secretary into a  
2 nonrecourse loan.

3 “(3) PROCESSOR ASSURANCES.—In order to ef-  
4 fectively support the prices of sugar beets and sugar-  
5 cane received by the producer, the Secretary shall  
6 obtain from each processor that receives a loan  
7 under this section such assurances as the Secretary  
8 considers adequate that, if the Secretary is required  
9 under paragraph (2) to make nonrecourse loans  
10 available, or modify recourse loans into nonrecourse  
11 loans, each producer served by the processor will re-  
12 ceive the appropriate minimum payment for sugar  
13 beets and sugarcane delivered by the producer, as  
14 determined by the Secretary.

15 “(f) ANNOUNCEMENTS.—In order to ensure the effi-  
16 cient administration of the program under this section and  
17 the effective support of the price of sugar, the Secretary  
18 shall announce the type of loans available and the loan  
19 rates for beet sugar and cane sugar for any fiscal year  
20 under this section as far in advance as is practicable.

21 “(g) LOAN TERM.—

22 “(1) IN GENERAL.—Except as provided in para-  
23 graph (2) and subsection (h), loans under this sec-  
24 tion during any fiscal year shall be made available

1 not earlier than the beginning of the fiscal year and  
2 shall mature at the end of 3 months.

3 “(2) EXTENSION.—The maturity of a loan  
4 under this section may be extended for up to 2 addi-  
5 tional 3-month periods, at the option of the bor-  
6 rower, upon written request to the Commodity Cred-  
7 it Corporation. The maturity of a loan may not be  
8 extended under this paragraph beyond the end of  
9 the fiscal year.

10 “(h) SUPPLEMENTARY LOANS.—Subject to sub-  
11 section (d), the Secretary shall make available to eligible  
12 processors price support loans with respect to sugar proc-  
13 essed from sugar beets and sugarcane harvested in the last  
14 3 months of a fiscal year. Such loans shall mature at the  
15 end of the fiscal year. The processor may repledge the  
16 sugar as collateral for a price support loan in the subse-  
17 quent fiscal year, except that the second loan shall—

18 “(1) be made at the loan rate in effect at the  
19 time the second loan is made; and

20 “(2) mature in not more than 9 months less the  
21 quantity of time that the first loan was in effect.

22 “(i) USE OF COMMODITY CREDIT CORPORATION.—  
23 The Secretary shall use the funds, facilities, and authori-  
24 ties of the Commodity Credit Corporation to carry out this  
25 section.

1       “(j) MARKETING ASSESSMENTS.—The following as-  
2       ssments shall be collected with respect to all sugar mar-  
3       keted within the United States during the 1996 through  
4       2003 fiscal years:

5               “(1) BEET SUGAR.—The first seller of beet  
6       sugar produced from sugar beets or sugar beet mo-  
7       lasses, or refined sugar refined outside of the United  
8       States, shall remit to the Commodity Credit Cor-  
9       poration a nonrefundable marketing assessment in  
10      an amount equal to 1.1794 percent of the loan level  
11      established under subsection (b) per pound of sugar  
12      marketed.

13              “(2) CANE SUGAR.—The first seller of raw cane  
14      sugar produced from sugarcane or sugarcane molas-  
15      ses, shall remit to the Commodity Credit Corpora-  
16      tion a nonrefundable marketing assessment in an  
17      amount equal to 1.1 percent of the loan level estab-  
18      lished under subsection (b) per pound of sugar mar-  
19      keted (including the transfer or delivery of the sugar  
20      to a refinery for further processing or marketing).

21              “(3) COLLECTION.—

22                      “(A) TIMING.—Marketing assessments re-  
23                      quired under this subsection shall be collected  
24                      and remitted to the Commodity Credit Corpora-

1           tion within 30 days of the date that the sugar  
2           is marketed.

3           “(B) MANNER.—Subject to subparagraph  
4           (A), marketing assessments shall be collected  
5           under this subsection in the manner prescribed  
6           by the Secretary and shall be nonrefundable.

7           “(4) PENALTIES.—If any person fails to remit  
8           an assessment required by this subsection or fails to  
9           comply with such requirements for recordkeeping or  
10          otherwise as are required by the Secretary to carry  
11          out this subsection, the person shall be liable to the  
12          Secretary for a civil penalty up to an amount deter-  
13          mined by multiplying—

14                 “(A) the quantity of sugar involved in the  
15                 violation; by

16                 “(B) the loan level for the applicable crop  
17                 of sugarcane or sugar beets from which the  
18                 sugar is produced.

19          For the purposes of this paragraph, refined sugar  
20          shall be treated as produced from sugar beets.

21           “(5) ENFORCEMENT.—The Secretary may en-  
22           force this subsection in the courts of the United  
23           States.

24           “(6) REGULATIONS.—The Secretary shall pro-  
25           mulgate regulations to carry out this subsection.

1 “(k) INFORMATION REPORTING.—

2 “(1) DUTY OF PROCESSORS AND REFINERS TO  
3 REPORT.—All sugarcane processors, cane sugar re-  
4 finers, and sugar beet processors shall furnish the  
5 Secretary, on a monthly basis, such information as  
6 the Secretary may require to administer sugar pro-  
7 grams, including the quantity of purchases of sugarcane,  
8 sugar beets, and sugar, and production, impor-  
9 tation, distribution, and stock levels of sugar.

10 “(2) DUTY OF PRODUCERS TO REPORT.—In  
11 order to efficiently and effectively carry out the pro-  
12 gram under this section, the Secretary may require  
13 a producer of sugarcane or sugar beets to report, in  
14 the manner prescribed by the Secretary, the produc-  
15 er’s sugarcane or sugar beet yields and acres planted  
16 to sugarcane or sugar beets, respectively.

17 “(3) PENALTY.—Any person willfully failing or  
18 refusing to furnish the information, or furnishing  
19 willfully any false information, shall be subject to a  
20 civil penalty of not more than \$10,000 for each such  
21 violation.

22 “(4) MONTHLY REPORTS.—Taking into consid-  
23 eration the information received under paragraph  
24 (1), the Secretary shall publish on a monthly basis

1 composite data on production, imports, distribution,  
2 and stock levels of sugar.

3 “(I) SUGAR ESTIMATES.—

4 “(1) DOMESTIC REQUIREMENT.—Before the be-  
5 ginning of each fiscal year, the Secretary shall esti-  
6 mate the domestic sugar requirement of the United  
7 States equal to Total Estimated Disappearance  
8 minus the quantity of sugar that will be available  
9 from carry-in stocks.

10 “(2) TOTAL DISAPPEARANCE.—For the pur-  
11 poses of this subsection, the term ‘total estimated  
12 disappearance’ means the quantity of sugar, as esti-  
13 mated by the Secretary, that will be consumed in the  
14 United States during the fiscal year (other than  
15 sugar imported for the production of polyhydric alco-  
16 hol or to be refined and reexported in refined form  
17 or in sugar containing products) plus the quantity of  
18 sugar that would provide for adequate carryover  
19 stocks.

20 “(3) QUARTERLY REESTIMATES.—The Sec-  
21 retary shall make quarterly reestimates of sugar  
22 consumption, stocks, production, and imports for a  
23 fiscal year no later than the beginning of each of the  
24 second through fourth quarters of the fiscal year.

1       “(m) DEFINITION OF MARKET.—For purposes of  
2 this section, the term ‘market’ means to sell or otherwise  
3 dispose of in commerce in the United States (including,  
4 with respect to any integrated processor and refiner, the  
5 movement of raw cane sugar into the refining process) and  
6 deliver to a buyer.

7       “(n) CROPS.—This section shall be effective only for  
8 the 1996 through 2002 crops of sugar beets and sugar-  
9 cane.”.

10       (b) CONFORMING AMENDMENT.—Part VII of sub-  
11 title B of title III of the Agricultural Adjustment Act of  
12 1938 (7 U.S.C. 1359aa, et seq.) is repealed.

13       **SEC. 207. EFFECT OF AMENDMENTS ON 1991 THROUGH 1995**

14                       **CROPS.**

15       The amendments made by this title shall not affect  
16 the authority of the Secretary of Agriculture to carry out  
17 a price support, production adjustment, or payment pro-  
18 gram for any of the 1991 through 1995 crops of an agri-  
19 cultural commodity established under a provision of law  
20 as in effect immediately before the enactment of this Act.

1                   **TITLE III—GENERAL**  
2                   **COMMODITY PROVISIONS**

3   **SEC. 301. EXTENSION OF SUPPLEMENTAL SET-ASIDE AND**  
4                   **ACREAGE LIMITATION AUTHORITY.**

5           Section 113 of the Agricultural Act of 1949 (7 U.S.C.  
6 1445h) is amended by striking “1995” and inserting  
7 “2002”.

8   **SEC. 302. EXTENSION OF DEFICIENCY AND LAND DIVER-**  
9                   **SION PAYMENTS.**

10          Section 114 of the Agricultural Act of 1949 (7 U.S.C.  
11 1445j) is amended—

12               (1) in subsections (a)(1) and (c), by striking  
13               “1997” each place it appears and inserting “2002”;  
14               and

15               (2) in subsection (b), by striking “1995” and  
16               inserting “2002”.

17   **SEC. 303. EXTENSION OF AUTHORITY TO ADJUST ESTAB-**  
18                   **LISHED PRICES.**

19          Section 402(b) of the Agricultural Act of 1949 (7  
20 U.S.C. 1422(b)) is amended by striking “1995” and in-  
21          serting “2002”.

1 **SEC. 304. EXTENSION OF LIMITATION ON ADJUSTMENTS OF**  
2 **SUPPORT PRICES.**

3 Section 403(c) of the Agricultural Act of 1949 (7  
4 U.S.C. 1423(c)) is amended by striking “1995” and in-  
5 serting “2002”.

6 **SEC. 305. EXTENSION OF OPTION TO EXTEND PROGRAMS.**

7 Section 406(b) of the Agricultural Act of 1949 (7  
8 U.S.C. 1426(b)) is amended—

9 (1) by striking “1995” each place it appears  
10 and inserting “2002”;

11 (2) by striking “1996” each place it appears  
12 and inserting “2003”; and

13 (3) in paragraph (4), by striking “November  
14 28, 1990” and inserting “January 1, 1995”.

15 **SEC. 306. REFERENCES TO TERMS REGARDING PRICE SUP-**  
16 **PORT.**

17 Section 408(k)(3) of the Agricultural Act of 1949 (7  
18 U.S.C. 1428(k)(3)) is amended by striking “1995” and  
19 inserting “2002”.

20 **SEC. 307. EXTENSION OF ACREAGE BASE AND YIELD SYS-**  
21 **TEM.**

22 Title V of the Agricultural Act of 1949 (7 U.S.C.  
23 1461 et seq.) is amended—

24 (1) in subsections (c)(3) and (h)(2)(A) of sec-  
25 tion 503 (7 U.S.C. 1463), by striking “1997” each  
26 place it appears and inserting “2002”;

1           (2) in paragraphs (1) and (2) of section 505(b)  
2           (7 U.S.C. 1465(b)), by striking “1997” each place  
3           it appears and inserting “2002”; and

4           (3) in section 509 (7 U.S.C. 1469), by striking  
5           “1997” and inserting “2002”.

6 **SEC. 308. NORMALLY PLANTED ACREAGE.**

7           Section 1001 of the Food and Agriculture Act of  
8           1977 (7 U.S.C. 1309) is amended in subsections (a),  
9           (b)(1), and (c) by striking “1995” each place it appears  
10          and inserting “2002”.

11 **SEC. 309. EXTENSION OF NATIONAL AGRICULTURAL COST**  
12                           **OF PRODUCTION STANDARDS REVIEW**  
13                           **BOARD.**

14          Section 1014 of the Agriculture and Food Act of  
15          1981 (7 U.S.C. 4110) is amended by striking “1995” and  
16          inserting “2002”.

17 **SEC. 310. EXTENSION OF PAYMENT LIMITATIONS.**

18          Title X of the Food Security Act of 1985 (Public Law  
19          99–198; 99 Stat. 1444) is amended—

20                 (1) in paragraphs (1)(A), (1)(B), and (2)(A) of  
21                 section 1001 (7 U.S.C. 1308), by striking “1997”  
22                 each place it appears and inserting “2002”; and

23                 (2) in section 1001C(a) (7 U.S.C. 1308–3(a)),  
24                 by striking “1997” both places it appears and in-  
25                 serting “2002”.

1 **SEC. 311. EXTENSION OF REQUIREMENTS FOR NOTICE AND**  
2 **PUBLIC PARTICIPATION IN SECRETARY DE-**  
3 **TERMINATIONS.**

4 Section 1017(b) of the Food Security Act of 1985  
5 (7 U.S.C. 1385 note) is amended by striking “1995” and  
6 inserting “2002”.

7 **SEC. 312. DETERMINATION OF NORMAL SUPPLY.**

8 Section 1019 of the Food Security Act of 1985 (7  
9 U.S.C. 1310a) is amended by striking “1995” and insert-  
10 ing “2002”.

11 **SEC. 313. EXTENSION OF OPTIONS PILOT PROGRAM.**

12 The Options Pilot Program Act of 1990 (subtitle E  
13 of title XI of Public Law 101-624; 104 Stat. 3518; 7  
14 U.S.C. 1421 note) is amended—

15 (1) in subsections (a) and (b) of section 1153,  
16 by striking “1995” each place it appears and insert-  
17 ing “2002”; and

18 (2) in section 1154(b)(1)(A), by striking  
19 “1995” both places it appears and inserting “2002”.

1 **TITLE IV—REPEAL OF EMER-**  
2 **GENCY LIVESTOCK FEED AS-**  
3 **SISTANCE PROGRAM**

4 **SEC. 401. REPEAL OF EMERGENCY LIVESTOCK FEED AS-**  
5 **SISTANCE PROGRAM.**

6 (a) REPEAL.—The Emergency Livestock Feed As-  
7 sistance Act of 1988 (title VI of the Agricultural Act of  
8 1949; 7 U.S.C. 1471–1471j) is repealed.

9 (b) EFFECT OF REPEAL ON APPROVED APPLICA-  
10 TIONS FOR ASSISTANCE.—The repeal of the Emergency  
11 Livestock Feed Assistance Act of 1988 by subsection (a)  
12 shall not affect the provision of payments or benefits  
13 under such Act pursuant to a completed application ap-  
14 proved by the Secretary of Agriculture before the date of  
15 the enactment of this Act. The Emergency Livestock Feed  
16 Assistance Act of 1988, as in effect on the day before the  
17 date of the enactment of this Act, shall continue to apply  
18 to the provision of payments or benefits pursuant to such  
19 an application.

20 **TITLE V—FEDERAL CROP**  
21 **INSURANCE**

22 **SEC. 501. CONVERSION OF CATASTROPHIC RISK PROTEC-**  
23 **TION PROGRAM TO A VOLUNTARY PROGRAM.**

24 Section 508(b)(7) of the Federal Crop Insurance Act  
25 (7 U.S.C. 1508(b)(7)) is amended—

1           (1) by redesignating subparagraph (B) as sub-  
2           paragraph (C); and

3           (2) by inserting after subparagraph (A) the fol-  
4           lowing new subparagraph:

5                   “(B) EXCEPTION.—Notwithstanding sub-  
6           paragraph (A), a producer may decline to ob-  
7           tain catastrophic risk protection, yet remain eli-  
8           gible for any price support or production ad-  
9           justment program, the conservation reserve pro-  
10          gram, or any benefit described in section 371 of  
11          the Consolidated Farm and Rural Development  
12          Act, if the producer agrees in writing to waive  
13          any eligibility for emergency crop loss assist-  
14          ance in connection with losses to any crop for  
15          which the producer declines to obtain cata-  
16          strophic risk protection.”.

17           **TITLE VI—MISCELLANEOUS**  
18           **PROGRAMS**

19           **SEC. 601. REDUCTION IN FUNDING LEVELS FOR EXPORT**  
20           **ENHANCEMENT PROGRAM.**

21           Section 301(e) of the Trade Act of 1978 (7 U.S.C.  
22           5651(e)) is amended by striking paragraph (1) and insert-  
23           ing the following new paragraph:

1           “(1) IN GENERAL.—To carry out the program  
2           established under this section, the Commodity Credit  
3           Corporation shall make available—

4                   “(A) for each of the fiscal years 1991  
5                   through 1995, not less than \$500,000,000 of  
6                   the funds or commodities of the Commodity  
7                   Credit Corporation; and

8                   “(B) for each of the fiscal years 1996  
9                   through 2002, not more than \$400,000,000 of  
10                  the funds or commodities of the Commodity  
11                  Credit Corporation.”.

12 **SEC. 602. SPENDING LIMITATIONS ON CONSERVATION RE-**  
13 **SERVE PROGRAM.**

14           Title XII of the Food Security Act of 1985 is amend-  
15           ed by inserting after section 1236 (16 U.S.C. 3836) the  
16           following new section:

17 **“SEC. 1236A. SPENDING LIMITATIONS ON CONSERVATION**  
18 **RESERVE PROGRAM.**

19           “The Secretary shall ensure that expenditures under  
20           this subchapter for the conservation reserve program do  
21           not exceed the following amounts:

22                   “(1) \$1,852,000,000 during fiscal year 1997.

23                   “(2) \$1,385,000,000 during fiscal year 1998.

24                   “(3) \$1,106,000,000 during fiscal year 1999.

25                   “(4) \$918,000,000 during fiscal year 2000.

1 “(5) \$779,000,000 during fiscal year 2001.

2 “(6) \$753,000,000 during fiscal year 2002.”.

3 **TITLE VII—COMMISSION ON**  
4 **21ST CENTURY PRODUCTION**  
5 **AGRICULTURE**

6 **SEC. 701. ESTABLISHMENT.**

7 There is hereby established a commission to be known  
8 as the “Commission on 21st Century Production Agri-  
9 culture” (hereinafter in this title referred to as the “Com-  
10 mission”).

11 **SEC. 702. COMPOSITION.**

12 (a) APPOINTMENT.—The Commission shall be com-  
13 posed of 11 members, appointed as follows:

14 (1) Three members shall be appointed by the  
15 President.

16 (2) Four members shall be appointed by the  
17 Chairman of the Committee on Agriculture of the  
18 House of Representatives in consultation with the  
19 ranking minority member of the Committee.

20 (3) Four members shall be appointed by the  
21 Chairman of the Committee on Agriculture, Nutri-  
22 tion, and Forestry of the Senate in consultation with  
23 the ranking minority member of the Committee.

24 (b) QUALIFICATIONS.—The members of the Commis-  
25 sion shall be appointed from among persons having knowl-

1 edge and experience in agricultural production, marketing,  
2 finance, or trade.

3 (c) TERM OF MEMBERS; VACANCIES.—Members of  
4 the Commission shall be appointed for the life of the Com-  
5 mission. A vacancy on the Commission shall not affect its  
6 powers, but shall be filled in the same manner as the origi-  
7 nal appointment was made.

8 (d) TIME FOR APPOINTMENT; FIRST MEETING.—  
9 The members of the Commission shall be appointed not  
10 later than October 1, 1997. The Commission shall convene  
11 its first meeting to carry out its duties under this title  
12 30 days after six members of the Commission have been  
13 appointed.

14 (e) CHAIRMAN.—The chairman of the Commission  
15 shall be designated jointly by the Chairman of the Com-  
16 mittee on Agriculture of the House of Representatives and  
17 the Chairman of the Committee on Agriculture, Nutrition,  
18 and Forestry of the Senate from among the members of  
19 the Commission.

20 **SEC. 703. COMPREHENSIVE REVIEW OF PAST AND FUTURE**  
21 **OF PRODUCTION AGRICULTURE.**

22 (a) INITIAL REVIEW.—The Commission shall conduct  
23 a comprehensive review of changes in the condition of pro-  
24 duction agriculture in the United States since the date of  
25 the enactment of this Act and the extent to which such

1 changes are the result of the amendments made by this  
2 Act. The review shall include the following:

3 (1) An assessment of the success of farm pro-  
4 grams under the Agricultural Act of 1949 in sup-  
5 porting the economic viability of farming in the  
6 United States.

7 (2) An assessment of the food security situation  
8 in the United States in the areas of trade, consumer  
9 prices, international competitiveness of United  
10 States production agriculture, food supplies, and hu-  
11 manitarian relief.

12 (3) An assessment of the changes in farm land  
13 values and agricultural producer incomes since the  
14 date of the enactment of this Act.

15 (4) An assessment of the extent to which regu-  
16 latory relief for agricultural producers has been en-  
17 acted and implemented, including the application of  
18 cost/benefit principles in the issuance of agricultural  
19 regulations.

20 (5) An assessment of the extent to which tax  
21 relief for agricultural producers has been enacted in  
22 the form of capital gains tax reductions, estate tax  
23 exemptions, and mechanisms to average tax loads  
24 over high and low income years.

1           (6) An assessment of the effect of any Govern-  
2           ment interference in agricultural export markets,  
3           such as the imposition of trade embargoes, and the  
4           degree of implementation and success of inter-  
5           national trade agreements.

6           (b) SUBSEQUENT REVIEW.—The Commission shall  
7           conduct a comprehensive review of the future of produc-  
8           tion agriculture in the United States and the appropriate  
9           role of the Federal Government in support of production  
10          agriculture. The review shall include the following:

11           (1) An assessment of changes in the condition  
12          of production agriculture in the United States since  
13          the initial review conducted under subsection (a).

14           (2) Identification of the appropriate future rela-  
15          tionship of the Federal Government with production  
16          agriculture after 2002.

17           (3) An assessment of the manpower and infra-  
18          structure requirements of the Department of Agri-  
19          culture necessary to support the future relationship  
20          of the Federal Government with production agri-  
21          culture.

22          (c) RECOMMENDATIONS.—In carrying out the subse-  
23          quent review under subsection (b), the Commission shall  
24          develop specific recommendations for legislation to achieve  
25          the appropriate future relationship of the Federal Govern-

1 ment with production agriculture identified under sub-  
2 section (a)(2).

3 **SEC. 704. REPORTS.**

4 (a) REPORT ON INITIAL REVIEW.—Not later than  
5 January 1, 1999, the Commission shall submit to the  
6 President, the Committee on Agriculture of the House of  
7 Representatives, and the Committee on Agriculture, Nu-  
8 trition, and Forestry of the Senate a report containing the  
9 results of the initial review conducted under section  
10 703(a).

11 (b) REPORT ON SUBSEQUENT REVIEW.—Not later  
12 than January 1, 2001, the Commission shall submit to  
13 the President and the congressional committees specified  
14 in subsection (a) a report containing the results of the  
15 subsequent review conducted under section 703(b).

16 **SEC. 705. POWERS.**

17 (a) HEARINGS.—The Commission may, for the pur-  
18 pose of carrying out this title, conduct such hearings, sit  
19 and act at such times, take such testimony, and receive  
20 such evidence, as the Commission considers appropriate.

21 (b) ASSISTANCE FROM OTHER AGENCIES.—The  
22 Commission may secure directly from any department or  
23 agency of the Federal Government such information, rel-  
24 evant to its duties under this title, as may be necessary  
25 to carry out such duties. Upon request of the chairman

1 of the Commission, the head of the department or agency  
2 shall, to the extent permitted by law, furnish such infor-  
3 mation to the Commission.

4 (c) MAIL.—The Commission may use the United  
5 States mails in the same manner and under the same con-  
6 ditions as the departments and agencies of the Federal  
7 Government.

8 (d) ASSISTANCE FROM SECRETARY.—The Secretary  
9 of Agriculture shall provide to the Commission appropriate  
10 office space and such reasonable administrative and sup-  
11 port services as the Commission may request.

12 **SEC. 706. COMMISSION PROCEDURES.**

13 (a) MEETINGS.—The Commission shall meet on a  
14 regular basis (as determined by the chairman) and at the  
15 call of the chairman or a majority of its members.

16 (b) QUORUM.—A majority of the members of the  
17 Commission shall constitute a quorum for the transaction  
18 of business.

19 **SEC. 707. PERSONNEL MATTERS.**

20 (a) COMPENSATION.—Each member of the Commis-  
21 sion shall serve without compensation, but shall be allowed  
22 travel expenses including per diem in lieu of subsistence,  
23 as authorized by section 5703 of title 5, United States  
24 Code, when engaged in the performance of Commission  
25 duties.

1       (b) STAFF.—The Commission shall appoint a staff  
2 director, who shall be paid at a rate not to exceed the  
3 maximum rate of basic pay under section 5376 of title  
4 5, United States Code, and such professional and clerical  
5 personnel as may be reasonable and necessary to enable  
6 the Commission to carry out its duties under this title  
7 without regard to the provisions of title 5, United States  
8 Code, governing appointments in the competitive service,  
9 and without regard to the provisions of chapter 51 and  
10 subchapter III of chapter 53 of such title, or any other  
11 provision of law, relating to the number, classification, and  
12 General Schedule rates. No employee appointed under this  
13 subsection (other than the staff director) may be com-  
14 pensated at a rate to exceed the maximum rate applicable  
15 to level 15 of the General Schedule.

16       (c) DETAILED PERSONNEL.—Upon request of the  
17 chairman of the Commission, the head of any department  
18 or agency of the Federal Government is authorized to de-  
19 tail, without reimbursement, any personnel of such depart-  
20 ment or agency to the Commission to assist the Commis-  
21 sion in carrying out its duties under this section. The de-  
22 tail of any such personnel may not result in the interrup-  
23 tion or loss of civil service status or privilege of such per-  
24 sonnel.

1 **SEC. 708. TERMINATION OF COMMISSION.**

2       The Commission shall terminate upon submission of  
3 the final report required by section 704.

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