

104TH CONGRESS  
1ST SESSION

# H. R. 2794

To extend and improve the price support and production adjustment program for peanuts, to establish standards for the inspection, handling, storage, and labeling of all peanuts and peanut products sold in the United States, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 15, 1995

Mr. ROSE (for himself, Mr. STENHOLM, and Mr. TORRICELLI) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To extend and improve the price support and production adjustment program for peanuts, to establish standards for the inspection, handling, storage, and labeling of all peanuts and peanut products sold in the United States, 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 “Peanut Program Improvement Act of 1995”.

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

Sec. 1. Short title; table of contents.

TITLE I—PEANUT PRICE SUPPORT AND PRODUCTION  
 ADJUSTMENT PROGRAM

Sec. 101. National poundage quotas and acreage allotments.  
 Sec. 102. Sale, lease, or transfer of farm poundage quota.  
 Sec. 103. Experimental and research programs.  
 Sec. 104. Marketing penalties.  
 Sec. 105. Price support program.  
 Sec. 106. Reports and records.  
 Sec. 107. Suspension of permanent program.  
 Sec. 108. Referendum regarding poundage quotas.  
 Sec. 109. Regulations.  
 Sec. 110. Administration.

TITLE II—PEANUT STANDARDS

Sec. 201. Inspection; quality assurance.  
 Sec. 202. Handling and storage.  
 Sec. 203. Labeling.  
 Sec. 204. Inspection and testing.  
 Sec. 205. Nutritional labeling.  
 Sec. 206. Peanut content.  
 Sec. 207. Plant diseases.  
 Sec. 208. Administration.  
 Sec. 209. Change of venue.

3 TITLE I—PEANUT PRICE SUPPORT AND  
 4 PRODUCTION ADJUSTMENT PROGRAM

5 **SEC. 101. NATIONAL POUNDAGE QUOTAS AND ACREAGE AL-**  
 6 **LOTMENTS.**

7 (a) IN GENERAL.—The section heading of section  
 8 358–1 of the Agricultural Adjustment Act of 1938 (7  
 9 U.S.C. 1358–1) is amended by striking “**1991 THROUGH**  
 10 **1997 CROPS OF**”.

11 (b) NATIONAL POUNDAGE QUOTAS.—

12 (1) ESTABLISHMENT.—Section 358–1(a)(1) of  
 13 the Act is amended—

1 (A) by striking “of the 1991 through 1997  
2 marketing years” and inserting “marketing  
3 year”;

4 (B) by striking “each such marketing year  
5 to domestic edible, seed, and related uses” and  
6 inserting “the marketing year to domestic edi-  
7 ble use and related uses, but excluding use as  
8 seed”;

9 (C) by striking the second sentence; and

10 (D) by adding at the end the following new  
11 sentence: “In making estimates under this  
12 paragraph for a marketing year, the Secretary  
13 shall annually estimate and take into account  
14 the quantity of peanuts and peanut products to  
15 be imported into the United States for the mar-  
16 keting year.”.

17 (2) APPORTIONMENT.—Section 358–1(a)(3) of  
18 the Act is amended by striking “1990” and inserting  
19 “1995”.

20 (c) FARM POUNDAGE QUOTA.—

21 (1) ESTABLISHMENT.—Section 358–1(b)(1)(A)  
22 of the Act is amended—

23 (A) by striking “of the 1991 through 1997  
24 marketing years” and inserting “marketing  
25 year”; and

1 (B) in clause (i), by striking “1990” and  
2 inserting “1995”.

3 (2) QUANTITY.—Section 358–1(b)(1)(B) of the  
4 Act is amended—

5 (A) by striking “of the 1991 through 1997  
6 marketing years” and inserting “marketing  
7 year”; and

8 (B) by striking “including—” and all that  
9 follows through “(ii) any” and inserting “in-  
10 cluding any”.

11 (3) ADJUSTMENTS.—Section 358–1(b)(2) of the  
12 Act is amended—

13 (A) in subparagraph (A)—

14 (i) by striking “subparagraph (B) and  
15 subject to subparagraph (D)” and insert-  
16 ing “subparagraph (C)”; and

17 (ii) by striking “of the 1991 through  
18 1997 marketing years” and inserting  
19 “marketing year”;

20 (B) by striking subparagraph (B);

21 (C) by redesignating subparagraphs (C)  
22 and (D) as subparagraphs (B) and (C), respec-  
23 tively; and

24 (D) in subparagraph (B) (as so redesign-  
25 ated), by striking “of the 1991 through 1997

1 marketing years” and inserting “marketing  
2 year”.

3 (4) QUOTA NOT PRODUCED.—Section 358–  
4 1(b)(3) of the Act is amended—

5 (A) in subparagraph (A), by striking “of  
6 the 1991 through 1997 marketing years” and  
7 inserting “marketing year”; and

8 (B) in subparagraph (B), by striking “in-  
9 clude—” and all that follows through “(ii) any”  
10 and inserting “include any”.

11 (5) QUOTA CONSIDERED PRODUCED.—Section  
12 358–1(b)(4) of the Act is amended—

13 (A) in subparagraph (A), by inserting “or”  
14 after the semicolon at the end; and

15 (B) by striking subparagraphs (B) and (C)  
16 and inserting the following new subparagraph:

17 “(B) for only 1 of the 3 marketing years  
18 immediately preceding the marketing year for  
19 which the determination is being made, the  
20 farm poundage quota for the farm was—

21 “(i) released voluntarily under para-  
22 graph (7); or

23 “(ii) leased to another owner or opera-  
24 tor of a farm within the same county for  
25 transfer to the farm.”.

1           (6) ALLOCATION OF QUOTAS REDUCED OR RE-  
2       LEASED.—Section 358–1(b)(6) of the Act is amend-  
3       ed—

4           (A) in subparagraph (A), by striking “sub-  
5       paragraphs (B) and (C), the total quantity of  
6       the” and inserting “subparagraph (B),”;

7           (B) in subparagraph (B)—

8           (i) by striking “Not more than 25  
9       percent of the” and inserting “The”; and

10          (ii) by adding at the end the follow-  
11       ing: “Any farm quota pounds remaining  
12       after allocation to farms under this sub-  
13       paragraph shall be allocated under sub-  
14       paragraph (A).”; and

15          (C) by striking subparagraph (C).

16          (7) TEMPORARY QUOTA ALLOCATION FOR  
17       SEED.—Section 358–1(b) of the Act is amended by  
18       striking paragraph (8) and inserting the following  
19       new paragraph:

20           “(8) TEMPORARY QUOTA ALLOCATION FOR  
21       SEED.—For each marketing year and pursuant to  
22       regulation, the Secretary shall make a temporary al-  
23       location of poundage quota, for that marketing year  
24       only, to each producer of peanuts on a farm, in addi-  
25       tion to any farm poundage quota established under

1 paragraph (1), in a quantity equal to the pounds of  
2 seed peanuts planted by the producer on the farm.”.

3 (8) TRANSFER OF ADDITIONAL PEANUTS.—Sec-  
4 tion 358–1(b) of the Act is amended by striking  
5 paragraph (9) and inserting the following new para-  
6 graph:

7 “(9) TRANSFER OF ADDITIONAL PEANUTS.—

8 “(A) IN GENERAL.—Except as provided in  
9 subparagraph (B), additional peanuts on a  
10 farm from which the quota poundage was not  
11 harvested and marketed may be transferred to  
12 the quota loan pool for pricing purposes on  
13 such basis as the Secretary shall provide by reg-  
14 ulation.

15 “(B) LIMITATIONS.—The poundage of pea-  
16 nuts transferred under subparagraph (A) shall  
17 not exceed 25 percent of the total farm pound-  
18 age quota, excluding pounds transferred in the  
19 fall.

20 “(C) SUPPORT RATE.—Peanuts trans-  
21 ferred under this paragraph shall be supported  
22 at a rate of not less than 70 percent of the  
23 quota support rate for the marketing years dur-  
24 ing which the transfers occur.”.

1 (d) CROPS.—Section 358–1(f) of the Act is amended  
2 by striking “1991 through 1997” and inserting “1996  
3 through 2002”.

4 **SEC. 102. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE**  
5 **QUOTA.**

6 (a) IN GENERAL.—The section heading of section  
7 358b of the Agricultural Adjustment Act of 1938 (7  
8 U.S.C. 1358b) is amended by striking “**1991 THROUGH**  
9 **1995 CROPS OF**”.

10 (b) SALE, LEASE, OR TRANSFER OF FARM POUND-  
11 AGE QUOTA.—Section 358b(a) of the Act is amended—

12 (1) in paragraph (1)—

13 (A) by striking “(including any applicable  
14 under marketings)” both places it appears;

15 (B) by redesignating subparagraphs (A)  
16 and (B) as subparagraphs (B) and (C), respec-  
17 tively;

18 (C) by inserting before subparagraph (B)  
19 (as so redesignated) the following new subpara-  
20 graph:

21 “(A) with the owner or operator of another  
22 farm located within the same county or located  
23 in a different county within the same State;”;

24 (D) in subparagraph (B) (as so redesign-  
25 ated), by striking “undermarketings and”; and

1 (E) by adding at the end the following:  
2 “Fall transfers of quota pounds shall not affect  
3 the farm quota history for the transferring or  
4 receiving farm and shall not result in a reduc-  
5 tion of the farm poundage quota on the trans-  
6 ferring farm.”;

7 (2) in paragraph (2)—

8 (A) by striking “(including any applicable  
9 under marketings)”;

10 (B) by striking “county or in a county con-  
11 tiguous to the county in the same”;

12 (C) by inserting before the period at the  
13 end of the first sentence the following: “, if  
14 both the transferring and the receiving farms  
15 were under the control of the owner or operator  
16 for at least 3 crop years prior to the crop year  
17 in which the farm poundage quota is trans-  
18 ferred”; and

19 (D) by striking “the transferred quota is  
20 produced or considered produced on the receiv-  
21 ing farm” and inserting “sufficient acreage is  
22 planted on the receiving farm to produce the  
23 quota pounds transferred”;

24 (3) in paragraph (3), by striking “(including  
25 any applicable undermarketings)”;

1           (4) by adding at the end the following new  
2 paragraph:

3           “(4) TRANSFERS BY SALE IN STATES WITH  
4 LARGE QUOTAS.—

5           “(A) IN GENERAL.—In the case of a State  
6 for which the poundage quota allocated to the  
7 State was 10,000 tons or greater for the pre-  
8 vious year, the owner, or operator with permis-  
9 sion of the owner, of a farm located in the  
10 State for which a farm poundage quota has  
11 been established under section 358–1 may sell  
12 all or any part of the farm poundage quota to  
13 any other eligible owner or operator of a farm  
14 within the same State.

15           “(B) LIMITATIONS.—

16           “(i) 1996.—During calendar year  
17 1996, not more than 15 percent of the  
18 total poundage quota within a county as of  
19 January 1, 1996, may be sold and trans-  
20 ferred outside the county under this para-  
21 graph.

22           “(ii) SUBSEQUENT YEARS.—During  
23 calendar year 1997 and each subsequent  
24 calendar year, not more than 5 percent of  
25 the total poundage quota within a county

1 as of January 1 of the calendar year may  
2 be sold and transferred outside the county  
3 under this paragraph.

4 “(iii) AGGREGATE LIMIT.—Not more  
5 than an aggregate of 30 percent of the  
6 total poundage quota within a county may  
7 be sold and transferred outside the county  
8 under this paragraph.

9 “(C) SUBSEQUENT LEASE OR SALE.—  
10 Quota poundage sold and transferred under this  
11 paragraph may not be leased or sold to another  
12 farm owner or operator within the same State  
13 for a period of 5 years following the original  
14 transfer to the farm.”.

15 (c) RECORD.—Section 358b(b)(3) of the Act is  
16 amended by striking “committee of the county to which  
17 the transfer is made and the committee determines” and  
18 inserting “committees of the counties from and to which  
19 the transfer is made and the committees determine”.

20 (d) CROPS.—Section 358b(e) of the Act is amended  
21 by striking “1991 through 1995” and inserting “1996  
22 through 2002”.

23 **SEC. 103. EXPERIMENTAL AND RESEARCH PROGRAMS.**

24 Section 358c(d) of the Agricultural Adjustment Act  
25 of 1938 (7 U.S.C. 1358c(d)) is amended by striking

1 “1991 through 1995” and inserting “1996 through  
2 2002”.

3 **SEC. 104. MARKETING PENALTIES.**

4 Section 358e of the Agricultural Adjustment Act of  
5 1938 (7 U.S.C. 1359a) is amended—

6 (1) in the section heading, by striking “**1991**  
7 **THROUGH 1997 CROPS OF**”;

8 (2) in subsection (d)(6)(A), by inserting after  
9 “If any additional peanuts” the following: “or pea-  
10 nut products made from additional peanuts”; and

11 (3) in subsection (i), by striking “1991 through  
12 1997” and inserting “1996 through 2002”.

13 **SEC. 105. PRICE SUPPORT PROGRAM.**

14 (a) IN GENERAL.—The section heading of section  
15 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c–  
16 3) is amended by striking “**1991 THROUGH 1997 CROPS**  
17 **OF**”.

18 (b) QUOTA PEANUTS.—Section 108B(a) of the Act  
19 is amended—

20 (1) in paragraph (1), by striking “for each of  
21 the 1991 through 1997 crops”; and

22 (2) in paragraph (2)—

23 (A) by striking “of the 1991 through 1997  
24 crops” and inserting “crop”; and

1 (B) by striking “exceed” and inserting “be  
2 increased, or decreased,”.

3 (c) ADDITIONAL PEANUTS.—Section 108B(b)(1) of  
4 the Act is amended by striking “for each of the 1991  
5 through 1997 crops”.

6 (d) AREA MARKETING ASSOCIATIONS.—Section  
7 108B(c)(2)(A) of the Act is amended by inserting after  
8 the first sentence the following: “Peanuts physically pro-  
9 duced outside the State of New Mexico shall not be eligible  
10 for entry into or participation in the New Mexico pools.”.

11 (e) LOSSES.—Subsection (d) of section 108B of the  
12 Act is amended to read as follows:

13 “(d) LOSSES.—

14 “(1) OTHER PRODUCERS IN SAME POOL.—  
15 Losses in an area quota pool shall be offset by re-  
16 ducing the gain of any producer in the pool by the  
17 amount of pool gains attributable to the same pro-  
18 ducer from the sale of additional peanuts for domes-  
19 tic edible use or export.

20 “(2) QUOTA PEANUTS PLACED UNDER LOAN.—  
21 Net gains on additional peanuts within an area  
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 in the area, in such man-  
3 ner as the Secretary shall by regulation prescribe.

4 “(3) QUOTA LOAN POOLS.—

5 “(A) TRANSFERS FROM ADDITIONAL LOAN  
6 POOLS.—The proceeds due any producer from  
7 any pool shall be reduced by the amount of any  
8 loss that is incurred with respect to peanuts  
9 transferred from an additional loan pool to a  
10 quota loan pool by the producer under section  
11 358–1(b)(9) of the Agricultural Adjustment Act  
12 of 1938 (7 U.S.C. 1358–1(b)(9)).

13 “(B) USE OF MARKETING ASSESS-  
14 MENTS.—The Secretary shall use funds col-  
15 lected under subsection (g) to offset further  
16 losses in area quota pools. At the end of each  
17 year, the Secretary shall transfer to the Treas-  
18 ury the funds collected under subsection (g)  
19 that the Secretary determines are not required  
20 to cover losses in area quota pools.

21 “(C) CROSS COMPLIANCE.—Further losses  
22 in area quota pools, other than losses incurred  
23 as a result of transfers from additional loan  
24 pools to quota loan pools under section 358–  
25 1(b)(9) of the Agricultural Adjustment Act of

1 1938 (7 U.S.C. 1358–1(b)(9)), shall be offset  
2 by any gains or profits from pools in other pro-  
3 duction areas (other than separate type pools  
4 established under subsection (c)(2)(A) for Va-  
5 lencia peanuts produced in New Mexico) in  
6 such manner as the Secretary shall by regula-  
7 tion prescribe.

8 “(D) INCREASED ASSESSMENTS.—If ac-  
9 tions taken under subparagraphs (A) through  
10 (C) are not sufficient to cover losses in area  
11 pools, the Secretary shall increase the market-  
12 ing assessment established under subsection (g)  
13 by such amount as the Secretary considers nec-  
14 essary to cover the losses. Amounts collected  
15 under subsection (g) as a result of the in-  
16 creased assessment shall be retained by the Sec-  
17 retary to cover losses in the pool.”

18 (f) EXPORTS AND OTHER PEANUTS.—Section  
19 108B(f) of the Act is amended by striking paragraph (2)  
20 and inserting the following:

21 “(2) EXPORTS AND OTHER PEANUTS.—

22 “(A) IN GENERAL.—The Secretary shall  
23 require that all peanuts, including peanuts im-  
24 ported into the United States, meet all United  
25 States quality standards under Marketing

1 Agreement No. 146, regulating the quality of  
2 domestically produced peanuts (under the Agri-  
3 cultural Adjustment Act (7 U.S.C. 601 et seq.),  
4 reenacted with amendments by the Agricultural  
5 Marketing Agreement Act of 1937), and that  
6 importers of the peanuts fully comply with in-  
7 spection, handling, storage, and processing re-  
8 quirements implemented under Marketing  
9 Agreement No. 146.

10 “(B) EXPORTED PEANUTS.—The Sec-  
11 retary shall ensure that peanuts produced for  
12 the export market meet quality, inspection, han-  
13 dling, storage, and processing requirements  
14 under Marketing Agreement No. 146.”.

15 (g) MARKETING ASSESSMENT.—Section 108B(g) of  
16 the Act is amended—

17 (1) by striking paragraphs (1) and (2) and in-  
18 serting the following:

19 “(1) IN GENERAL.—The Secretary shall pro-  
20 vide, by regulation, for a nonrefundable marketing  
21 assessment equal to 1.2 percent of the national aver-  
22 age quota or additional peanut support rate per  
23 pound, as applicable, on all peanuts sold in the  
24 United States during each of the 1996 through 2002  
25 marketing years.

1           “(2) TREATMENT OF IMPORTED PEANUTS.—

2           For the purposes of determining the applicable as-  
3           sessment rate under this section, imported peanuts  
4           shall be treated as additional peanuts.

5           “(3) FIRST PURCHASERS.—

6           “(A) DEFINITION OF FIRST PURCHASER.—

7           In this paragraph, the term ‘first purchaser’  
8           means a person acquiring peanuts from a pro-  
9           ducer, or a person that imports peanuts, except  
10          that in the case of peanuts forfeited by a pro-  
11          ducer to the Commodity Credit Corporation, the  
12          term means the person acquiring the peanuts  
13          from the Commodity Credit Corporation.

14          “(B) ADMINISTRATION.—Except as pro-  
15          vided in subparagraph (C) and paragraphs (3)  
16          and (4), the first purchaser shall—

17                  “(i) collect from the producer a mar-  
18                  keting assessment equal to the quantity of  
19                  peanuts acquired multiplied by .6 percent  
20                  of the applicable national average support  
21                  rate;

22                  “(ii) pay, in addition to the amount  
23                  collected under clause (i), a marketing as-  
24                  sessment in an amount equal to the quan-  
25                  tity of peanuts acquired multiplied by .6

1 percent of the applicable national average  
2 support rate; and

3 “(iii) remit the amounts required  
4 under clauses (i) and (ii) to the Commod-  
5 ity Credit Corporation in a manner speci-  
6 fied by the Secretary.

7 “(C) IMPORTED PEANUTS.—In the case of  
8 imported peanuts, the first purchaser shall pay  
9 to the Commodity Credit Corporation, in a  
10 manner specified by the Secretary, a marketing  
11 assessment in an amount equal to the quantity  
12 of peanuts acquired multiplied by 1.2 percent of  
13 the national average support rate for additional  
14 peanuts.”; and

15 (2) by adding at the end the following new  
16 paragraph:

17 “(7) USE OF FUNDS.—Funds collected under  
18 this subsection shall be used by the Secretary to off-  
19 set the costs of operating the peanut price support  
20 program.”.

21 (h) CROPS.—Section 108B(h) of the Act is amend-  
22 ed—

23 (1) by striking “Notwithstanding” and insert-  
24 ing “Except as provided in subsection (g) and not-  
25 withstanding”; and

1           (2) by striking “1991 through 1997” and in-  
2           serting “1996 through 2002”.

3 **SEC. 106. REPORTS AND RECORDS.**

4           Effective only for the 1996 through 2002 crops of  
5           peanuts, the first sentence of section 373(a) of the Agri-  
6           cultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is  
7           amended by inserting before “all brokers and dealers in  
8           peanuts” the following: “all producers engaged in the pro-  
9           duction of peanuts,”.

10 **SEC. 107. SUSPENSION OF PERMANENT PROGRAM.**

11           (a) **MARKETING QUOTAS AND ACREAGE ALLOT-**  
12 **MENTS.**—The following provisions of the Agricultural Ad-  
13 justment Act of 1938 shall not be applicable to the 1996  
14 through 2002 crops of peanuts:

15           (1) Subsections (a) through (j) of section 358  
16           (7 U.S.C. 1358).

17           (2) Subsections (a) through (h) of section 358a  
18           (7 U.S.C. 1358a).

19           (3) Subsections (a), (b), (d), and (e) of section  
20           359 (7 U.S.C. 1359).

21           (4) Part I of subtitle C of title III (7 U.S.C.  
22           1361 et seq.).

23           (5) Section 371 (7 U.S.C. 1371).

1 (b) PRICE SUPPORT.—Section 101 of the Agricul-  
2 tural Act of 1949 (7 U.S.C. 1441) shall not be applicable  
3 to the 1996 through 2002 crops of peanuts.

4 **SEC. 108. REFERENDUM REGARDING POUNDAGE QUOTAS.**

5 Section 358–1(d) of the Agricultural Adjustment Act  
6 of 1938 (7 U.S.C. 13581(d)) is amended by striking para-  
7 graph (1) and inserting the following new paragraph:

8 “(1) IN GENERAL.—Each calendar year, the  
9 Secretary shall conduct a referendum of producers  
10 engaged in the production of quota peanuts in the  
11 calendar year in which the referendum is held to de-  
12 termine whether the producers are in favor of or op-  
13 posed to poundage quotas with respect to the crops  
14 of peanuts produced in the seven calendar years im-  
15 mediately following the year in which the referen-  
16 dum is held, except that, if as many as two-thirds  
17 of the producers voting in any referendum vote in  
18 favor of poundage quotas, no referendum shall be  
19 held with respect to quotas for the next six years of  
20 the period. If the referendum required in 1995 is  
21 completed or underway before the date of the enact-  
22 ment of the Peanut Program Improvement Act of  
23 1995, the referendum shall be deemed to cover cal-  
24 endar years 1996 through 2002, rather than just  
25 calendar years 1996 and 1997. In the case of any

1 referendum required in calendar years 1996 through  
2 2002, the Secretary shall conduct the referendum  
3 not later than December 15 of the calendar year in  
4 which the referendum is required.”.

5 **SEC. 109. REGULATIONS.**

6 The Secretary of Agriculture shall issue such regula-  
7 tions as are necessary to carry out this title and the  
8 amendments made by this title. In issuing the regulations,  
9 the Secretary—

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

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

14 (3) shall allow adequate time for written public  
15 comment prior to the formulation and issuance of  
16 any final regulations.

17 **SEC. 110. ADMINISTRATION.**

18 The first paragraph of section 32 of the Act entitled  
19 “An Act to amend the Agricultural Adjustment Act, and  
20 for other purposes”, approved August 24, 1935 (7 U.S.C.  
21 612c), is amended—

22 (1) in the first sentence, by striking “30 per  
23 centum” and inserting “30 percent (or, in the case  
24 of duties collected with respect to an import that is  
25 subject to a tariff-rate quota, 100 percent)”; and

1 (2) in the second sentence—

2 (A) by striking “and (3)” and inserting  
3 “(3)”; and

4 (B) by inserting before the period at the  
5 end the following: “; and (4) offset the costs of  
6 operating a program to provide price support  
7 for domestically produced peanuts”.

## 8 **TITLE II—PEANUT STANDARDS**

### 9 **SEC. 201. INSPECTION; QUALITY ASSURANCE.**

10 (a) INITIAL ENTRY.—The Secretary of Agriculture  
11 (referred to in this title as the “Secretary”) shall require  
12 all peanuts and peanut products sold in the United States  
13 to be initially placed in a bonded, licensed warehouse ap-  
14 proved by the Secretary for the purpose of inspection and  
15 grading by the Secretary, the Commissioner of the Food  
16 and Drug Administration, and the heads of other appro-  
17 priate agencies of the United States.

18 (b) PRELIMINARY INSPECTION.—Peanuts and peanut  
19 products shall be held in the warehouse until inspected  
20 by the Secretary, the Commissioner of the Food and Drug  
21 Administration, or the head of another appropriate agency  
22 of the United States, for chemical residues, general clean-  
23 liness, disease, size, aflatoxin, stripe virus, and other  
24 harmful conditions, and an assurance of compliance with  
25 all grade and quality standards specified under Marketing

1 Agreement No. 146, regulating the quality of domestically  
2 produced peanuts (under the Agricultural Adjustment Act  
3 (7 U.S.C. 601 et seq.), reenacted with amendments by the  
4 Agricultural Marketing Agreement Act of 1937).

5 (c) SEPARATION OF LOTS.—All imported peanuts  
6 shall be maintained separately from, and shall not be com-  
7 mingled with, domestically produced peanuts in the ware-  
8 house.

9 (d) ORIGIN OF PEANUT PRODUCTS.—

10 (1) LABELING.—A peanut product shall be la-  
11 beled with a label that indicates the origin of the  
12 peanuts contained in the product.

13 (2) SOURCE.—No peanut product may contain  
14 both imported and domestically produced peanuts.

15 (3) IMPORTED PEANUT PRODUCTS.—The first  
16 seller of an imported peanut product shall certify  
17 that the product is made from raw peanuts that  
18 meet the same quality and grade standards that  
19 apply to domestically produced peanuts.

20 (e) DOCUMENTATION.—No peanuts or peanut prod-  
21 ucts may be transferred, shipped, or otherwise released  
22 from a warehouse described in subsection (a) unless ac-  
23 companied by a United States Government inspection cer-  
24 tificate that certifies compliance with this section.

1 **SEC. 202. HANDLING AND STORAGE.**

2 (a) TEMPERATURE AND HUMIDITY.—The Secretary  
3 shall require all shelled peanuts sold in the United States  
4 to be maintained at a temperature of not more than 37  
5 degrees Fahrenheit and a humidity range of 60 to 68 per-  
6 cent at all times during handling and storage prior to sale  
7 and shipment.

8 (b) CONTAINERS.—The peanuts shall be shipped in  
9 a container that provides the maximum practicable protec-  
10 tion against moisture and insect infestation.

11 (c) IN-SHELL PEANUTS.—The Secretary shall re-  
12 quire that all in-shell peanuts be reduced to a moisture  
13 level not exceeding 10 percent immediately on being har-  
14 vested and be stored in a facility that will ensure quality  
15 maintenance and will provide proper ventilation at all  
16 times prior to sale and shipment.

17 **SEC. 203. LABELING.**

18 The Secretary shall require that all peanuts and pea-  
19 nut products sold in the United States contain labeling  
20 that lists the country or countries in which the peanuts,  
21 including all peanuts used to manufacture the peanut  
22 products, were produced.

23 **SEC. 204. INSPECTION AND TESTING.**

24 (a) IN GENERAL.—All peanuts and peanut products  
25 sold in the United States shall be inspected and tested  
26 for grade and quality.

1 (b) CERTIFICATION.—All peanuts or peanut products  
2 offered for sale in, or imported into, the United States  
3 shall be accompanied by a certification by the first seller  
4 or importer that the peanuts or peanut products do not  
5 contain residues of any pesticide not approved for use in,  
6 or importation into, the United States.

7 **SEC. 205. NUTRITIONAL LABELING.**

8 The Secretary shall require all peanuts and peanut  
9 products sold in the United States to contain complete nu-  
10 tritional labeling information as required under the Fed-  
11 eral Food, Drug, and Cosmetic Act (21 U.S.C. 321 et  
12 seq.).

13 **SEC. 206. PEANUT CONTENT.**

14 (a) OFFSET AGAINST HTS QUANTITY.—The actual  
15 quantity of peanuts, by weight, used to manufacture, and  
16 ultimately contained in, peanut products imported into the  
17 United States shall be accounted for and offset against  
18 the total quantity of peanut imports allowed under the in-  
19 quota quantity of the tariff-rate quota established for pea-  
20 nuts under the Harmonized Tariff Schedule of the United  
21 States.

22 (b) VERIFICATION.—The Secretary shall establish  
23 standards and procedures for the purpose of verifying the  
24 actual peanut content of peanut products imported into  
25 the United States.

1 **SEC. 207. PLANT DISEASES.**

2       The Secretary, in consultation with the heads of other  
3 appropriate agencies of the United States, shall ensure  
4 that all peanuts in the domestic edible market are in-  
5 spected and tested to ensure that they are free of all plant  
6 diseases.

7 **SEC. 208. ADMINISTRATION.**

8       (a) FEES.—The Secretary shall by regulation fix and  
9 collect fees and charges to cover the costs of any inspec-  
10 tion or testing performed under this title.

11       (b) CERTIFICATION.—

12           (1) IN GENERAL.—The Secretary may require  
13 the first seller of peanuts sold in the United States  
14 to certify that the peanuts comply with this title.

15           (2) FRAUD AND FALSE STATEMENTS.—Section  
16 1001 of title 18, United States Code, shall apply to  
17 a certification made under this title.

18       (c) STANDARDS AND PROCEDURES.—In consultation  
19 with the heads of other appropriate agencies of the United  
20 States, the Secretary shall establish standards and proce-  
21 dures to provide for the enforcement of, and ensure com-  
22 pliance with, this title.

23       (d) FAILURE TO MEET STANDARDS.—Peanuts or  
24 peanut products that fail to meet standards established  
25 under this title shall be returned to the seller and exported

1 or crushed pursuant to section 358e(d) of the Agricultural  
2 Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

3 **SEC. 209. CHANGE OF VENUE.**

4 In any case in which an area pool or a marketing  
5 association brings, joins, or seeks to join a civil action in  
6 a United States district court to enforce this title, the dis-  
7 trict court may not transfer the action to any other district  
8 or division over the objection of the pool or marketing as-  
9 sociation.

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