

104TH CONGRESS  
1ST SESSION

# H. R. 2696

To extend and revise the agricultural price support programs for rice, upland cotton, feed grains, wheat, and oilseeds, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 30, 1995

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

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## A BILL

To extend and revise the agricultural price support programs for rice, upland cotton, feed grains, wheat, and oilseeds, 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 Equity 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. Findings, policy, and purpose.
- Sec. 3. Sense of Congress on ending the Federal deficit.

Sec. 4. Nonrecourse loans and deficiency payments for the 1996 through 2002 crops of rice, upland cotton, feed grains, wheat, and oilseeds.  
Sec. 5. Review of status and future of production agriculture.

1 **SEC. 2. FINDINGS, POLICY, AND PURPOSE.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) A sound and prosperous economy in the  
4 United States is dependent on American agriculture  
5 and related industries, including producers, proc-  
6 essors, handlers, manufacturers, marketers, trans-  
7 porters, and the banking and credit industry.

8 (2) American agriculture and related industries  
9 account for over 21,000,000 jobs and approximately  
10 16 percent, or over \$41,000,000,000,000, of the  
11 gross domestic product.

12 (3) Because of the combined effort of American  
13 agriculture and related industries, consumers in the  
14 United States enjoy a dependable supply of food and  
15 fiber at fair prices.

16 (4) The future of American agriculture is de-  
17 pendent on the continued viability of the American  
18 agricultural producer, the underpinning of the na-  
19 tional economy.

20 (5) Agricultural producers must receive a fair  
21 return on their productivity and investment in an in-  
22 dustry characterized by continued subsidized foreign  
23 competition and wide fluctuations in production and  
24 prices due to weather and related factors.

1           (6) One of the essential elements of a sound ag-  
2           ricultural economy is the ability of the United States  
3           to compete in the world market.

4           (7) Exports of United States agricultural com-  
5           modities are expected to reach nearly  
6           \$50,000,000,000 in 1995 and contribute about  
7           \$20,000,000,000 to the United States balance of  
8           trade.

9           (8) Agricultural exports account for over  
10          1,000,000 American jobs.

11          (9) Commodity Credit Corporation outlays for  
12          farm programs have declined from a high of approxi-  
13          mately \$26,000,000,000 for fiscal year 1986 to less  
14          than \$9,000,000,000 for fiscal year 1995, a reduc-  
15          tion of over 65 percent that is unique among the  
16          many mandatory spending programs of the Federal  
17          Government.

18          (10) According to the Congressional Budget Of-  
19          fice, farm program outlays are projected to remain  
20          below the outlay level for fiscal year 1995 for the  
21          next 5 years and continue to decline by nearly 8 per-  
22          cent, even if no changes are made in current law for  
23          existing farm programs.

24          (b) POLICY.—It is the policy of the United States  
25          that—

1           (1) continued Federal Government support is  
2           necessary to provide stability for American agricul-  
3           tural producers to—

4                   (A) enable the producers to continue to  
5           provide consumers with a steady and depend-  
6           able supply of food and fiber at fair prices;

7                   (B) enhance farmer and rancher profit-  
8           ability;

9                   (C) encourage young farmers to stay on  
10          the farm;

11                  (D) maintain the competitiveness of the  
12          United States in the world market; and

13                  (E) otherwise preserve the underpinnings  
14          of a sound agricultural economy; and

15          (2) reductions in farm program spending should  
16          be made in a fair and equitable manner in order to  
17          meet the objective of achieving a balanced budget for  
18          the Federal Government in a manner consistent with  
19          paragraph (1).

20          (c) PURPOSE.—The purpose of this Act is to establish  
21          agricultural price support and production adjustment pro-  
22          grams for the 1996 through 2002 crop years that provide  
23          a structure for a sound agricultural economy in a manner  
24          consistent with subsection (b).

1 **SEC. 3. SENSE OF CONGRESS ON ENDING THE FEDERAL**  
2 **DEFICIT.**

3 It is the sense of Congress that—

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

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

13 (3) agricultural price support and production  
14 adjustment programs should be—

15 (A) implemented, to the maximum extent  
16 practicable, in a manner that is consistent with  
17 the primary goal of the concurrent resolution on  
18 the budget for fiscal year 1996 (H. Con. Res.  
19 67, agreed to June 29, 1995) to end Federal  
20 budget deficits; and

21 (B) modified, as necessary, to ensure that  
22 the programs comply with applicable budget  
23 reconciliation instructions in the concurrent res-  
24 olution that are designed to end Federal budget  
25 deficits, in a manner consistent with section  
26 306 of the concurrent resolution.

1 **SEC. 4. NONRECOURSE LOANS AND DEFICIENCY PAYMENTS**  
2 **FOR THE 1996 THROUGH 2002 CROPS OF RICE,**  
3 **UPLAND COTTON, FEED GRAINS, WHEAT, AND**  
4 **OILSEEDS.**

5 (a) DEFINITIONS.—For purposes of this section:

6 (1) COVERED COMMODITIES.—The term “cov-  
7 ered commodities” means rice, upland cotton, feed  
8 grains, wheat, and oilseeds.

9 (2) FEED GRAINS.—The term “feed grains”  
10 means corn, grain sorghum, barley, and oats.

11 (3) OILSEEDS.—The term “oilseeds” means  
12 soybeans, sunflower seeds, canola, rapeseed, saf-  
13 flower, flaxseed, mustard seed, and such other oil-  
14 seeds as the Secretary may determine appropriate  
15 for inclusion.

16 (b) NONRECOURSE LOANS.—

17 (1) PRICE SUPPORT LOANS.—The Secretary  
18 shall make available to producers on a farm  
19 nonrecourse loans for each of the 1996 through  
20 2002 crops of each covered commodity at the level  
21 specified in paragraph (2). Acreage covered shall in-  
22 clude both mandatory and voluntary flex acres.

23 (2) LOAN LEVELS.—The loan levels for each  
24 covered commodity shall be 100 percent of the sim-  
25 ple average price received by producers of that cov-  
26 ered commodity, as determined by the Secretary,

1 during the marketing years for the preceding 5  
2 crops of that covered commodity, excluding the year  
3 in which the average price was the highest and the  
4 year in which the average price was the lowest in the  
5 period. The Secretary may adjust the loan level for  
6 a particular covered commodity to reflect changes in  
7 the market price of that covered commodity.

8 (3) PROHIBITIONS.—The Secretary shall not  
9 make available a marketing loan or loan deficiency  
10 payment to any producer on a farm for any of the  
11 1996 through 2002 crops of covered commodities.

12 (c) DEFICIENCY PAYMENTS.—

13 (1) IN GENERAL.—The Secretary shall make  
14 deficiency payments available to producers for each  
15 of the 1996 through 2002 crops of each covered  
16 commodity (other than oilseeds) in an amount com-  
17 puted by multiplying—

18 (A) the payment rate for the covered com-  
19 modity;

20 (B) the payment acres for the crop of that  
21 covered commodity; and

22 (C) the farm program yield for the crop of  
23 that covered commodity for the farm.

24 (2) PAYMENT RATE.—

1 (A) MINIMUM ESTABLISHED PRICE.—The  
2 minimum established price in effect for the  
3 1991 through 1995 crops of each covered com-  
4 modity shall continue in effect for the 1996  
5 through 2002 crops of that covered commodity.

6 (B) ESTABLISHMENT OF RATE.—The pay-  
7 ment rate for each of the 1996 through 2002  
8 crops of each covered commodity shall be the  
9 amount by which the target price exceeds the  
10 higher of—

11 (i) the loan level established for that  
12 covered commodity under subsection (b);

13 (ii) the average market price of that  
14 covered commodity.

15 (3) PAYMENT ACRES.—Payment acres for a  
16 crop of a covered commodity shall equal base acres  
17 less idled (set aside) and flex (mandatory and op-  
18 tional) acres.

19 (4) ELIMINATION OF  $\frac{0}{85}$  AND  $\frac{50}{85}$  PRO-  
20 GRAMS.—The Secretary shall discontinue the partial  
21 payment programs, variously known as  $\frac{0}{85}$ ,  $\frac{50}{85}$ ,  
22  $\frac{0}{92}$ , and  $\frac{50}{92}$ , effective with crop year 1996.

23 (d) FLEXIBILITY ('FLEX') PROGRAM.—The Sec-  
24 retary shall increase producer planting flexibility—



1 and future of production agriculture and farming commu-  
2 nities in the United States and the extent to which the  
3 program changes made by this Act will impact production  
4 agriculture and farming communities in the United States.

5 The review shall include the following—

6           (1) an assessment of the food security situation  
7           in the United States in the areas of trade, consumer  
8           prices, international competitiveness of United  
9           States production agriculture, food supplies, and hu-  
10          manitarian relief;

11          (2) an assessment of current and future farm  
12          land values and agricultural producer incomes;

13          (3) an assessment of the extent to which regu-  
14          latory relief for agricultural producers has been en-  
15          acted and implemented, including the application of  
16          cost-benefit principles in the issuance of agricultural  
17          regulations;

18          (4) an assessment of the extent to which tax re-  
19          lief for agricultural producers has been enacted in  
20          the form of capital gains tax reductions, estate tax  
21          exemptions, and mechanisms to average tax loads  
22          over high- and low-income years;

23          (5) an assessment of any Federal Government  
24          interference in agricultural export markets, such as  
25          the imposition of trade embargoes, and the degree of

1 implementation and success of international trade  
2 agreements;

3 (6) identification of the appropriate future rela-  
4 tionship of the Federal Government with production  
5 agriculture after 2002;

6 (7) identification of the long-term goals for pro-  
7 duction agriculture and farming communities in the  
8 United States and recommendations for actions  
9 needed to achieve those goals; and

10 (8) an assessment of manpower and infrastruc-  
11 ture requirements of the Department of Agriculture  
12 as the result of program changes made by this Act.

13 (b) LEGISLATIVE PROPOSALS.—As part of the com-  
14 prehensive review required under subsection (a), the Sec-  
15 retary shall develop specific legislative proposals to imple-  
16 ment any recommendations being made.

17 (c) REPORTS.—The Secretary shall report the find-  
18 ings and recommendations made under subsection (a) to  
19 the President, to the Committee on Agriculture of the  
20 House of Representatives, and to the Committee on Agri-  
21 culture, Nutrition, and Forestry of the Senate, not later  
22 than March 31, 1997.

23 (d) HEARINGS.—The Secretary may, for the purpose  
24 of carrying out this section, conduct such hearings and

1 receive such evidence as the Secretary considers appro-  
2 priate.

3 (e) ASSISTANCE FROM OTHER AGENCIES.—The Sec-  
4 retary may secure from other departments and agencies  
5 of the Federal Government such information as may be  
6 necessary to carry out this section.

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