

105TH CONGRESS
2D SESSION

H. R. 3550

To provide a safety net for farmers and consumers, to promote the development of farmer-owned value added processing facilities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 1998

Mr. GEPHARDT (for himself, Mr. BOSWELL, Mrs. CLAYTON, Mr. CLYBURN, Mr. EVANS, Mr. MINGE, Mr. PETERSON of Minnesota, Mr. POMEROY, Mr. POSHARD, and Ms. STABENOW) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide a safety net for farmers and consumers, to promote the development of farmer-owned value added processing facilities, 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 “Family Farm Safety Net Act of 1998”.

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

Sec. 1. Short title; table of contents.

- Sec. 2. Loan rates for marketing assistance loans for certain crops.
- Sec. 3. Authority to extend term of marketing assistance loans.
- Sec. 4. Priority for farmer-owned value-added processing facilities.
- Sec. 5. Extension programs for small- and medium-sized farm operations.

1 **SEC. 2. LOAN RATES FOR MARKETING ASSISTANCE LOANS**
2 **FOR CERTAIN CROPS.**

3 (a) WHEAT.—Subsection (a) of section 132 of the
4 Agricultural Market Transition Act (7 U.S.C. 7232) is
5 amended by striking paragraph (1) and inserting the fol-
6 lowing new paragraph:

7 “(1) LOAN RATE.—Subject to paragraph (2),
8 the loan rate for a marketing assistance loan under
9 section 131 for wheat shall be equal to not less than
10 85 percent of the simple average price received by
11 producers of wheat, as determined by the Secretary,
12 during the marketing years for the immediately pre-
13 ceding 5 crops of wheat, excluding the year in which
14 the average price was the highest and the year in
15 which the average price was the lowest in the pe-
16 riod.”.

17 (b) FEED GRAINS.—Subsection (b) of such section
18 is amended by striking paragraph (1) and inserting the
19 following new paragraph:

20 “(1) LOAN RATE FOR CORN.—Subject to para-
21 graph (2), the loan rate for a marketing assistance
22 loan under section 131 for corn shall be equal to not
23 less than 85 percent of the simple average price re-

1 received by producers of corn, as determined by the
2 Secretary, during the marketing years for the imme-
3 diately preceding 5 crops of corn, excluding the year
4 in which the average price was the highest and the
5 year in which the average price was the lowest in the
6 period.”.

7 (c) UPLAND COTTON.—Subsection (c)(2) of such sec-
8 tion is amended by striking “or more than \$0.5192 per
9 pound”.

10 (d) EXTRA LONG STAPLE COTTON.—Subsection (d)
11 of such section is amended to read as follows:

12 “(d) EXTRA LONG STAPLE COTTON.—The loan rate
13 for a marketing assistance loan under section 131 for
14 extra long staple cotton shall be equal to not less than
15 85 percent of the simple average price received by produc-
16 ers of extra long staple cotton, as determined by the Sec-
17 retary, during 3 years of the 5-year period ending July
18 31 of the year preceding the year in which the crop is
19 planted, excluding the year in which the average price was
20 the highest and the year in which the average price was
21 the lowest in the period.”.

22 (e) OILSEEDS.—Subsection (f) of such section is
23 amended—

24 (1) in paragraph (1)(B), by striking “or more
25 than \$5.26”; and

1 (2) in paragraph (2)(B), by striking “or more
2 than \$0.093”.

3 **SEC. 3. AUTHORITY TO EXTEND TERM OF MARKETING AS-**
4 **SISTANCE LOANS.**

5 Section 133 of the Agricultural Market Transition
6 Act (7 U.S.C. 7233) is amended by striking subsection
7 (c) and inserting the following:

8 “(c) EXTENSIONS.—The Secretary may extend the
9 term of a marketing assistance loan for any loan commod-
10 ity for a period not to exceed 6 months.”.

11 **SEC. 4. PRIORITY FOR FARMER-OWNED VALUE-ADDED**
12 **PROCESSING FACILITIES.**

13 Section 310B of the Consolidated Farm and Rural
14 Development Act (7 U.S.C. 1932) is amended by adding
15 at the end the following new subsection:

16 “(h) PRIORITY FOR FARMER-OWNED VALUE-ADDED
17 PROCESSING FACILITIES.—In approving applications for
18 loans and grants authorized under this section, section
19 306(a)(11), and other applicable provisions of this title (as
20 determined by the Secretary), the Secretary shall give a
21 high priority to applications for projects that encourage
22 farmer-owned value-added processing facilities.”.

1 **SEC. 5. EXTENSION PROGRAMS FOR SMALL- AND MEDIUM-**
2 **SIZED FARM OPERATIONS.**

3 Section 502(d) of the Rural Development Act of 1972
4 (7 U.S.C. 2662(d)) is amended—

5 (1) by inserting “(1)” before “Small farm ex-
6 tension”; and

7 (2) by adding at the end the following new
8 paragraph:

9 “(2) To ensure the continued viability of small- and
10 medium-sized farm operations, extension programs should
11 emphasize market development education and technical
12 assistance for operators of small- and medium-sized farms
13 in addition to production assistance. Such extension ef-
14 forts should be directed at exploring new marketing ave-
15 nues for such farms, such as direct farm-to-consumer
16 markets, local value-added processing, and farmer-owned
17 cooperatives, and at developing entrepreneurial training
18 and development in natural resource-based industries.”.

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