

106TH CONGRESS
1ST SESSION

H. R. 2743

To improve the financial situation of America's farmers and ranchers.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 5, 1999

Mrs. EMERSON (for herself, Mr. THUNE, Mr. MORAN of Kansas, Mr. HILL of Montana, Mr. PICKERING, Mr. WATKINS, Mr. SHIMKUS, Mr. TALENT, Mr. HULSHOF, Mr. BLUNT, Mr. JOHN, Mr. CRAMER, Mr. SHOWS, Mr. SKELTON, Mr. HALL of Texas, Ms. DANNER, Mr. TANNER, and Mr. LUCAS of Oklahoma) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committees on the Budget, and International Relations, 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

A BILL

To improve the financial situation of America's farmers and ranchers.

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 and Ranch Emergency Assistance Act of 1999”.

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. Emergency requirement.

TITLE I—MARKET LOSS ASSISTANCE FOR CONTRACT
COMMODITIES

- Sec. 101. Market loss assistance for contract commodities

TITLE II—MARKET LOSS ASSISTANCE FOR SOYBEANS AND
OTHER OILSEEDS

- Sec. 201. Market loss assistance for soybeans and other oilseeds.

TITLE III—REMOVAL OF TRADE SANCTIONS

- Sec. 301. Comptroller General report.
- Sec. 302. Prohibition on unilateral agricultural or medical sanctions.
- Sec. 303. Annual reports by Secretary of Agriculture.
- Sec. 304. Actions by Department of Agriculture.
- Sec. 305. Definition.

TITLE IV—TEMPORARY REMOVAL OF LIMIT ON LOAN
DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS

- Sec. 401. Temporary removal of limit on authorized amount of marketing loan gains and loan deficiency payments.

TITLE V—UPLAND COTTON PRICE COMPETITIVENESS

- Sec. 501. Upland cotton price competitiveness.

TITLE VI—MARKET LOSS ASSISTANCE FOR LIVESTOCK AND
DAIRY PRODUCERS

- Sec. 601. Assistance to livestock and dairy producers.

TITLE VII—EMERGENCY CONCESSIONAL SALES AND DONATIONS

- Sec. 701. Emergency concessional sales and donations.

TITLE VIII—CONSERVATION RESERVE

- Sec. 801. Sense of Congress regarding full enrollment of land in the conservation reserve.

TITLE IX—EARLY AVAILABILITY OF AMTA PAYMENTS

- Sec. 901. Authority for advance payment in full of remaining payments under production flexibility contracts.

TITLE X—CROP INSURANCE

- Sec. 1001. Crop insurance premium discount for 2000 crop year.

1 SEC. 2. EMERGENCY REQUIREMENT.

- 2** Notwithstanding the last sentence of section 252(e)
- 3** of the Balanced Budget and Emergency Deficit Control

1 Act of 1985, amounts made available by this Act are des-
2 ignated by the Congress as an emergency requirement
3 pursuant to section 252(e) of the Balanced Budget and
4 Emergency Deficit Control Act of 1985: *Provided*, That
5 such amounts shall be available only to the extent that
6 an official budget request that includes designation of the
7 entire amount of the request as an emergency requirement
8 as defined in the Balanced Budget and Emergency Deficit
9 Control Act of 1985, is transmitted by the President to
10 Congress.

11 **TITLE I—MARKET LOSS ASSIST-**
12 **ANCE FOR CONTRACT COM-**
13 **MODITIES**

14 **SEC. 101. MARKET LOSS ASSISTANCE FOR CONTRACT COM-**
15 **MODITIES**

16 (a) IN GENERAL.—The Secretary of Agriculture shall
17 use not more than \$5,544,453,000 for assistance to own-
18 ers and producers on a farm who are eligible for final pay-
19 ments for fiscal year 1999 under a production flexibility
20 contract for the farm under the Agricultural Market Tran-
21 sition Act (7 U.S.C. 7201 et seq.) to partially compensate
22 the owners and producers for the loss of markets for the
23 1999 crop of a commodity.

24 (b) AMOUNT.—The amount of assistance made avail-
25 able to owners and producers on a farm under this section

1 shall be proportional to the amount of the contract pay-
2 ment received by the owners and producers for fiscal year
3 1999 under a production flexibility contract for the farm
4 under the Agricultural Market Transition Act.

5 (c) TIME FOR PAYMENT.—The assistance made
6 available under this section for an eligible owner or pro-
7 ducer shall be made as soon as practicable after the date
8 of enactment of this Act.

9 (d) USE OF COMMODITY CREDIT CORPORATION.—
10 Subject to subsection (e), the Secretary shall use the
11 funds, facilities, and authorities of the Commodity Credit
12 Corporation to carry out this section.

13 **TITLE II—MARKET LOSS ASSIST-**
14 **ANCE FOR SOYBEANS AND**
15 **OTHER OILSEEDS**

16 **SEC. 201. MARKET LOSS ASSISTANCE FOR SOYBEANS AND**
17 **OTHER OILSEEDS.**

18 (a) IN GENERAL.—Notwithstanding any other provi-
19 sion of law, the Secretary of Agriculture shall use not less
20 than \$475,000,000 of funds of the Commodity Credit Cor-
21 poration to make payments to producers of the 1999 crop
22 of oilseeds that are eligible to obtain a marketing assist-
23 ance loan under section 131 of the Agricultural Market
24 Transition Act (7 U.S.C. 7231).

1 (b) COMPUTATION.—A payment to producers on a
2 farm under this section shall be computed by
3 multiplying—

4 (1) a payment rate determined by the Sec-
5 retary; by

6 (2) the quantity of oilseeds that the producers
7 on the farm are eligible to place under loan under
8 section 131 of that Act.

9 (c) LIMITATION.—Payments made under this section
10 shall be considered to be contract payments for the pur-
11 poses of section 1001(1) of the Food Security Act of 1985
12 (7 U.S.C. 1308(1)).

13 **TITLE III—REMOVAL OF TRADE** 14 **SANCTIONS**

15 **SEC. 301. COMPTROLLER GENERAL REPORT.**

16 Within 1 year after the date of the enactment of this
17 Act, the Comptroller General shall—

18 (1) conduct—

19 (A) a detailed examination of all economic
20 sanctions affecting United States businesses,
21 differentiating between unilateral and multilat-
22 eral economic sanctions;

23 (B) an assessment of comparable measures
24 undertaken by other countries in each instance;

1 (C) an evaluation of the effectiveness of
2 both unilateral and multilateral economic sanc-
3 tions in meeting stated policy goals;

4 (D) an assessment on humanitarian condi-
5 tions within sanctioned countries, evaluating
6 how sanctions have affected particular states;

7 (E) an assessment of the relationship with
8 United States allies as a consequence of unilat-
9 eral economic sanctions;

10 (F) an examination of the economic impact
11 of sanctions on United States producers and ex-
12 porters; and

13 (G) an assessment of potential countries
14 that may be sanctioned under existing United
15 States law or executive authority, but which are
16 not now subject to sanctions (whether because
17 of presidentially exercised waivers, or statutes
18 or executive orders not being applied); and

19 (2) submit to the Committee on International
20 Relations and the Committee on Agriculture of the
21 House of Representatives and to the Committee on
22 Foreign Relations and the Committee on Agri-
23 culture, Nutrition, and Forestry of the Senate a re-
24 port on the matters addressed in paragraph (1).

1 **SEC. 302. PROHIBITION ON UNILATERAL AGRICULTURAL**
2 **OR MEDICAL SANCTIONS.**

3 (a) IN GENERAL.—Notwithstanding any other provi-
4 sion of law, the President shall not restrict or otherwise
5 prohibit any exports (including restricted commercial or
6 Federal financing) of food, other agricultural products (in-
7 cluding fertilizer), medicines, or medical supplies or equip-
8 ment as part of any policy of existing or future unilateral
9 economic sanctions imposed against a foreign government.

10 (b) NATIONAL SECURITY WAIVER.—The President
11 may waive, for periods of not more than 1 year each, the
12 applicability of any sanction under subsection (a) with re-
13 spect to a foreign country or entity if the President, with
14 respect to each such waiver—

15 (1) determines that the national security so re-
16 quires; and

17 (2) transmits to the Congress that determina-
18 tion, together with a detailed description of the rea-
19 sons therefor, including an explanation of how the
20 sanction will further the national security.

21 **SEC. 303. ANNUAL REPORTS BY SECRETARY OF AGRICULTURE.**
22 **CULTURE.**

23 The Secretary of Agriculture shall submit to the Con-
24 gress, by not later than May 1 of each year, a report con-
25 taining the following:

1 (1) The Secretary's assessment of all markets
2 where United States exports of agricultural commod-
3 ities are limited because of multilateral or unilateral
4 economic sanctions, including specific commodities
5 affected.

6 (2) The economic impact on producers of the
7 commodities specified under paragraph (1).

8 (3) An assessment of the extent to which dis-
9 placed United States commodities are being supplied
10 by foreign competitors.

11 (4) The expected longer-term consequences of
12 interrupting United States exports.

13 (5) Any assistance provided by the Foreign Ag-
14 ricultural Service to offset lost markets due to such
15 sanctions.

16 **SEC. 304. ACTIONS BY DEPARTMENT OF AGRICULTURE.**

17 The Secretary of Agriculture shall expand agricul-
18 tural export assistance under United States market devel-
19 opment, food assistance, or export promotion programs to
20 offset all projected losses of agricultural commodity mar-
21 kets from unilateral or multilateral sanctions identified
22 under section 303, to the maximum extent permitted by
23 law and by the obligations of the United States under the
24 Agreement on Agriculture referred to in section 101(d)(2)

1 of the Uruguay Round Agreements Act (19 U.S.C.
2 3511(d)(2)).

3 **SEC. 305. DEFINITION.**

4 As used in this title, the term “unilateral economic
5 sanction” means any restriction or condition on economic
6 activity with respect to a foreign country or foreign entity
7 that is imposed by the United States for reasons of foreign
8 policy or national security, except in a case in which the
9 United States imposes the measure pursuant to a multilat-
10 eral regime and the other members of that regime have
11 agreed to impose substantially equivalent measures.

12 **TITLE IV—TEMPORARY RE-**
13 **MOVAL OF LIMIT ON LOAN**
14 **DEFICIENCY PAYMENTS AND**
15 **MARKETING LOAN GAINS**

16 **SEC. 401. TEMPORARY REMOVAL OF LIMIT ON AUTHOR-**
17 **IZED AMOUNT OF MARKETING LOAN GAINS**
18 **AND LOAN DEFICIENCY PAYMENTS.**

19 Section 1001(2) of the Food Security Act of 1985
20 (7 U.S.C. 1308(2)) is amended by adding at the end the
21 following new sentence: “However, this limitation shall not
22 apply during the 1999 and 2000 crop years.”.

1 **TITLE V—UPLAND COTTON**
2 **PRICE COMPETITIVENESS**

3 **SEC. 501. UPLAND COTTON PRICE COMPETITIVENESS.**

4 (a) IN GENERAL.—Section 136(a) of the Agricultural
5 Market Transition Act (7 U.S.C. 7236(a)) is amended—

6 (1) in paragraph (1), by striking “or cash pay-
7 ments” and inserting “or cash payments, at the op-
8 tion of the recipient,”;

9 (2) by striking “3 cents per pound” each place
10 it appears and inserting “1.25 cents per pound”;

11 (3) in the first sentence of paragraph (3)(A), by
12 striking “owned by the Commodity Credit Corpora-
13 tion in such manner, and at such price levels, as the
14 Secretary determines will best effectuate the pur-
15 poses of cotton user marketing certificates” and in-
16 serting “owned by the Commodity Credit Corpora-
17 tion or pledged to the Commodity Credit Corpora-
18 tion as collateral for a loan in such manner, and at
19 such price levels, as the Secretary determines will
20 best effectuate the purposes of cotton user mar-
21 keting certificates, including enhancing the competi-
22 tiveness and marketability of United States cotton”;
23 and

24 (4) by striking paragraph (4).

1 (b) ENSURING THE AVAILABILITY OF UPLAND COT-
2 TON.—Section 136(b) of the Agricultural Market Transi-
3 tion Act (7 U.S.C. 7236(b)) is amended—

4 (1) by striking paragraph (1) and inserting the
5 following:

6 “(1) ESTABLISHMENT.—

7 “(A) IN GENERAL.—The President shall
8 carry out an import quota program during the
9 period ending July 31, 2003, as provided in this
10 subsection.

11 “(B) PROGRAM REQUIREMENTS.—Except
12 as provided in subparagraph (C), whenever the
13 Secretary determines and announces that for
14 any consecutive 4-week period, the Friday
15 through Thursday average price quotation for
16 the lowest-priced United States growth, as
17 quoted for Middling (M) 1³/₃₂-inch cotton, deliv-
18 ered C.I.F. Northern Europe, adjusted for the
19 value of any certificate issued under subsection
20 (a), exceeds the Northern Europe price by more
21 than 1.25 cents per pound, there shall imme-
22 diately be in effect a special import quota.

23 “(C) TIGHT DOMESTIC SUPPLY.—During
24 any month for which the Secretary estimates
25 the season-ending United States upland cotton

1 stocks-to-use ratio, as determined under sub-
2 paragraph (D), to be below 16 percent, the Sec-
3 retary, in making the determination under sub-
4 paragraph (B), shall not adjust the Friday
5 through Thursday average price quotation for
6 the lowest-priced United States growth, as
7 quoted for Middling (M) 1³/₃₂-inch cotton, deliv-
8 ered C.I.F. Northern Europe, for the value of
9 any certificates issued under subsection (a).

10 “(D) SEASON-ENDING UNITED STATES
11 STOCKS-TO-USE RATIO.—For the purposes of
12 making estimates under subparagraph (C), the
13 Secretary shall, on a monthly basis, estimate
14 and report the season-ending United States up-
15 land cotton stocks-to-use ratio, excluding pro-
16 jected raw cotton imports but including the
17 quantity of raw cotton that has been imported
18 into the United States during the marketing
19 year.”; and

20 (2) by adding at the end the following:

21 “(7) LIMITATION.—The quantity of cotton en-
22 tered into the United States during any marketing
23 year under the special import quota established
24 under this subsection may not exceed the equivalent
25 of 5 week’s consumption of upland cotton by domes-

1 tic mills at the seasonally adjusted average rate of
 2 the 3 months immediately preceding the first special
 3 import quota established in any marketing year.”.

4 **TITLE VI—MARKET LOSS ASSIST-**
 5 **ANCE FOR LIVESTOCK AND**
 6 **DAIRY PRODUCERS**

7 **SEC. 601. ASSISTANCE TO LIVESTOCK AND DAIRY PRO-**
 8 **DUCERS.**

9 The Secretary of Agriculture shall use \$325,000,000
 10 of funds of the Commodity Credit Corporation to provide
 11 assistance to livestock and dairy producers in a manner
 12 determined by the Secretary.

13 **TITLE VII—EMERGENCY**
 14 **CONCESSIONAL SALES AND**
 15 **DONATIONS**

16 **SEC. 701. EMERGENCY CONCESSIONAL SALES AND DONA-**
 17 **TIONS.**

18 (a) IN GENERAL.—The Secretary of Agriculture shall
 19 use \$950,000,000 of funds of the Commodity Credit Cor-
 20 poration to carry out a purchase and donation or
 21 concessional sales initiative to promote the export of addi-
 22 tional quantities of United States agricultural commod-
 23 ities using programs established under—

24 (1) the Commodity Credit Corporation Charter
 25 Act (15 U.S.C. 714 et seq.);

1 (2) section 416 of the Agricultural Act of 1949
2 (7 U.S.C. 1431);

3 (3) titles I and II of the Agricultural Trade De-
4 velopment and Assistance Act of 1954 (7 U.S.C.
5 1701 et seq.); and

6 (4) the Food for Progress Act of 1985 (7
7 U.S.C. 1736o).

8 (b) SPECIALTY CROPS.—The Secretary shall use not
9 more than \$50,000,000 of the funds specified in sub-
10 section (a) to carry out this section to provide assistance
11 to producers of fruits and vegetables.

12 **TITLE VIII—CONSERVATION** 13 **RESERVE**

14 **SEC. 801. SENSE OF CONGRESS REGARDING FULL ENROLL-** 15 **MENT OF LAND IN THE CONSERVATION RE-** 16 **SERVE.**

17 It is the sense of the Congress that the Secretary of
18 Agriculture should promptly enroll in the conservation re-
19 serve the full 36,400,000 acres authorized under section
20 1231(d) of the Food Security Act of 1985 (16 U.S.C.
21 3831(d)).

1 **TITLE IX—EARLY AVAILABILITY**
2 **OF AMTA PAYMENTS**

3 **SEC. 901. AUTHORITY FOR ADVANCE PAYMENT IN FULL OF**
4 **REMAINING PAYMENTS UNDER PRODUCTION**
5 **FLEXIBILITY CONTRACTS.**

6 Section 112(d)(3) of the Agricultural Market Transi-
7 tion Act (7 U.S.C. 7212(d)(3)) is amended—

8 (1) in the paragraph heading, by striking “FOR
9 FISCAL YEAR 1999”;

10 (2) by striking “for fiscal year 1999” and in-
11 sserting “for any of fiscal years 1999 through 2002”;
12 and

13 (3) by striking “that fiscal year” and inserting
14 “that same fiscal year”.

15 **TITLE X—CROP INSURANCE**

16 **SEC. 1001. CROP INSURANCE PREMIUM DISCOUNT FOR 2000**
17 **CROP YEAR.**

18 The Secretary of Agriculture shall use \$500,000,000
19 of funds of the Commodity Credit Corporation to assist
20 agricultural producers in purchasing additional coverage
21 for the 2000 crop year under the Federal Crop Insurance
22 Act (7 U.S.C. 1501 et seq.).

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