

104TH CONGRESS
1ST SESSION

S. 1188

To provide marketing quotas and a price support program for the 1996 through 1999 crops of quota and additional peanuts, to terminate marketing quotas for the 2000 and subsequent crops of peanuts, and to provide a price support program for the 2000 through 2002 crops of peanuts, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 11 (legislative day, JULY 10), 1995

Mr. SANTORUM (for himself, Mr. LUGAR, and Mr. BROWN) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To provide marketing quotas and a price support program for the 1996 through 1999 crops of quota and additional peanuts, to terminate marketing quotas for the 2000 and subsequent crops of peanuts, and to provide a price support program for the 2000 through 2002 crops of peanuts, 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 is
2 as follows:

Sec. 1. Short title; table of contents.

TITLE I—MARKETING QUOTAS FOR PEANUTS

Sec. 101. Marketing quotas for 1996 through 1999 crops of peanuts.

Sec. 102. Termination of marketing quotas for 2000 and subsequent crops of peanuts.

TITLE II—PRICE SUPPORT PROGRAMS FOR PEANUTS

Sec. 201. Price support program for 1996 through 1999 crops of quota and additional peanuts.

Sec. 202. Recourse loans for 2000 through 2002 crops of peanuts.

Sec. 203. Suspension of certain price support provisions.

TITLE III—IMPLEMENTATION

Sec. 301. Regulations.

Sec. 302. Application.

3 **TITLE I—MARKETING QUOTAS**
4 **FOR PEANUTS**

5 **SEC. 101. MARKETING QUOTAS FOR 1996 THROUGH 1999**
6 **CROPS OF PEANUTS.**

7 (a) IN GENERAL.—Part VI of subtitle B of title III
8 of the Agricultural Adjustment Act of 1938 (7 U.S.C.
9 1357 et seq.) is amended to read as follows:

10 **“PART VI—MARKETING QUOTAS—PEANUTS**

11 **“SEC. 357. DEFINITIONS.**

12 “In this part and title I of the Agricultural Act of
13 1949 (7 U.S.C. 1441 et seq.):

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

16 “(A) any peanuts—

1 “(i) that are marketed by a person
2 who possesses a poundage quota that has
3 been established; and

4 “(ii) that are in excess of the market-
5 ings of quota peanuts for the person for
6 the year; or

7 “(B) all peanuts marketed for which no
8 poundage quota has been established in accord-
9 ance with section 358(b).

10 “(2) CRUSHING.—The term ‘crushing’ means
11 the processing of peanuts to extract oil for food uses
12 and meal for feed uses, or the processing of peanuts
13 by crushing or otherwise when authorized by the
14 Secretary.

15 “(3) DOMESTIC EDIBLE USE.—The term ‘do-
16 mestic edible use’ means use for milling to produce
17 domestic food peanuts (other than a use described in
18 paragraph (2)) and for seed and use on a farm, ex-
19 cept that the Secretary may exempt from this para-
20 graph seeds of peanuts that—

21 “(A) are unique strains; and

22 “(B) are not commercially available.

23 “(4) MARKETING YEAR.—The term ‘marketing
24 year’ means, in the case of peanuts, the 12-month
25 period beginning August 1 and ending July 31.

1 “(5) PERSON.—The term ‘person’ means a pro-
2 ducer, owner, or operator who possesses a quota es-
3 tablished under section 358(b) or who is involved in
4 the production of additional peanuts.

5 “(6) QUOTA PEANUTS.—The term ‘quota pea-
6 nuts’ means, for any marketing year, any peanuts
7 produced by a person who possesses a poundage
8 quota, as determined under section 358(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, excluding undermarketings; and

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

15 **“SEC. 358. NATIONAL POUNDAGE QUOTAS FOR 1996**
16 **THROUGH 1999 CROPS OF PEANUTS.**

17 “(a) NATIONAL POUNDAGE QUOTAS.—

18 “(1) ESTABLISHMENT.—The Secretary shall es-
19 tablish the national poundage quota for peanuts for
20 each of the 1996 through 1999 marketing years.

21 “(2) ADVISORY COMMITTEE.—The Secretary
22 shall establish the national poundage quota after
23 considering recommendations from an all-industry
24 advisory committee appointed by the Secretary.

1 “(3) LEVEL.—The Secretary shall establish the
2 national poundage quota at a level that is equal to
3 the quantity of peanuts (in tons) that the Secretary
4 estimates will be devoted in each marketing year re-
5 ferred to in paragraph (1) to domestic edible and re-
6 lated uses, plus a reasonable quantity of peanuts, as
7 determined by the Secretary, for carryover to ensure
8 continuity of supply between marketing years. In es-
9 tablishing the quota, the Secretary shall take into
10 account—

11 “(A) any stocks of peanuts on hand in the
12 inventory of the Commodity Credit Corporation;

13 “(B) peanuts or products of peanuts im-
14 ported into the United States;

15 “(C) projected purchases of additional pea-
16 nuts by the Department of Defense and other
17 Federal and State agencies; and

18 “(D) additional peanuts used for domestic
19 edible use in a quantity equal to the projected
20 imports of peanuts, products of peanuts, and
21 peanut-containing products.

22 “(4) ANNOUNCEMENT.—The national poundage
23 quota for a marketing year shall be announced by
24 the Secretary not later than the December 15 pre-
25 ceding the marketing year.

1 “(b) POUNDAGE QUOTAS.—

2 “(1) IN GENERAL.—

3 “(A) ESTABLISHMENT.—A poundage
4 quota for each of the 1996 through 1999 mar-
5 keting years shall be established—

6 “(i) for a person if—

7 “(I)(aa) the person held a quota
8 in the previous marketing year; or

9 “(bb) in the case of the 1995
10 marketing year, quota was assigned to
11 the farm of the person;
12 unless the quota was sold; and

13 “(II) the person has produced or
14 marketed, or is considered to have
15 produced or marketed, peanuts in at
16 least 2 of the 3 immediately preceding
17 marketing years, as determined by the
18 Secretary; or

19 “(ii) as approved and determined by
20 the Secretary for each person who pro-
21 duces peanuts in connection with experi-
22 mental and research programs.

23 “(B) QUANTITY.—

1 “(i) IN GENERAL.—The poundage
2 quota for each of the 1996 through 1999
3 marketing years shall not be increased—

4 “(I) for undermarketings from
5 any previous years; or

6 “(II) as the result of the alloca-
7 tion of quotas voluntarily released for
8 1 year under paragraph (6).

9 “(ii) INCREASED QUOTA.—The pound-
10 age quota, if any, for each of the 1996
11 through 1999 marketing years, shall be
12 equal to the quantity of peanuts allocated
13 under paragraph (2).

14 “(C) TRANSFERS.—For purposes of this
15 subsection, if the poundage quota, or any part
16 of the quota, is permanently transferred in ac-
17 cordance with this Act, the receiving person
18 shall be considered as possessing the poundage
19 quota (or part of the quota) of the transferring
20 person as of the date of the transfer and for all
21 subsequent marketing years.

22 “(2) ADJUSTMENTS.—

23 “(A) ALLOCATION OF INCREASED QUOTA
24 GENERALLY.—If the national poundage quota
25 for any of the 1996 through 1999 marketing

1 years is increased over the national poundage
2 quota for the immediately preceding marketing
3 year, the increase shall be allocated, proportion-
4 ately, among persons who possess quota if the
5 persons produced peanuts in at least 2 of the
6 3 immediately preceding marketing years, as
7 determined by the Secretary.

8 “(B) DECREASE.—If the national pound-
9 age quota for any of the 1996 through 1999
10 marketing years is decreased from the national
11 poundage quota for the immediately preceding
12 marketing year, the decrease shall be allocated,
13 proportionately, among persons who possess a
14 quota if the persons produced peanuts in at
15 least 2 of the 3 immediately preceding market-
16 ing years, as determined by the Secretary.

17 “(3) QUOTA NOT PRODUCED.—

18 “(A) IN GENERAL.—Insofar as practicable
19 and on such fair and equitable basis as the Sec-
20 retary may by regulation prescribe, the pound-
21 age quota established for a person for any of
22 the 1996 through 1999 marketing years shall
23 be reduced to the extent that the Secretary de-
24 termines that the poundage quota established
25 for the person for any 2 of the 3 marketing

1 years preceding the marketing year for which
2 the determination is being made was not pro-
3 duced, or considered produced.

4 “(B) EXCLUSIONS.—For the purposes of
5 this paragraph, the poundage quota for any
6 such preceding marketing year shall not in-
7 clude—

8 “(i) any increases for undermarketing
9 of quota peanuts from previous years; or

10 “(ii) any increase resulting from the
11 allocation of quotas voluntarily released for
12 1 year under paragraph (6).

13 “(4) QUOTA CONSIDERED PRODUCED.—For
14 purposes of this subsection, the poundage quota
15 shall be considered produced by a person if—

16 “(A) the poundage quota was not produced
17 because of drought, flood, or any other natural
18 disaster, or any other condition beyond the con-
19 trol of the person, as determined by the Sec-
20 retary; or

21 “(B) the poundage quota for the person
22 was released voluntarily under paragraph (6)
23 for only 1 of the 3 marketing years immediately
24 preceding the marketing year for which the de-
25 termination is being made.

1 “(5) QUOTA PERMANENTLY RELEASED.—

2 “(A) IN GENERAL.—The poundage quota
3 established for a person, or any part of the
4 quota, may be permanently released.

5 “(B) ADJUSTMENT OF QUOTA.—The
6 poundage quota for the person for which the
7 quota is released shall be adjusted downward to
8 reflect the quota that is released.

9 “(C) UNUSED QUOTA.—Any quota not
10 produced, considered produced, or not leased or
11 sold shall be considered permanently released.

12 “(6) QUOTA TEMPORARILY RELEASED.—

13 “(A) IN GENERAL.—The poundage quota,
14 or any portion of the quota, established for a
15 person for a marketing year may be voluntarily
16 released to the Secretary to the extent that the
17 quota, or any part of the quota, will not be pro-
18 duced by the person for the marketing year.
19 Any poundage quota so released shall be allo-
20 cated to other persons on such basis as the Sec-
21 retary may by regulation prescribe.

22 “(B) EFFECTIVE PERIOD.—Except as oth-
23 erwise provided in this section, any adjustment
24 in the poundage quota for a person under sub-
25 paragraph (A) shall be effective only for the

1 marketing year for which the adjustment is
2 made and shall not be taken into consideration
3 in establishing a poundage quota for the person
4 from which the quota was released for any sub-
5 sequent marketing year.

6 “(7) RELEASED QUOTA.—Any poundage quota
7 permanently released may not be reallocated in the
8 subsequent marketing year.

9 “(c) REFERENDUM RESPECTING POUNDAGE
10 QUOTAS.—

11 “(1) IN GENERAL.—Not later than December
12 15, 1996, the Secretary shall conduct a referendum
13 of all producers engaged in the production of pea-
14 nuts to determine whether the producers are in favor
15 of or opposed to poundage quotas with respect to the
16 crops of peanuts produced in the remaining market-
17 ing years authorized by this part, except that, if as
18 many as $\frac{2}{3}$ of the producers voting in any referen-
19 dum vote in favor of poundage quotas, no referen-
20 dum shall be held with respect to quotas for the re-
21 maining marketing years authorized by this part.
22 Each producer voting in the referendum may cast 1
23 vote.

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

4 “(3) VOTE AGAINST QUOTAS.—If more than $\frac{1}{3}$
5 of the producers voting in the referendum vote
6 against quotas, the Secretary shall proclaim that
7 poundage quotas will not be in effect for the remain-
8 ing marketing years authorized by this part.

9 **“SEC. 358a. SALE, LEASE, OR TRANSFER OF POUNDAGE**
10 **QUOTA FOR 1996 THROUGH 1999 CROPS OF**
11 **PEANUTS.**

12 “(a) IN GENERAL.—Subject to such terms and condi-
13 tions as the Secretary may prescribe, a person for which
14 a poundage quota has been established under this Act may
15 sell, lease, or transfer all or any part of the poundage
16 quota to any other owner, operator, or producer of peanuts
17 without geographic limitation. Sales, leases, or transfers
18 shall be allowed so as to rationalize production for owners,
19 operators, or producers in areas or regions that may be
20 the most efficient and productive.

21 “(b) TREATMENT OF LESSORS.—For purposes of
22 this part, a lessor who is a person who leases all or any
23 part of a poundage quota for a marketing year shall be
24 considered to have produced or marketed the quota for
25 that marketing year.

1 “(c) LIMITS.—A sale, lease, or transfer of poundage
2 quotas under this section shall be subject to the following
3 conditions:

4 “(1) LIENHOLDERS.—No transfer of the
5 poundage quota from a farm subject to a mortgage
6 or other lien is effective unless the transfer is agreed
7 to by the lienholders.

8 “(2) RECORD.—No transfer of the poundage
9 quota shall be effective until the Secretary and all
10 lienholders are given notice of the transfer, as deter-
11 mined by the Secretary.

12 “(3) LIMITATION.—The Secretary may not es-
13 tablish a limitation on the quantity or geographical
14 location of poundage quota that may be transferred.

15 “(4) OTHER TERMS.—The Secretary may es-
16 tablish by regulation other terms and conditions.

17 **“SEC. 358b. MARKETING PENALTIES AND DISPOSITION OF**
18 **ADDITIONAL PEANUTS FOR 1996 THROUGH**
19 **1999 CROPS OF PEANUTS.**

20 “(a) MARKETING PENALTIES.—

21 “(1) IN GENERAL.—

22 “(A) MARKETING PEANUTS IN EXCESS OF
23 QUOTA.—The marketing of any peanuts for do-
24 mestic edible use in excess of the poundage
25 quota for a person shall be subject to a penalty

1 at a rate equal to 140 percent of the support
2 price for quota peanuts for the marketing year
3 in which the marketing occurs. The penalty
4 shall not apply to the marketing of breeder or
5 Foundation seed peanuts grown and marketed
6 by a publicly owned agricultural experiment sta-
7 tion (including a State operated seed organiza-
8 tion), nor to additional peanuts marketed under
9 contracts between handlers and producers
10 under subsection (e).

11 “(B) MARKETING ADDITIONAL PEA-
12 NUTS.—The marketing of any additional pea-
13 nuts shall be subject to the same penalty as the
14 penalty prescribed in subparagraph (A) unless
15 the peanuts, in accordance with regulations es-
16 tablished by the Secretary, are—

17 “(i) placed under loan at the addi-
18 tional loan rate in effect for the peanuts
19 under section 108B of the Agricultural Act
20 of 1949 (7 U.S.C. 1445c-3) and not re-
21 deemed by the producers;

22 “(ii) marketed or used for seed in ac-
23 cordance with regulations issued by the
24 Secretary, and under the supervision of
25 agents designated by the Secretary; or

1 “(iii) marketed under contracts be-
2 tween handlers and producers pursuant to
3 subsection (e).

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

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

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

24 “(5) FALSE INFORMATION.—If any producer
25 falsely identifies, fails to accurately certify planted

1 acres, or fails to account for the disposition of any
2 peanuts produced on the planted acres, a quantity of
3 peanuts equal to the greater of the average or actual
4 yield of the farm, as determined by the Secretary,
5 multiplied by the number of planted acres, shall be
6 deemed to have been marketed in violation of per-
7 missible uses of quota and additional peanuts. Any
8 penalty payable under this paragraph shall be paid
9 and remitted by the producer.

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

20 “(7) DE MINIMIS VIOLATIONS.—An error in
21 weight that does not exceed $\frac{1}{10}$ of 1 percent in the
22 case of any 1 marketing document shall not be con-
23 sidered to be a marketing violation except in a case
24 of fraud or conspiracy.

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

1 “(1) QUOTA PEANUTS.—Quota peanuts may be
2 retained for use on a farm. If the peanuts are used
3 on the farm, the peanuts shall be considered mar-
4 keted.

5 “(2) ADDITIONAL PEANUTS.—Additional pea-
6 nuts may be sold for seed or used on a farm and
7 may not be marketed for domestic edible use, except
8 as provided in subsection (e) and section 108B(a)(5)
9 of the Agricultural Act of 1949 (7 U.S.C. 1445c-
10 3(a)(5)). If the peanuts are used on the farm, the
11 peanuts shall be considered marketed.

12 “(c) MARKETING PEANUTS WITH EXCESS QUAN-
13 TITY, GRADE, OR QUALITY.—On a finding by the Sec-
14 retary that the peanuts marketed from any crop for do-
15 mestic edible use by a handler are larger in quantity or
16 higher in grade or quality than the peanuts that could rea-
17 sonably be produced from the quantity of peanuts having
18 the grade, kernel content, and quality of the quota peanuts
19 acquired by the handler from the crop for the marketing,
20 the handler shall be subject to a penalty equal to 140 per-
21 cent of the loan level for quota peanuts on the quantity
22 of peanuts that the Secretary determines are in excess of
23 the quantity, grade, or quality of the peanuts that could
24 reasonably have been produced from the peanuts so ac-
25 quired.

1 “(d) HANDLING AND DISPOSAL OF ADDITIONAL
2 PEANUTS.—

3 “(1) IN GENERAL.—A handler who provides
4 adequate assurances to the Secretary under para-
5 graph (3) shall be eligible to handle, process, and ex-
6 port additional peanuts.

7 “(2) SUPERVISION BY HANDLERS.—

8 “(A) IN GENERAL.—Supervision of the
9 handling and disposal of additional peanuts by
10 a handler shall not be required if the handler
11 agrees in writing, prior to any handling or dis-
12 posal of the peanuts, to comply with regulations
13 that the Secretary shall issue.

14 “(B) REGULATIONS.—The regulations is-
15 sued by the Secretary shall include the follow-
16 ing:

17 “(i) TYPES OF EXPORTED OR
18 CRUSHED PEANUTS.—Handlers of shelled
19 or milled peanuts may export or crush—

20 “(I) sound split kernel additional
21 peanuts purchased by the handler
22 that are discounted due to the per-
23 centage of sound splits per pound;

24 “(II) sound mature kernel addi-
25 tional peanuts in an amount equal to

1 the poundage of the additional pea-
2 nuts purchased by the handler, less
3 the total poundage of sound split ker-
4 nel peanuts; and

5 “(III) the remaining quantity of
6 additional peanuts purchased by the
7 handler.

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

14 “(iii) LOSS OF PEANUTS.—If a han-
15 dler suffers a loss of peanuts as a result of
16 fire, flood, or any other condition beyond
17 the control of the handler, the portion of
18 the loss allocated to contracted additional
19 peanuts shall not be greater than the por-
20 tion of the total peanut purchases of the
21 handler for the year for export or crushing.

22 “(iv) SHRINKAGE ALLOWANCE.—

23 “(I) IN GENERAL.—The obliga-
24 tion of a handler to export or crush
25 peanuts in quantities described in this

1 subparagraph shall be reduced by a
2 shrinkage allowance, to be determined
3 by the Secretary, to reflect actual dol-
4 lar value shrinkage experienced by
5 handlers in commercial operations, ex-
6 cept that the allowance shall not be
7 less than 4 percent.

8 “(II) COMMON INDUSTRY PRAC-
9 TICES.—The Secretary may provide a
10 lower shrinkage allowance for a han-
11 dler who fails to comply with shrink-
12 age criteria specified by the Secretary,
13 taking into account common industry
14 practice.

15 “(3) ADEQUATE FINANCES AND FACILITIES.—A
16 handler shall submit to the Secretary adequate as-
17 surances that the handler is fiscally sound. The Sec-
18 retary shall not require proof of capacity to process
19 peanuts.

20 “(4) COMMINGLING OF LIKE PEANUTS.—Quota
21 and additional peanuts of like type and segregation
22 or quality may, under regulations issued by the Sec-
23 retary, be commingled and exchanged on a dollar
24 value basis to facilitate warehousing, handling, and
25 marketing.

1 “(5) PENALTY.—

2 “(A) IN GENERAL.—Except as provided in
3 subparagraph (B), the failure by a handler to
4 comply with regulations issued by the Secretary
5 governing the disposition and handling of addi-
6 tional peanuts shall subject the handler to a
7 penalty at a rate equal to 140 percent of the
8 loan level for quota peanuts on the quantity of
9 peanuts involved in the violation.

10 “(B) NONDELIVERY.—A handler shall not
11 be subject to a penalty for failure to export ad-
12 ditional peanuts if the peanuts were not deliv-
13 ered to the handler.

14 “(6) REENTRY OF EXPORTED PEANUTS.—

15 “(A) PENALTY.—If any additional peanuts
16 exported by a handler are reentered into the
17 United States in commercial quantities as de-
18 termined by the Secretary, the importer of the
19 peanuts shall be subject to a penalty at a rate
20 equal to 140 percent of the loan level for quota
21 peanuts on the quantity of peanuts reentered.

22 “(B) RECORDS.—Each person, firm, or
23 handler who imports peanuts into the United
24 States shall maintain such records and docu-

1 ments as are required by the Secretary to en-
2 sure compliance with this subsection.

3 “(e) CONTRACTS FOR PURCHASE OF ADDITIONAL
4 PEANUTS.—

5 “(1) IN GENERAL.—Handlers may, under such
6 regulations as the Secretary may issue, contract with
7 producers for the purchase of additional peanuts
8 for—

9 “(A) crushing;

10 “(B) export;

11 “(C) use as seed;

12 “(D) sale to the Department of Defense or
13 another agency of the Federal, State, or local
14 government;

15 “(E) domestic edible use in a quantity
16 equal to the projected imports of peanuts, prod-
17 ucts of peanuts, and peanut-containing prod-
18 ucts; or

19 “(F) any combination of the uses referred
20 to in subparagraphs (A) through (E).

21 “(2) INFORMATION FOR HANDLING AND PROC-
22 ESSING ADDITIONAL PEANUTS.—Any person wishing
23 to handle or process additional peanuts as a handler
24 shall submit to the Secretary such information as
25 the Secretary may require.

1 “(3) SUSPENSION OF RESTRICTIONS ON IM-
2 PORTED PEANUTS.—Notwithstanding any other pro-
3 vision of this Act, if the President issues a proclama-
4 tion under section 404(b) of the Uruguay Round
5 Agreements Act (19 U.S.C. 3601(b)) expanding the
6 quantity of peanuts subject to the in-quota rate of
7 duty under a tariff-rate quota, or under section 22
8 of the Agricultural Adjustment Act (7 U.S.C. 624),
9 reenacted with amendments by the Agricultural
10 Marketing Agreement Act of 1937, temporarily sus-
11 pending restrictions on the importation of peanuts,
12 the Secretary shall, subject to such terms and condi-
13 tions as the Secretary may prescribe, permit a han-
14 dler, with the written consent of the producer, to
15 purchase additional peanuts from any producer who
16 contracted with the handler and to offer the peanuts
17 for sale for domestic edible use.

18 “(f) ADMINISTRATION.—

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

1 “(2) DE MINIMIS QUANTITY.—This section shall
2 not apply to peanuts produced on any farm on which
3 the acreage harvested for peanuts is 1 acre or less
4 if the producers who share in the peanuts produced
5 on the farm do not share in the peanuts produced
6 on any other farm.

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

14 “(4) INFORMATION.—A person possessing a
15 poundage quota, and a producer of additional pea-
16 nuts, shall provide any information required by the
17 Secretary to carry out this section.

18 “(5) PENALTIES.—

19 “(A) PROCEDURES.—The liability for and
20 the amount of any penalty assessed under this
21 section shall be determined in accordance with
22 such procedures as the Secretary may prescribe
23 by regulation. The facts constituting the basis
24 for determining the liability for or amount of
25 any penalty assessed under this section, when

1 officially determined in conformity with the ap-
2 plicable regulations prescribed by the Secretary,
3 shall be final and conclusive and shall not be
4 reviewable by any other officer or agency of the
5 Federal Government.

6 “(B) JUDICIAL REVIEW.—Nothing in this
7 section prohibits any court of competent juris-
8 diction from reviewing any determination made
9 by the Secretary with respect to whether the de-
10 termination was made in conformity with the
11 applicable law.

12 “(6) REDUCTION OF PENALTIES.—The Sec-
13 retary may reduce the amount of any penalty as-
14 sessed against a handler under this section by any
15 appropriate amount, including, in an appropriate
16 case, eliminating the penalty entirely, if the Sec-
17 retary finds that the violation on which the penalty
18 is based was minor or inadvertent, and that the re-
19 duction of the penalty will not impair the operation
20 of the peanut program.

21 **“SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS**
22 **FOR PEANUTS.**

23 “(a) IN GENERAL.—The Secretary may permit a por-
24 tion of the national poundage quota for peanuts estab-
25 lished under section 358(a) to be provided to land-grant

1 institutions identified in the Act of May 8, 1914 (38 Stat.
2 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligi-
3 ble to receive funds under the Act of August 30, 1890
4 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), includ-
5 ing Tuskegee Institute and, as appropriate, the Agricul-
6 tural Research Service of the Department of Agriculture,
7 to be used for experimental and research purposes.

8 “(b) QUANTITY.—The quantity of the quota allocated
9 to an institution under this section shall not exceed the
10 quantity of the quota held by each such institution during
11 the 1995 marketing year.

12 “(c) LIMITATION.—The director of an agricultural
13 experiment station shall be required to ensure, to the ex-
14 tent practicable, that participating farm operators or pro-
15 ducers who do not produce quota peanuts under sub-
16 section (a) in excess of the quantity needed for experi-
17 mental and research purposes.

18 **“SEC. 358d. CROPS.**

19 “This part shall be effective only for the 1996
20 through 1999 crops of peanuts.”.

21 (b) ADMINISTRATIVE PROVISIONS.—Part I of subtitle
22 C of title III and section 371 of the Agricultural Adjust-
23 ment Act of 1938 (7 U.S.C. 1361 et seq.) shall not be
24 applicable to the 1996 through 1999 crops of peanuts.

1 **SEC. 102. TERMINATION OF MARKETING QUOTAS FOR 2000**
2 **AND SUBSEQUENT CROPS OF PEANUTS.**

3 (a) IN GENERAL.—Effective beginning with the 2000
4 crop of peanuts, part VI of subtitle B of title III of the
5 Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et
6 seq.) is repealed.

7 (b) CONFORMING AMENDMENTS.—

8 (1) ADMINISTRATIVE PROVISIONS.—Section 361
9 of the Act (7 U.S.C. 1361) is amended by striking
10 “peanuts,”.

11 (2) ADJUSTMENT OF QUOTAS.—Section 371 of
12 the Act (7 U.S.C. 1371) is amended—

13 (A) in the first sentence of subsection (a),
14 by striking “peanuts,”; and

15 (B) in the first sentence of subsection (b),
16 by striking “peanuts”.

17 (3) REPORTS AND RECORDS.—Section 373 of
18 the Act (7 U.S.C. 1373) is amended—

19 (A) in the first sentence of subsection
20 (a)—

21 (i) by striking “peanuts,” each place
22 it appears;

23 (ii) by inserting “and” after “from
24 producers,”; and

25 (iii) by striking “for producers, all”
26 and all that follows through the period at

1 the end of the sentence and inserting “for
2 producers.”; and

3 (B) in subsection (b), by striking “pea-
4 nuts,”.

5 (4) EMINENT DOMAIN.—The first sentence of
6 section 378(c) of the Act (7 U.S.C. 1378(c)) is
7 amended—

8 (A) by striking “cotton,” and inserting
9 “cotton and”; and

10 (B) by striking “and peanuts,”.

11 (c) CROPS.—This section and the amendments made
12 by this section shall become effective beginning with the
13 2000 crop of peanuts.

14 **TITLE II—PRICE SUPPORT**
15 **PROGRAMS FOR PEANUTS**

16 **SEC. 201. PRICE SUPPORT PROGRAM FOR 1996 THROUGH**
17 **1999 CROPS OF QUOTA AND ADDITIONAL PEA-**
18 **NUTS.**

19 (a) IN GENERAL.—Section 108B of the Agricultural
20 Act of 1949 (7 U.S.C. 1445c-3) is amended to read as
21 follows:

22 **“SEC. 108B. PRICE SUPPORT PROGRAM FOR 1996 THROUGH**
23 **1999 CROPS OF QUOTA AND ADDITIONAL PEA-**
24 **NUTS.**

25 “(a) QUOTA PEANUTS.—

1 “(1) IN GENERAL.—The Secretary shall make
2 price support available to producers through
3 nonrecourse loans on quota peanuts for each of the
4 1996 through 1999 crops.

5 “(2) DISBURSEMENT.—The Secretary shall ini-
6 tially disburse only 85 percent of the price support
7 loans required under paragraph (1) to producers for
8 the 1996 crop, and 80 percent of the loans for each
9 of the 1997 through 1999 crops, and provide for the
10 disbursement to producers at maturity of any bal-
11 ances due the producers on the loans that may re-
12 main to be settled at maturity. The remainder of the
13 loans shall be paid only if payment would result in
14 no net cost to the Commodity Credit Corporation for
15 the immediately preceding and current crops of
16 quota peanuts.

17 “(3) SUPPORT RATES.—The national average
18 quota support rate for quota peanuts shall not be
19 more than \$542 per ton for the 1996 crop, \$515 per
20 ton for the 1997 crop, \$489 per ton for the 1998
21 crop, and \$465 per ton for the 1999 crop.

22 “(4) INSPECTION, HANDLING, OR STORAGE.—
23 The levels of support determined under paragraph
24 (3) shall not be reduced by any deduction for inspec-
25 tion, handling, or storage.

1 “(5) MARKETING OF PEANUTS OWNED OR CON-
2 TROLLED BY THE COMMODITY CREDIT CORPORA-
3 TION.—Any peanuts owned or controlled by the
4 Commodity Credit Corporation may be made avail-
5 able for domestic edible use, in accordance with reg-
6 ulations issued by the Secretary and sales price re-
7 strictions applicable to the Corporation.

8 “(6) LOCATION AND OTHER FACTORS.—The
9 Secretary may make adjustments for location of pea-
10 nuts and such other factors as are authorized by
11 section 403.

12 “(b) ADDITIONAL PEANUTS.—The Secretary shall
13 make price support available to a producer of additional
14 peanuts through nonrecourse loans for each of the 1996
15 through 1999 crops at such levels as the Secretary consid-
16 ers appropriate, taking into consideration the demand for
17 peanut oil and peanut meal, the expected prices of other
18 vegetable oils and protein meals, and the demand for pea-
19 nuts in foreign markets, except that the Secretary shall
20 set the support rate on additional peanuts at a level esti-
21 mated by the Secretary to ensure that there are no losses
22 to the Commodity Credit Corporation on the sale or dis-
23 posal of the peanuts.

24 “(c) POOLS FOR QUOTA AND ADDITIONAL PEA-
25 NUTS.—

1 “(1) IN GENERAL.—The Secretary shall require
2 a participating marketing association to establish
3 pools and maintain complete and accurate records
4 by area and segregation for quota peanuts handled
5 under loan and for additional peanuts placed under
6 loan, except that separate pools shall be established
7 for Valencia peanuts produced in New Mexico.
8 Bright hull and dark hull Valencia peanuts shall be
9 considered as separate types for the purpose of es-
10 tablishing the pools.

11 “(2) NET GAINS.—Net gains on peanuts in
12 each pool, unless otherwise approved by the Sec-
13 retary, shall be distributed only to producers who
14 placed peanuts in the pool and shall be distributed
15 in proportion to the value of the peanuts placed in
16 the pool by each producer. Net gains for peanuts in
17 each pool shall consist of the net gains over and
18 above the loan indebtedness and other costs or losses
19 incurred on peanuts placed in the pool.

20 “(3) LOSSES.—A loss in an area quota pool
21 shall be offset by any gain or profit from other area
22 quota pools (other than the quota pool for Valencia
23 peanuts for New Mexico). A quota pool shall be ad-
24 ministered at no cost to the Commodity Credit Cor-
25 poration.

1 “(d) DISAPPROVAL OF QUOTAS.—No price support
2 may be made available by the Secretary for any crop of
3 peanuts with respect to which poundage quotas have been
4 disapproved by producers, as provided for in section
5 358(c) of the Agricultural Adjustment Act of 1938 (7
6 U.S.C. 1358(c)).

7 “(e) MARKETING ASSESSMENT.—

8 “(1) DEFINITION OF FIRST PURCHASER.—In
9 this subsection, the term ‘first purchaser’ means a
10 person acquiring peanuts from a producer, except
11 that in the case of peanuts forfeited by a producer
12 to the Commodity Credit Corporation, the term
13 means the person acquiring the peanuts from the
14 Commodity Credit Corporation.

15 “(2) ASSESSMENT.—The Secretary shall pro-
16 vide, by regulation, for a nonrefundable marketing
17 assessment applicable to each of the 1996 through
18 1999 crops of peanuts. The assessment shall be
19 made in accordance with this subsection and shall be
20 on a per pound basis in an amount equal to 1.2 per-
21 cent of the national average quota or additional pea-
22 nut support rate per pound, as applicable, for the
23 applicable crop. No peanuts shall be assessed more
24 than 1.2 percent of the applicable support rate
25 under this subsection.

1 “(3) FIRST PURCHASERS.—Except as provided
2 under paragraphs (4) and (5), the first purchaser of
3 peanuts shall—

4 “(A) collect from the producer a marketing
5 assessment equal to the quantity of peanuts ac-
6 quired multiplied by .65 percent of the applica-
7 ble national average support rate;

8 “(B) pay, in addition to the amount col-
9 lected under subparagraph (A), a marketing as-
10 sessment in an amount equal to the quantity of
11 peanuts acquired multiplied by .55 percent of
12 the applicable national average support rate;
13 and

14 “(C) remit the amounts required under
15 subparagraphs (A) and (B) to the Commodity
16 Credit Corporation in a manner specified by the
17 Secretary.

18 “(4) OTHER PRIVATE MARKETINGS.—In the
19 case of a private marketing by a producer directly
20 to a consumer through a retail or wholesale outlet
21 or in the case of a marketing by the producer out-
22 side of the continental United States, the producer
23 shall be responsible for the full amount of the as-
24 sessment and shall remit the assessment by such
25 time as is specified by the Secretary.

1 “(5) LOAN PEANUTS.—In the case of peanuts
2 that are pledged as collateral for a price support
3 loan made under this section, $\frac{1}{2}$ of the assessment
4 shall be deducted from the proceeds of the loan. The
5 remainder of the assessment shall be paid by the
6 first purchaser of the peanuts. For the purposes of
7 computing net gains on peanuts under this section,
8 the reduction in loan proceeds shall be treated as
9 having been paid to the producer.

10 “(6) PENALTIES.—If any person fails to collect
11 or remit the reduction required by this subsection or
12 fails to comply with such requirements for record-
13 keeping or otherwise as are required by the Sec-
14 retary to carry out this subsection, the person shall
15 be liable to the Secretary for a civil penalty up to
16 an amount determined by multiplying—

17 “(A) the quantity of peanuts involved in
18 the violation; by

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

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

1 “(f) COMMODITY CREDIT CORPORATION.—The Sec-
2 retary shall carry out the program authorized by this sec-
3 tion through the Commodity Credit Corporation.

4 “(g) CROPS.—This section shall be effective for the
5 1996 through 1999 crops of peanuts.”.

6 (b) CONFORMING AMENDMENTS.—The second sen-
7 tence of section 403(a) of the Agricultural Act of 1949
8 (7 U.S.C. 1423(a)) is amended—

9 (1) by striking “1991” and inserting “1996”;

10 and

11 (2) by striking “and soybeans” and inserting
12 “soybeans, and peanuts”.

13 **SEC. 202. RECOURSE LOANS FOR 2000 THROUGH 2002**

14 **CROPS OF PEANUTS.**

15 Effective beginning with the 2000 crop of peanuts,
16 section 108B of the Agricultural Act of 1949 (7 U.S.C.
17 1445c-3) is amended to read as follows:

18 **“SEC. 108B. RECOURSE LOANS FOR 2000 THROUGH 2002**

19 **CROPS OF PEANUTS.**

20 “(a) IN GENERAL.—

21 “(1) LOANS.—The Secretary shall make re-
22 course loans available to producers of peanuts for
23 each of the 2000 through 2002 crops.

24 “(2) RATE.—

1 “(A) IN GENERAL.—In carrying out para-
2 graph (1), the Secretary shall offer to all pea-
3 nut producers recourse loans at a level not to
4 exceed 70 percent of the estimated market price
5 anticipated for each crop. The loans shall be
6 administered at no net cost to the Commodity
7 Credit Corporation.

8 “(B) MARKET PRICE.—In estimating the
9 market price for a crop of peanuts, the Sec-
10 retary shall consider the export prices of addi-
11 tional peanuts during the last 5 crop years for
12 which price support was available for additional
13 peanuts and prices for peanuts in overseas mar-
14 kets, but shall not base the recourse loan level
15 on minimum support rates established under
16 section 108B(a)(3) (as amended by section 201
17 of the Peanut Program Improvement Act of
18 1995).

19 “(3) FAILURE TO REPAY LOAN.—A producer
20 who fails to repay a recourse loan made for a crop
21 of peanuts shall be ineligible to receive a recourse
22 loan for the subsequent crop of peanuts.

23 “(4) INSPECTION, HANDLING, OR STORAGE.—
24 The levels of support determined under paragraph

1 (2) shall not be reduced by any deduction for inspec-
2 tion, handling, or storage.

3 “(5) MARKETING OF PEANUTS OWNED OR CON-
4 TROLLED BY THE COMMODITY CREDIT CORPORA-
5 TION.—Any peanuts owned or controlled by the
6 Commodity Credit Corporation may be made avail-
7 able for domestic edible use, in accordance with reg-
8 ulations issued by the Secretary, so long as doing so
9 results in no net cost to the Commodity Credit Cor-
10 poration.

11 “(6) LOCATION AND OTHER FACTORS.—The
12 Secretary may make adjustments for the location of
13 peanuts and such other factors as are authorized by
14 section 403.

15 “(7) ANNOUNCEMENT.—The Secretary shall
16 announce the level of support for each crop of pea-
17 nuts not later than the February 15 preceding the
18 marketing year for which the level of support is
19 being determined.

20 “(b) COMMODITY CREDIT CORPORATION.—The Sec-
21 retary shall carry out the program authorized by this sec-
22 tion through the Commodity Credit Corporation.

23 “(c) CROPS.—This section shall be effective for the
24 2000 through 2002 crops of peanuts.”.

1 **SEC. 203. SUSPENSION OF CERTAIN PRICE SUPPORT PRO-**
 2 **VISIONS.**

3 Section 101 of the Agricultural Act of 1949 (7 U.S.C.
 4 1441) shall not be applicable to the 1996 through 2002
 5 crops of peanuts.

6 **TITLE III—IMPLEMENTATION**

7 **SEC. 301. REGULATIONS.**

8 The Secretary of Agriculture shall issue such regula-
 9 tions as are necessary to carry out this Act and the
 10 amendments made by this Act.

11 **SEC. 302. APPLICATION.**

12 (a) CROPS.—Except as otherwise specifically pro-
 13 vided in this Act, this Act and the amendments made by
 14 this Act shall apply beginning with the 1996 crop of pea-
 15 nuts.

16 (b) PRIOR CROPS.—Except as otherwise specifically
 17 provided and notwithstanding any other provision of law,
 18 this Act and the amendments made by this Act shall not
 19 affect the authority of the Secretary of Agriculture to
 20 carry out a price support or production adjustment pro-
 21 gram for any of the 1991 through 1995 crops of peanuts
 22 established under a provision of law in effect immediately
 23 before the enactment of this Act.

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