

104TH CONGRESS
1ST SESSION

S. 1256

To provide marketing loans, loan deficiency payments, and a flexible acreage base for the 1996 through 2002 crops of wheat, feed grains, and oilseeds, to establish an environmental quality incentives program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18 (legislative day, SEPTEMBER 5), 1995

Mr. DASCHLE (for himself, Mr. LEAHY, Mr. KERREY, Mr. HARKIN, Mr. DORGAN, Mr. CONRAD, Mr. WELLSTONE, Mr. EXON, Mr. BAUCUS, and Mr. FORD) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To provide marketing loans, loan deficiency payments, and a flexible acreage base for the 1996 through 2002 crops of wheat, feed grains, and oilseeds, to establish an environmental quality incentives program, 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 “Farm Security 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—COMMODITY PROGRAMS

Sec. 101. Findings.

Sec. 102. Marketing loans and loan deficiency payments for 1996 through 2002
 crops of wheat, feed grains, and oilseeds.

Sec. 103. Flexible acreage base for wheat, feed grains, and oilseeds.

Sec. 104. Payment limitations.

Sec. 105. Suspension of permanent price support authority.

Sec. 106. Extension of related price support provisions.

Sec. 107. Effective date.

TITLE II—CONSERVATION

Sec. 201. Environmental quality incentives program.

3 **TITLE I—COMMODITY** 4 **PROGRAMS**

5 **SEC. 101. FINDINGS.**

6 Congress finds that—

7 (1) farm programs must provide income protec-
 8 tion for producers of agricultural commodities to
 9 provide the required stability to ensure survival of
 10 farming for the future;

11 (2) small- and medium-sized farms represent
 12 the backbone of American agriculture and, as a re-
 13 sult, farm program benefits must be targeted to
 14 these operations to protect this valuable economic
 15 resource;

16 (3) to meet the needs of the growing world
 17 market, American agriculture through the farm pro-

1 grams, must be given the flexibility to adjust the
2 types of crops;

3 (4) current farm programs are an impediment
4 to producers who wish to change their production
5 practices in response to the market;

6 (5) since 1985, farm programs have become too
7 complex to be effectively administered by the Sec-
8 retary or understood by producers; and

9 (6) farm programs must be simple and targeted
10 to be effective.

11 **SEC. 102. MARKETING LOANS AND LOAN DEFICIENCY PAY-**
12 **MENTS FOR 1996 THROUGH 2002 CROPS OF**
13 **WHEAT, FEED GRAINS, AND OILSEEDS.**

14 Title I of the Agricultural Act of 1949 (7 U.S.C.
15 1441 et seq.) is amended by adding the end the following:

16 **“SEC. 116. MARKETING LOANS AND LOAN DEFICIENCY PAY-**
17 **MENTS FOR 1996 THROUGH 2002 CROPS OF**
18 **WHEAT, FEED GRAINS, AND OILSEEDS.**

19 “(a) DEFINITIONS.—In this section:

20 “(1) COVERED COMMODITIES.—The term ‘cov-
21 ered commodities’ means wheat, feed grains, and oil-
22 seeds.

23 “(2) FEED GRAINS.—The term ‘feed grains’
24 means corn, grain sorghum, barley, oats, millet, rye,
25 or as designated by the Secretary, other feed grains.

1 “(3) OILSEEDS.—The term ‘oilseeds’ means
2 soybeans, sunflower seed, rapeseed, canola, saf-
3 flower, flaxseed, mustard seed, or as designated by
4 the Secretary, other oilseeds.

5 “(4) SIMPLE AVERAGE PRICE.—The term ‘sim-
6 ple average price’ means the average price received
7 by producers for the immediately preceding market-
8 ing year, based on the latest information available to
9 the Secretary at the time of the determination.

10 “(b) ADJUSTMENT ACCOUNT.—

11 “(1) DEFINITION OF PAYMENT BUSHEL OF
12 PRODUCTION.—In this subsection, the term ‘pay-
13 ment bushel of production’ means—

14 “(A) in the case of wheat, $\frac{7}{10}$ of a bushel;

15 “(B) in the case of corn, a bushel; and

16 “(C) in the case of other feed grains, a
17 quantity determined by the Secretary.

18 “(2) ESTABLISHMENT.—The Secretary shall es-
19 tablish an Adjustment Account (referred to in this
20 subsection as the ‘Account’) for making—

21 “(A) payments to producers of the 1996
22 through 2002 crops of covered commodities who
23 participate in the marketing loan program es-
24 tablished under subsection (c); and

1 “(B) payments to producers of the 1994
2 and 1995 crops of covered commodities that are
3 authorized, but not paid, under sections 105B
4 and 107B prior to the date of enactment of this
5 section.

6 “(3) AMOUNT IN ACCOUNT.—The Secretary
7 shall transfer from funds of the Commodity Credit
8 Corporation into the Account—

9 “(A) \$4,500,000,000 for fiscal year 1996;
10 and

11 “(B) \$3,300,000,000 for each of fiscal
12 years 1997 through 2002;

13 to remain available until expended.

14 “(4) PAYMENTS.—The Secretary shall use
15 funds in the Account to make payments to producers
16 of wheat and feed grains in accordance with this
17 subsection.

18 “(5) TIER 1 SUPPORT.—

19 “(A) IN GENERAL.—The producers on a
20 farm referred to in paragraph (2) shall be enti-
21 tled to a payment computed by multiplying—

22 “(i) the payment quantity determined
23 under subparagraph (B); by

24 “(ii) the payment factor determined
25 under subparagraph (C).

1 “(B) PAYMENT QUANTITY.—

2 “(i) IN GENERAL.—Subject to clause
3 (ii), the payment quantity for payments
4 under subparagraph (A) shall be deter-
5 mined by the Secretary based on—

6 “(I) 90 percent of the 5-year av-
7 erage of the quantity of wheat and
8 feed grains produced on the farm;

9 “(II) an adjustment to reflect
10 any disaster or other circumstance be-
11 yond the control of the producers that
12 adversely affected production of wheat
13 or feed grains, as determined by the
14 Secretary; and

15 “(III) an adjustment for planting
16 resource conservation crops on the
17 crop acreage base for covered com-
18 modities, and adopting conserving
19 uses, on the base not enrolled in the
20 environmental reserve program pro-
21 vided in paragraph (6).

22 “(ii) LIMITATIONS.—The quantity de-
23 termined under clause (i) for an individual,
24 directly or indirectly, shall not exceed
25 22,000 payment bushels of wheat or feed

1 grains and may be adjusted by the Sec-
2 retary to reflect the availability of funds.

3 “(C) PAYMENT FACTOR.—

4 “(i) WHEAT.—The payment factor for
5 wheat under subparagraph (A) shall be
6 equal to the difference between a price es-
7 tablished by the Secretary, of not to exceed
8 \$4.00 per bushel, and the greater of—

9 “(I) the marketing loan rate for
10 the crop of wheat; or

11 “(II) the average domestic price
12 for wheat for the crop for the cal-
13 endar year in which the crop is nor-
14 mally harvested.

15 “(ii) CORN.—The payment factor for
16 corn under subparagraph (A) shall be
17 equal to the difference between a price es-
18 tablished by the Secretary, of not to exceed
19 \$2.75 per bushel, and the greater of—

20 “(I) the marketing loan rate for
21 the crop of corn; or

22 “(II) the average domestic price
23 for corn for the crop for the calendar
24 year in which the crop is normally
25 harvested;

1 “(iii) OTHER FEED GRAINS.—The
2 payment factor for other feed grains under
3 subparagraph (A) shall be established by
4 the Secretary at such level as the Secretary
5 determines is fair and reasonable in rela-
6 tion to the payment factor for corn.

7 “(D) ADVANCE PAYMENT.—The Secretary
8 shall make available to producers on a farm 50
9 percent of the projected payment under this
10 subsection at the time the producers agree to
11 participate in the program.

12 “(6) ENVIRONMENTAL RESERVE PROGRAM.—

13 “(A) IN GENERAL.—The Secretary may
14 enter into 1 to 5 year contracts with producers
15 on a farm referred to in paragraph (2) for the
16 purposes of enrolling flexible acreage base for
17 conserving use purposes.

18 “(B) LIMITATION.—Flexible acreage base
19 enrolled in the environmental reserve program
20 shall not be eligible for benefits provided in
21 paragraph (5)(B).

22 “(c) MARKETING LOANS.—

23 “(1) IN GENERAL.—The Secretary shall make
24 available to producers on a farm marketing loans for

1 each of the 1996 through 2002 crops of covered
2 commodities produced on the farm.

3 “(2) ELIGIBILITY.—

4 “(A) IN GENERAL.—To be eligible for a
5 loan under this subsection, the producers on a
6 farm may not plant covered commodities on the
7 farm in excess of the flexible acreage base of
8 the farm determined under section 502.

9 “(B) AMOUNT.—The Secretary shall pro-
10 vide marketing loans for their normal produc-
11 tion of covered commodities produced on a
12 farm.

13 “(3) LOAN RATE.—Loans made under this sub-
14 section shall be made at the rate of 95 percent of
15 the average price for the commodity for the previous
16 5 crop years, as determined by the Secretary.

17 “(4) REPAYMENT.—

18 “(A) CALCULATION.—Producers on a farm
19 may repay loans made under this subsection for
20 a crop at a level that is the lesser of—

21 “(i) the loan level determined for the
22 crop; or

23 “(ii) the prevailing domestic market
24 price for the commodity (adjusted to loca-

1 tion and quality), as determined by the
2 Secretary.

3 “(B) PREVAILING DOMESTIC MARKET
4 PRICE.—The Secretary shall prescribe by regu-
5 lation—

6 “(i) a formula to determine the pre-
7 vailing domestic market price for each cov-
8 ered commodity; and

9 “(ii) a mechanism by which the Sec-
10 retary shall announce periodically the pre-
11 vailing domestic market prices established
12 under this subsection.

13 “(d) LOAN DEFICIENCY PAYMENTS.—

14 “(1) IN GENERAL.—The Secretary may, for
15 each of the 1996 through 2002 crops of covered
16 commodities, make payments (referred to in this
17 subsection as ‘loan deficiency payments’) available to
18 producers who, although eligible to obtain a market-
19 ing loan under subsection (c), agree to forgo obtain-
20 ing the loan in return for payments under this sub-
21 section.

22 “(2) COMPUTATION.—A payment under this
23 subsection shall be computed by multiplying—

24 “(A) the loan payment rate; by

1 “(B) the quantity of a covered commodity
2 the producer is eligible to place under loan but
3 for which the producer forgoes obtaining the
4 loan in return for payments under this sub-
5 section.

6 “(3) LOAN PAYMENT RATE.—

7 “(A) IN GENERAL.—For the purposes of
8 this subsection, the loan payment rate shall be
9 the amount by which—

10 “(i) the marketing loan rate deter-
11 mined for the crop under subsection (c)(3);
12 exceeds

13 “(ii) the level at which a loan may be
14 repaid under subsection (c)(4).

15 “(B) DATE.—The date on which the cal-
16 culation required under subparagraph (A) for
17 the producers on a farm shall be determined by
18 the producers, except that the date may not be
19 later than the earlier of—

20 “(i) the date the producers lost bene-
21 ficial interest in the crop; or

22 “(ii) the end of the marketing year for
23 the crop.

24 “(4) APPLICATION.—Producers on a farm may
25 apply for a payment for a covered commodity under

1 this subsection at any time prior to the end of the
2 marketing year for the commodity.

3 “(e) PROGRAM COST LIMITATION.—

4 “(1) IN GENERAL.—If the Secretary determines
5 that the costs of providing marketing loans and loan
6 deficiency payments for covered commodities under
7 this section will exceed an amount of
8 \$7,000,000,000 for the 1996 through 2002 fiscal
9 years, the Secretary shall carry out a program cost
10 limitation program to ensure that the cost of provid-
11 ing marketing loans and loan deficiency payments do
12 not exceed the amount.

13 “(2) TERMS.—If the Secretary determines that
14 a program cost limitation program is required for a
15 crop year, the Secretary shall carry out for the crop
16 year—

17 “(A) a proportionate reduction in the num-
18 ber of bushels that a producer may directly or
19 indirectly place under loan;

20 “(B) a limitation on the number of bushels
21 the producers on a farm may directly or indi-
22 rectly place under loan;

23 “(C) an acreage limitation program; or

24 “(D) any combination of actions described
25 in subparagraphs (A), (B), and (C).

1 “(3) LIMITATION.—The program cost limitation
2 program may only be applied to a crop of a covered
3 commodity for which the domestic price is projected,
4 by the Secretary, to be less than the 5-year simple
5 average price for the commodity.

6 “(4) ANNOUNCEMENTS.—If the Secretary elects
7 to implement a program cost limitation program for
8 any crop year, the Secretary shall make an an-
9 nouncement of the program not later than—

10 “(A) in the case of wheat, June 1 of the
11 calendar year preceding the year in which the
12 crop is harvested; and

13 “(B) in the case of feed grains and oil-
14 seeds, September 30 of the calendar year pre-
15 ceding the year in which the crop is harvested.

16 “(f) EQUITABLE RELIEF.—If the failure of a pro-
17 ducer to comply fully with the terms and conditions of pro-
18 grams conducted under this section precludes the making
19 of loans and payments, the Secretary may, nevertheless,
20 make the loans and payments in such amounts as the Sec-
21 retary determines are equitable in relation to the serious-
22 ness of the failure.

23 “(g) COMMODITY CREDIT CORPORATION.—The Sec-
24 retary shall carry out the program authorized by this sec-
25 tion through the Commodity Credit Corporation.

1 “(h) ASSIGNMENT OF PAYMENTS.—The provisions of
2 section 8(g) of the Soil Conservation and Domestic Allot-
3 ment Act (16 U.S.C. 590h(g)) (relating to assignment of
4 payments) shall apply to payments under this section.

5 “(i) TENANTS AND SHARECROPPERS.—In carrying
6 out this section, the Secretary shall provide adequate safe-
7 guards to protect the interest of tenants and share-
8 croppers.

9 “(j) PAPERWORK REDUCTION.—

10 “(1) IN GENERAL.—The Secretary shall take all
11 appropriate steps to reduce, to the maximum extent
12 practicable, the paperwork and other administrative
13 burdens related to participation in programs author-
14 ized by this section.

15 “(2) MAIL.—The Secretary shall establish a
16 system by which producers may agree to participate
17 in a program, and report acreage, under this section
18 by mail.

19 “(3) COMBINED FORMS.—The Secretary shall
20 provide producers with a single form that contains
21 all applicable terms and conditions for the program.

22 “(4) REDUCTION OF FORMS.—The Secretary
23 shall only require payment limitation information
24 from producers who—

1 “(A) are projected to receive, directly or
2 indirectly, limited benefits equal to at least 80
3 percent of the applicable limitation; or

4 “(B) are suspected of violating, or have
5 previously violated, the payment limitation re-
6 quirements.

7 “(5) ELECTRONIC FORMS.—The Secretary shall
8 allow producers of the 1997 and subsequent crops to
9 apply for benefits under this section electronically.

10 “(k) CROPS.—This section shall be effective only for
11 the 1996 through 2002 crops of a covered commodity.”.

12 **SEC. 103. FLEXIBLE ACREAGE BASE FOR WHEAT, FEED**
13 **GRAINS, AND OILSEEDS.**

14 (a) DEFINITIONS.—Section 502 of the Agricultural
15 Act of 1949 (7 U.S.C. 1462) is amended by striking para-
16 graphs (2) and (3) and inserting the following:

17 “(2) FEED GRAINS.—The term ‘feed grains’
18 means corn, grain sorghum, barley, oats, millet, rye,
19 or as designated by the Secretary, other feed grains.

20 “(3) GO CROPS.—The term ‘GO crops’ means
21 wheat, feed grains, and oilseeds.

22 “(4) OILSEEDS.—The term ‘oilseed’ means a
23 crop of soybeans, sunflower seed, rapeseed, canola,
24 safflower, flaxseed, mustard seed, or, if designated
25 by the Secretary, other oilseeds.

1 “(5) PROGRAM CROP.—The term ‘program
2 crop’ means a GO crop and a crop of upland cotton
3 or rice.”.

4 (b) CROP ACREAGE BASES.—Section 503(a) of the
5 Act (7 U.S.C. 1463(a)) is amended by striking paragraph
6 (1) and inserting the following:

7 “(1) IN GENERAL.—

8 “(A) GO CROPS.—The Secretary shall pro-
9 vide for the establishment and maintenance of
10 a single crop acreage base for GO crops, includ-
11 ing any GO crops produced under an estab-
12 lished practice of double cropping.

13 “(B) COTTON AND RICE.—The Secretary
14 shall provide for the establishment and mainte-
15 nance of crop acreage bases for cotton and rice
16 crops, including any program crop produced
17 under an established practice of double crop-
18 ping.”.

19 **SEC. 104. PAYMENT LIMITATIONS.**

20 (a) IN GENERAL.—Title X of the Food Security Act
21 of 1985 (7 C.F.R. 1308) is amended—

22 (1) by striking paragraph (1), by striking sub-
23 paragraph (A) and inserting the following:

24 “(A) IN GENERAL.—Subject to sections
25 1001A through 1001C, for each of the 1996

1 and subsequent crops, the total amount of defi-
2 ciency payments, land diversion payments, and
3 payments specified in clauses (iii) and (v) of
4 paragraph (2)(B) that a person shall be entitled
5 to receive under 1 or more of the annual pro-
6 grams established under the Agricultural Act of
7 1949 (7 U.S.C. 1421 et seq.) for wheat, feed
8 grains, upland cotton, extra long staple cotton,
9 rice, and oilseeds may not exceed \$50,000.”;
10 and

11 (2) in paragraph (2)(B), by striking clause (vi)
12 and inserting the following:

13 “(iv) any adjustment payment provided for
14 under section 116 of the Agricultural Act of 1949;”.

15 (b) REMOVAL OF 3-ENTITY RULE; DIRECT ATTRIBU-
16 TION.—Section 1001A of the Act (7 U.S.C. 1308–1) is
17 amended by striking subsection (a) and inserting the fol-
18 lowing:

19 “(a) DIRECT CONTRIBUTION.—In the case of pay-
20 ments specified in paragraphs (1) and (2) of section 1001,
21 the Secretary shall attribute—

22 “(1) payments received by an individual directly
23 to the individual; and

1 “(2) payments received by an entity to individ-
2 uals who own the entity in proportion to the owner-
3 ship interest of the individual in the entity.”.

4 **SEC. 105. SUSPENSION OF PERMANENT PRICE SUPPORT**
5 **AUTHORITY.**

6 (a) WHEAT.—

7 (1) NONAPPLICABILITY OF CERTIFICATE RE-
8 QUIREMENTS.—Sections 379d through 379j of the
9 Agricultural Adjustment Act of 1938 (7 U.S.C.
10 1379d–1379j) shall not be applicable to wheat proc-
11 essors or exporters during the period June 1, 1995,
12 through May 31, 2003.

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

20 (3) SUSPENSION OF CERTAIN QUOTA PROVI-
21 SIONS.—The joint resolution entitled “A joint reso-
22 lution relating to corn and wheat marketing quotas
23 under the Agricultural Adjustment Act of 1938, as
24 amended”, approved May 26, 1941 (7 U.S.C. 1330
25 and 1340), shall not be applicable to the crops of

1 wheat planted for harvest in the calendar years 1996
2 through 2002.

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

8 (b) FEED GRAINS.—

9 (1) NONAPPLICABILITY OF SECTION 105 OF THE
10 AGRICULTURAL ACT OF 1949.—Section 105 of the
11 Agricultural Act of 1949 (7 U.S.C. 1444b) shall not
12 be applicable to the 1996 through 2002 crops of
13 feed grains.

14 (2) RECOURSE LOAN PROGRAM FOR SILAGE.—
15 Section 403 of the Food Security Act of 1985 (7
16 U.S.C. 1444e-1) is amended by striking “1996” and
17 inserting “2002”.

18 (c) OILSEEDS.—Section 201(a) of the Agricultural
19 Act of 1949 (7 U.S.C. 1446(a)) is amended by striking
20 “oilseeds” and all that follows through “determine),”.

21 **SEC. 106. EXTENSION OF RELATED PRICE SUPPORT PROVI-**
22 **SIONS.**

23 (a) SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMI-
24 TATION AUTHORITY.—Section 113 of the Agricultural Act

1 of 1949 (7 U.S.C. 1445h) is amended by striking “1995”
2 and inserting “2002”.

3 (b) DEFICIENCY AND LAND DIVERSION PAY-
4 MENTS.—Section 114 of the Agricultural Act of 1949 (7
5 U.S.C. 1445j) is amended—

6 (1) in subsections (a)(1) and (c), by striking
7 “1997” each place it appears and inserting “2002”;
8 and

9 (2) in subsection (b), by striking “1995” and
10 inserting “2002”;

11 (c) ADJUSTMENT OF ESTABLISHED PRICES.—Sec-
12 tion 402(b) of the Agricultural Act of 1949 (7 U.S.C.
13 1422(b)) is amended by striking “1995” and inserting
14 “2002”.

15 (d) ADJUSTMENT OF SUPPORT PRICES.—Section
16 403(c) of the Agricultural Act of 1949 (7 U.S.C. 1423(c))
17 is amended by striking “1995” and inserting “2002”.

18 (e) PROGRAM OPTION FOR 2003 AND SUBSEQUENT
19 CROPS.—Section 406(b) of the Agricultural Act of 1949
20 (7 U.S.C. 1426(b)) is amended—

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

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

1 (3) in paragraph (4), by striking “November
2 28, 1990” and inserting “the date of enactment of
3 the Farm Security Act of 1995”.

4 (f) APPLICATION OF TERMS IN THE AGRICULTURAL
5 ACT OF 1949.—Section 408(k)(3) of the Agricultural Act
6 of 1949 (7 U.S.C. 1428(k)(3)) is amended by striking
7 “1995” and inserting “2002”.

8 (g) ACREAGE BASE AND YIELD SYSTEM.—Title V of
9 the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is
10 amended—

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

14 (2) in paragraphs (1) and (2) of section 505(b)
15 (7 U.S.C. 1465(b)), by striking “1997” each place
16 it appears and inserting “2002”; and

17 (3) in section 509 (7 U.S.C. 1469), by striking
18 “1997” and inserting “2002”.

19 (h) PAYMENT LIMITATIONS.—

20 (1) Section 1001 of the Food Security Act of
21 1985 (7 U.S.C. 1308) is amended by striking “1991
22 through 1997” each place it appears in paragraphs
23 (1)(B) and (2)(A) and inserting “1996 and subse-
24 quent”.

1 (2) Section 1001C(a) of the Act (7 U.S.C.
2 1308-3a(a)) is amended by striking “1991 through
3 1997” each place it appears and inserting “1996
4 and subsequent”.

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

9 (j) NORMAL SUPPLY.—Section 1019 of the Food Se-
10 curity Act of 1985 (7 U.S.C. 1310a) is amended by strik-
11 ing “1995” and inserting “2002”.

12 (k) DETERMINATIONS OF THE SECRETARY.—Section
13 1017(b) of the Food Security Act of 1985 (Public Law
14 99-198; 7 U.S.C. 1385 note) is amended by striking
15 “1995” and inserting “2002”.

16 (l) FOOD SECURITY WHEAT RESERVE.—Section
17 302(i) of the Food Security Wheat Reserve Act of 1980
18 (7 U.S.C. 1736f-1(i)) is amended by striking “1995” each
19 place it appears and inserting “2002”.

20 (m) NATIONAL AGRICULTURAL COST OF PRODUC-
21 TION STANDARDS REVIEW BOARD.—Section 1014 of the
22 Agriculture and Food Act of 1981 (7 U.S.C. 4110) is
23 amended by striking “1995” and inserting “2002”.

1 **SEC. 107. EFFECTIVE DATE.**

2 (a) IN GENERAL.—Except as otherwise specifically
3 provided in this title, this title and the amendments made
4 by this title shall apply beginning with the 1996 crop of
5 an agricultural commodity.

6 (b) PRIOR CROPS.—Except as otherwise specifically
7 provided and notwithstanding any other provision of law,
8 this title and the amendments made by this title shall not
9 affect the authority of the Secretary of Agriculture to
10 carry out a price support, production adjustment, or pay-
11 ment program for—

12 (1) any of the 1991 through 1995 crops of an
13 agricultural commodity established under a provision
14 of law as in effect immediately before the enactment
15 of this Act; or

16 (2) the 1996 crop of an agricultural commodity
17 established under section 406(b) of the Agricultural
18 Act of 1949 (as in effect immediately before the ef-
19 fective date of the amendment made by section
20 106(e)).

21 **TITLE II—CONSERVATION**

22 **SEC. 201. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
23 **GRAM.**

24 (a) IN GENERAL.—Chapter 2 of subtitle D of title
25 XII of the Food Security Act of 1985 (16 U.S.C. 3838
26 et seq.) is amended to read as follows:

1 **“CHAPTER 2—ENVIRONMENTAL QUALITY**
2 **INCENTIVES PROGRAM**

3 **“SEC. 1238. DEFINITIONS.**

4 “In this chapter:

5 “(1) LAND MANAGEMENT PRACTICE.—The
6 term ‘land management practice’ means nutrient or
7 manure management, integrated pest management,
8 irrigation management, tillage or residue manage-
9 ment, grazing management, or another land man-
10 agement practice the Secretary determines is needed
11 to protect soil, water, or related resources in the
12 most cost efficient manner.

13 “(2) LARGE CONFINED LIVESTOCK OPER-
14 ATION.—The term ‘large confined livestock oper-
15 ation’ means a farm or ranch that—

16 “(A) is a confined animal feeding oper-
17 ation; and

18 “(B) has more than—

19 “(i) 700 mature dairy cattle;

20 “(ii) 1,000 beef cattle;

21 “(iii) 30,000 laying hens or broilers
22 (if the facility has continuous overflow wa-
23 tering);

1 “(iv) 100,000 laying hens or broilers
2 (if the facility has a liquid manure sys-
3 tem);

4 “(v) 55,000 turkeys;

5 “(vi) 2,500 swine; or

6 “(vii) 10,000 sheep or lambs.

7 “(3) LIVESTOCK.—The term ‘livestock’ means
8 mature dairy cows, beef cattle, laying hens, broilers,
9 turkeys, swine, sheep, or lambs.

10 “(4) OPERATOR.—The term ‘operator’ means a
11 person who is engaged in crop or livestock produc-
12 tion (as defined by the Secretary).

13 “(5) STRUCTURAL PRACTICE.—The term ‘struc-
14 tural practice’ means the establishment of an animal
15 waste management facility, terrace, grassed water-
16 way, contour grass strip, filterstrip, permanent wild-
17 life habitat, or another structural practice that the
18 Secretary determines is needed to protect soil, water,
19 or related resources in the most cost effective man-
20 ner.

21 **“SEC. 1238A. ESTABLISHMENT AND ADMINISTRATION OF**
22 **ENVIRONMENTAL QUALITY INCENTIVES PRO-**
23 **GRAM.**

24 “(a) ESTABLISHMENT.—

1 “(1) IN GENERAL.—During the 1996 through
2 2002 fiscal years, the Secretary shall provide tech-
3 nical assistance, cost-sharing payments, and incen-
4 tive payments to operators, who enter into contracts
5 with the Secretary, through an environmental qual-
6 ity incentives program in accordance with this chap-
7 ter.

8 “(2) CONSOLIDATION OF EXISTING PRO-
9 GRAMS.—In establishing the environmental quality
10 incentives program authorized under this chapter,
11 the Secretary shall combine into a single program
12 the functions of—

13 “(A) the agricultural conservation program
14 authorized by sections 7 and 8 of the Soil Con-
15 servation and Domestic Allotment Act (16
16 U.S.C. 590g and 590h) (as in effect before the
17 amendments made by section 201(b)(1) of the
18 Farm Security Act of 1995);

19 “(B) the Great Plains conservation pro-
20 gram established under section 16(b) of the Soil
21 Conservation and Domestic Allotment Act (16
22 U.S.C. 590p(b)) (as in effect before the amend-
23 ment made by section 201(b)(2) of the Farm
24 Security Act of 1995);

1 “(C) the water quality incentives program
2 established under this chapter (as in effect be-
3 fore amendment made by section 201(a) of the
4 Farm Security Act of 1995); and

5 “(D) the Colorado River Basin salinity
6 control program established under section
7 202(c) of the Colorado River Basin Salinity
8 Control Act (43 U.S.C. 1592(c)) (as in effect
9 before the amendment made by section
10 201(b)(3) of the Farm Security Act of 1995).

11 “(b) APPLICATION AND TERM.—A contract between
12 an operator and the Secretary under this chapter may—

13 “(1) apply to 1 or more structural practices or
14 1 or more land management practices, or both; and

15 “(2) have a term of not less than 5, nor more
16 than 10, years, as determined appropriate by the
17 Secretary, depending on the practice or practices
18 that are the basis of the contract.

19 “(c) COST-SHARING AND INCENTIVE PAYMENTS.—

20 “(1) COST-SHARING PAYMENTS.—

21 “(A) IN GENERAL.—The Federal share of
22 cost-sharing payments to an operator proposing
23 to implement 1 or more structural practices
24 shall not be more than 75 percent of the pro-
25 jected cost of the practice, as determined by the

1 Secretary, taking into consideration any pay-
2 ment received by the operator from a State or
3 local government.

4 “(B) LIMITATION.—An operator of a large
5 confined livestock operation shall not be eligible
6 for cost-sharing payments to construct an ani-
7 mal waste management facility.

8 “(C) OTHER PAYMENTS.—An operator
9 shall not be eligible for cost-sharing payments
10 for structural practices on eligible land under
11 this chapter if the operator receives cost-shar-
12 ing payments or other benefits for the same
13 land under chapter 1 or 3.

14 “(2) INCENTIVE PAYMENTS.—The Secretary
15 shall make incentive payments in an amount and at
16 a rate determined by the Secretary to be necessary
17 to encourage an operator to perform 1 or more land
18 management practices.

19 “(d) TECHNICAL ASSISTANCE.—

20 “(1) FUNDING.—The Secretary shall allocate
21 funding under this chapter for the provision of tech-
22 nical assistance according to the purpose and pro-
23 jected cost for which the technical assistance is pro-
24 vided in a fiscal year. The allocated amount may
25 vary according to the type of expertise required

1 quantity of time involved, and other factors as deter-
2 mined appropriate by the Secretary. Funding shall
3 not exceed the projected cost to the Secretary of the
4 technical assistance provided in a fiscal year.

5 “(2) OTHER AUTHORITIES.—The receipt of
6 technical assistance under this chapter shall not af-
7 fect the eligibility of the operator to receive technical
8 assistance under other authorities of law available to
9 the Secretary.

10 “(3) NON-FEDERAL ASSISTANCE.—

11 “(A) IN GENERAL.—The Secretary may re-
12 quest the services of a State water quality agen-
13 cy, State fish and wildlife agency, State forestry
14 agency, or any other governmental or private
15 resource considered appropriate to assist in pro-
16 viding the technical assistance necessary for the
17 development and implementation of a structural
18 practice or land management practice.

19 “(B) LIMITATION ON LIABILITY.—No per-
20 son shall be permitted to bring or pursue any
21 claim or action against any official or entity
22 based on or resulting from any technical assist-
23 ance provided to an operator under this chapter
24 to assist in complying with a Federal or State
25 environmental law.

1 “(e) FUNDING.—The Secretary shall use to carry out
2 this chapter not less than—

3 “(1) \$150,000,000 for fiscal year 1996;

4 “(2) \$200,000,000 for fiscal year 1997; and

5 “(3) \$250,000,000 for each of fiscal years 1998
6 through 2002.

7 “(f) COMMODITY CREDIT CORPORATION.—The Sec-
8 retary may use the funds, facilities, and authorities of the
9 Commodity Credit Corporation to carry out this sub-
10 chapter.

11 **“SEC. 1238B. CONSERVATION PRIORITY AREAS.**

12 “(a) IN GENERAL.—The Secretary shall designate
13 watersheds or regions of special environmental sensitivity,
14 including the Chesapeake Bay region (located in Penn-
15 sylvania, Maryland, and Virginia), the Great Lakes region,
16 the Long Island Sound region, prairie pothole region (lo-
17 cated in North Dakota, South Dakota, and Minnesota)
18 and other areas the Secretary considers appropriate, as
19 conservation priority areas that are eligible for enhanced
20 assistance through the programs established under this
21 chapter and chapter 1.

22 “(b) APPLICABILITY.—A designation shall be made
23 under this section if an application is made by a State
24 agency and agricultural practices within the watershed or

1 region pose a significant threat to soil, water, and related
2 natural resources, as determined by the Secretary.

3 **“SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.**

4 “(a) REGIONAL PRIORITIES.—The Secretary shall
5 provide technical assistance, cost-sharing payments, and
6 incentive payments to operators in a region, watershed,
7 or conservation priority area under this chapter based on
8 the significance of soil, water, and related natural re-
9 sources problems in the region, watershed, or area, and
10 the structural practices or land management practices
11 that best address the problems, as determined by the Sec-
12 retary.

13 “(b) MAXIMIZATION OF ENVIRONMENTAL BENE-
14 FITS.—

15 “(1) IN GENERAL.—In providing technical as-
16 sistance, cost-sharing payments, and incentive pay-
17 ments to operators in regions, watersheds, or con-
18 servation priority areas under this chapter, the Sec-
19 retary shall accord a higher priority to assistance
20 and payments that maximize environmental benefits
21 per dollar expended.

22 “(2) STATE OR LOCAL CONTRIBUTIONS.—The
23 Secretary shall accord a higher priority to operators
24 whose agricultural operations are located within wa-
25 tersheds, regions, or conservation priority areas in

1 which State or local governments have provided, or
2 will provide, financial or technical assistance to the
3 operators for the same conservation or environ-
4 mental purposes.

5 **“SEC. 1238D. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
6 **GRAM PLAN.**

7 “(a) IN GENERAL.—Prior to approving cost-share or
8 incentive payments authorized under this chapter, the Sec-
9 retary shall require the preparation and evaluation of an
10 environmental quality incentives program plan described
11 in subsection (b), unless the Secretary determines that
12 such a plan is not necessary to evaluate the application
13 for the payments.

14 “(b) TERMS.—An environmental quality incentives
15 program plan shall include (as determined by the Sec-
16 retary) a description of relevant—

17 “(1) farming or ranching practices on the farm;

18 “(2) characteristics of natural resources on the
19 farm;

20 “(3) specific conservation and environmental
21 objectives to be achieved including those that will as-
22 sist the operator in complying with Federal and
23 State environmental laws;

1 “(4) dates for, and sequences of, events for im-
2 plementing the practices for which payments will be
3 received under this chapter; and

4 “(5) information that will enable evaluation of
5 the effectiveness of the plan in achieving the con-
6 servation and environmental objectives, and that will
7 enable evaluation of the degree to which the plan
8 has been implemented.

9 **“SEC. 1238E. LIMITATION ON PAYMENTS.**

10 “(a) PAYMENTS.—The total amount of cost-share
11 and incentive payments paid to a person under this chap-
12 ter may not exceed—

13 “(1) \$10,000 for any fiscal year; or

14 “(2) \$50,000 for any multiyear contract.

15 “(b) REGULATIONS.—The Secretary shall issue regu-
16 lations that are consistent with section 1001 for the pur-
17 pose of—

18 “(1) defining the term ‘person’ as used in sub-
19 section (a); and

20 “(2) prescribing such rules as the Secretary de-
21 termines necessary to ensure a fair and reasonable
22 application of the limitations contained in subsection
23 (a).

1 **“SEC. 1238F. TEMPORARY ADMINISTRATION OF ENVIRON-**
2 **MENTAL QUALITY INCENTIVES PROGRAM.**

3 “(a) INTERIM ADMINISTRATION.—

4 “(1) IN GENERAL.—During the period begin-
5 ning on the date of enactment of the Farm Security
6 Act of 1995 and ending on the later of the dates
7 specified in paragraph (2), to ensure that technical
8 assistance, cost-sharing payments, and incentive
9 payments continue to be administered in an orderly
10 manner until such time as assistance can be pro-
11 vided through regulations issued to implement the
12 environmental quality incentives program established
13 under this chapter, the Secretary shall continue to
14 provide technical assistance, cost-sharing payments,
15 and incentive payments under the terms and condi-
16 tion of the agricultural conservation program, the
17 Great Plains conservation program, the water qual-
18 ity incentives program, and the Colorado River
19 Basin salinity control program, to the extent that
20 the terms and conditions of the programs are con-
21 sistent with the environmental quality incentives pro-
22 grams.

23 “(2) EXPIRATION OF AUTHORITY.—The author-
24 ity of the Secretary to carry out paragraph (1) shall
25 terminate on the later of—

1 “(A) the date that is 180 days after the
2 date of enactment of the Farm Security Act of
3 1995; or

4 “(B) March 31, 1996.

5 “(b) PERMANENT ADMINISTRATION.—Effective be-
6 ginning on the later of the dates specified in subsection
7 (a)(2), the Secretary shall provide technical assistance,
8 cost-sharing payments, and incentive payments for prac-
9 tices related to crop and livestock production in accord-
10 ance with regulations issued to carry out the environ-
11 mental quality incentives program.”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) AGRICULTURAL CONSERVATION PRO-
14 GRAM.—

15 (A) ELIMINATION.—

16 (i) Section 8 of the Soil Conservation
17 and Domestic Allotment Act (16 U.S.C.
18 590h) is amended—

19 (I) in subsection (b)—

20 (aa) by striking paragraphs

21 (1) through (4) and inserting the

22 following:

23 “(1) ENVIRONMENTAL QUALITY INCENTIVES
24 PROGRAM.—The Secretary shall provide technical as-
25 sistance, cost share payments, and incentive pay-

1 ments to operators through the environmental qual-
2 ity incentives program in accordance with chapter 2
3 of subtitle D of the Food Security Act of 1985 (16
4 U.S.C. 3838 et seq.).”; and

5 (bb) by striking paragraphs

6 (6) through (8); and

7 (II) by striking subsections (d),

8 (e), and (f).

9 (ii) The first sentence of section 11 of
10 the Soil Conservation and Domestic Allot-
11 ment Act (16 U.S.C. 590k) is amended by
12 striking “ performance: *Provided further*,”
13 and all that follows through “or other law”
14 and inserting “performance”.

15 (iii) Section 14 of the Act (16 U.S.C.
16 590n) is amended—

17 (I) in the first sentence, by strik-
18 ing “or 8”; and

19 (II) by striking the second sen-
20 tence.

21 (iv) Section 15 of the Act (16 U.S.C.
22 590o) is amended—

23 (I) in the first undesignated
24 paragraph—

1 (aa) in the first sentence, by
2 striking “sections 7 and 8” and
3 inserting “section 7”; and

4 (bb) by striking the third
5 sentence ; and

6 (II) by striking the second undes-
7 igned paragraph.

8 (B) CONFORMING AMENDMENTS.—

9 (i) Paragraph (1) of the last proviso
10 of the matter under the heading “CON-
11 SERVATION RESERVE PROGRAM” under the
12 heading “SOIL BANK PROGRAMS” of title I
13 of the Department of Agriculture and
14 Farm Credit Administration Appropriation
15 Act, 1959 (72 Stat. 195; 7 U.S.C. 1831a)
16 is amended by striking “Agricultural Con-
17 servation Program” and inserting “envi-
18 ronmental quality incentives program es-
19 tablished under chapter 2 of subtitle D of
20 the Food Security Act of 1985 (16 U.S.C.
21 3838 et seq.)”.

22 (ii) Section 4 of the Cooperative For-
23 estry Assistance Act of 1978 (16 U.S.C.
24 2103) is amended by striking “as added by
25 the Agriculture and Consumer Protection

1 Act of 1973” each place it appears in sub-
2 sections (d) and (i) and inserting “as in ef-
3 fect before the amendment is made by sec-
4 tion 6(a)(1)(F) of the Agricultural Re-
5 sources Conservation Act of 1995”.

6 (iii) Section 226(b)(4) of the Depart-
7 ment of Agriculture Reorganization Act of
8 1994 (7 U.S.C. 6932(b)(4)) is amended by
9 striking “and the agricultural conservation
10 program under the Soil Conservation and
11 Domestic Allotment Act (16 U.S.C. 590g
12 et seq.)”.

13 (iv) Section 246(b)(8) of the Depart-
14 ment of Agriculture Reorganization Act of
15 1994 (7 U.S.C. 6962(b)(8)) is amended by
16 striking “and the agricultural conservation
17 program under the Soil Conservation and
18 Domestic Allotment Act (16 U.S.C. 590g
19 et seq.)”.

20 (v) Section 1271(c)(3)(C) of the
21 Food, Agriculture, Conservation, and
22 Trade Act of 1990 (16 U.S.C.
23 2106a(c)(3)(C)) is amended by striking
24 “Agricultural Conservation Program estab-
25 lished under section 16(b) of the Soil Con-

1 servation and Domestic Allotment Act (16
2 U.S.C. 590h, 590l, or 590p)” and insert-
3 ing “environmental quality incentives pro-
4 gram established under chapter 2 of sub-
5 title D of the Food Security Act of 1985
6 (16 U.S.C. 3838 et seq.)”.

7 (vi) Section 126(a)(5) of the Internal
8 Revenue Code of 1986 is amended to read
9 as follows:

10 “(5) The environmental quality incentives pro-
11 gram established under chapter 2 of subtitle D of
12 the Food Security Act of 1985 (16 U.S.C. 3838 et
13 seq.)”.

14 (vii) Section 304(a) of the Lake
15 Champlain Special Designation Act of
16 1990 (Public Law 101-596; 33 U.S.C.
17 1270 note) is amended—

18 (I) in the subsection heading, by
19 striking “SPECIAL PROJECT AREA
20 UNDER THE AGRICULTURAL CON-
21 SERVATION PROGRAM” and inserting
22 “A PRIORITY AREA UNDER THE EN-
23 VIRONMENTAL QUALITY INCENTIVES
24 PROGRAM”; and

1 (II) in paragraph (1), by striking
2 “special project area under the Agri-
3 cultural Conservation Program estab-
4 lished under section 8(b) of the Soil
5 Conservation and Domestic Allotment
6 Act (16 U.S.C. 590h(b))” and insert-
7 ing “priority area under the environ-
8 mental quality incentives program es-
9 tablished under chapter 2 of subtitle
10 D of the Food Security Act of 1985
11 (16 U.S.C. 3838 et seq.)”.

12 (viii) Section 6 of the Department of
13 Agriculture Organic Act of 1956 (70 Stat.
14 1033) is amended by striking subsection
15 (b).

16 (2) GREAT PLAINS CONSERVATION PROGRAM.—

17 (A) ELIMINATION.—Section 16 of the Soil
18 Conservation and Domestic Allotment Act (16
19 U.S.C. 590p) is repealed.

20 (B) CONFORMING AMENDMENTS.—

21 (i) The Agricultural Adjustment Act
22 of 1938 is amended by striking “Great
23 Plains program” each place it appears in
24 sections 344(f)(8) and 377 (7 U.S.C.
25 1344(f)(8) and 1377) and inserting “envi-

1 ronmental quality incentives program es-
2 tablished under chapter 2 of subtitle D of
3 the Food Security Act of 1985 (16 U.S.C.
4 3838 et seq.)”.

5 (ii) Section 246(b) of the Department
6 of Agriculture Reorganization Act of 1994
7 (7 U.S.C. 6962(b)) is amended by striking
8 paragraph (2).

9 (iii) Section 126(a) of the Internal
10 Revenue Code of 1986 is amended—

11 (I) by striking paragraph (6);

12 and

13 (II) by redesignating paragraphs
14 (7) through (10) as paragraphs (6)
15 through (9), respectively.

16 (3) COLORADO RIVER BASIN SALINITY CONTROL
17 PROGRAM.—

18 (A) ELIMINATION.—Section 202 of the
19 Colorado River Basin Salinity Control Act (43
20 U.S.C. 1592) is amended by striking subsection
21 (c).

22 (B) CONFORMING AMENDMENT.—Section
23 246(b) of the Department of Agriculture Reor-

1 ganization Act of 1994 (7 U.S.C. 6962(b)) is
2 amended by striking paragraph (6).

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