

PROVIDING FOR THE CONSIDERATION OF H.R. 2854, THE
AGRICULTURAL MARKET TRANSITION PROGRAM

FEBRUARY 27, 1996.—Referred to the House Calendar and ordered to be printed

Mr. SOLOMON, from the Committee on Rules,
submitted the following

REPORT

[To accompany H. Res. 366]

The Committee on Rules, having had under consideration House Resolution 366, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

BRIEF SUMMARY OF PROVISIONS OF RESOLUTION

The resolution provides for the consideration of H.R. 2854, the “Agricultural Market Transition Program” under a modified closed rule. The rule provides 2 hours of general debate divided equally between the chairman and ranking minority member of the Committee on Agriculture.

The rule waives all points of order against consideration of the bill.

The rule makes in order the Committee on Agriculture amendment in the nature of a substitute now printed in the bill. All points of order are waived against the amendment in the nature of a substitute and it shall be considered as read.

Only amendments referenced in the Rules Committee report are in order and shall be considered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments referenced in the report are waived.

The rule further provides that a separate vote may be demanded in the House on any amendment adopted to the committee amendment in the nature of a substitute.

The rule also provides one motion to recommit, with or without instructions.

The chairman of the Committee on Agriculture or a designee may offer amendments en bloc consisting of amendments not previously disposed of which are printed in the Rules Committee report or germane modifications thereof. The amendments offered en bloc shall be considered as read (except that modifications shall be reported), shall be debatable for 20 minutes equally divided between the chairman and ranking minority member of the Agriculture Committee or their designees.

Finally, the rule permits the original proponent of an amendment included in an en bloc amendment to insert a statement in the Congressional Record immediately prior to the disposition of the amendments en bloc.

COMMITTEE VOTES

Pursuant to clause 2(l)(2)(B) of House rule XI the results of each rollcall vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

RULES COMMITTEE ROLLCALL NO. 284

Date: February 27, 1996.

Measure: Rule for consideration of H.R. 2854, Agriculture Market Transition Act.

Motion By: Mr. Moakley.

Summary of Motion: Substitute an open rule with 2 hours of general debate.

Results: Rejected 3 to 7.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 285

Date: February 27, 1996.

Measure: Rule for consideration of H.R. 2854, Agriculture Market Transition Act.

Motion By: Mr. Moakley.

Summary of Motion: Make in order Obey amendment No. 24, dairy substitute.

Results: Rejected 3 to 7.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 286

Date: February 27, 1996.

Measure: Rule for consideration of H.R. 2854, Agriculture Market Transition Act.

Motion By: Mr. Frost.

Summary of Motion: Make in order en bloc amendments by de la Garza No. 38, No. 39, and No. 40,—\$3.5 billion for rural development, oil seed loan rate, and retain permanent law.

Results: Rejected 3 to 7.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 287

Date: February 27, 1996.

Measure: Rule for consideration of H.R. 2854, Agriculture Market Transition Act.

Motion By: Mr. Moakley.

Summary of Motion: Make in order Sanders Amendment No. 22, Northeast Dairy Compact.

Results: Rejected, 3 to 7.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 288

Date: February 27, 1996.

Measure for consideration of H.R. 2854, Agriculture Market Transition Act.

Motion By: Mr. Frost.

Summary of Motion: Make in order de la Garza Amendment No. 63, production flexibility for 1996 and 1997.

Results: Rejected, 3 to 7.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 289

Date: February 27, 1996.

Measure: Rule for consideration of H.R. 2854, Agriculture Market Transition Act.

Motion By: Mr. Hall.

Summary of Motion: Make in order Volkmer Amendment No. 8, required planning.

Results: Rejected, 3 to 7.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 290

Date: February 27, 1996.

Measure: Rule for consideration of H.R. 2854, Agriculture Market Transition Act.

Motion By: Mr. Hall.

Summary of Motion: Make in order Volkmer Amendment No. 12, retain permanent law.

Result: Rejected, 3 to 7.

Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

The text of the amendments made in order by the rule:

1. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE ROBERTS OF KANSAS OR A DESIGNEE, DEBATABLE FOR 20 MINUTES:

Page 4, line 15, insert before the period the following: "and such other acreage as the Secretary considers fair and equitable".

Page 5, strike line 7.

Page 5, line 13, strike "title V" and insert "section 505".

Page 5, line 15, add at the end the following: "The Secretary shall adjust the farm program payment yield for the 1995 crop of a contract commodity to account for any additional yield payments made with respect to that crop under subsection (b)(2) of the section."

Page 5, strike line 23 and all that follows through line 16 on page 6, and insert the following:

(12) PRODUCER.—The term "producer" means an owner, landlord, tenant, or sharecropper who shares in the risk of producing a crop and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract.

Page 7, strike lines 9 through 18, and insert the following:

shall agree, in exchange for annual contract payments, to—

(A) comply with the conservation plan for the farm prepared in accordance with section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812);

(B) comply with wetland protection requirements applicable to the farm under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.); and

(C) comply with the planting flexibility requirements of subsection (j); and

(D) to use the land subject to the contract for agricultural or related activities, but not for nonagricultural commercial or industrial uses.

Page 7, beginning line 20, strike "following persons shall be considered to be an owner or operator" and insert "producers and owners described in this paragraph shall be".

Page 9, beginning line 5, strike "operators who are".

Page 16, strike lines 12 through 16 and insert the following:

(b) PAYMENT LIMITATION.—Sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3), as amended by section 105, establish payment limitations on the total amount of contract payments that may be made under contracts during any fiscal year.

Page 16, beginning line 20, strike "the conservation plan" and all that follows through "subsection (j)" and insert the following: "a requirement of the contract specified in subparagraph (A), (B), (C), or (D) of subsection (a)(1)".

Page 19, line 5, insert at the end the following: "The Secretary shall carry out this paragraph in such a manner as to ensure that the reconstitution of a farm as part of the transfer of contract acreage results in no additional outlays under this section."

Page 20, beginning line 19, strike “on a farm that is planted for harvest to alfalfa” and insert “of alfalfa on a farm that is harvested”.

Page 51, beginning line 12, strike “section 411 of the Agricultural Adjustment Act of 1938” and insert “section 104(i)(1)”.

Page 60, line 22, strike “ $\frac{1}{2}$ ” and insert “the grower portion”.

Page 61, line 18, strike “MARKETING” and insert “POUNDAGE”.

Page 64, line 10, strike “at the end of the 1996 marketing year” and insert “on or after January 1, 1997,”.

Page 64, line 21, insert “(except seed)” after “use”.

Page 67, line 1, strike “basic”.

Page 76, line 11, strike “of”.

Page 77, line 23, strike “or employee” and insert “, employee, or agency”.

Page 98, line 18, insert “minus five cents” after “butter”.

Page 102, line 11, insert “is authorized to and” after “Agriculture”.

Page 102, line 17, insert “which amount the marketing order issued by California is hereby directed to make,” after “California.”.

Page 113, line 5, insert “the first day of the first month beginning after” after “take effect on”.

Page 113, strike lines 14 through 23, and insert the following new paragraph:

(1) Consolidation of Federal milk marketing orders into not less than 8 nor more than 13 orders, which shall also include those areas of the 48 contiguous States not covered by a Federal milk marketing order on the date of the enactment of this Act. The consolidation shall comply with the following:

(A) One of the new Federal milk marketing orders shall cover only the State of California.

(B) A new or amended order shall have the right to blend order receipts to address unique issues in that order, such as a State quota system in effect on the date of the enactment of this Act.

(C) When milk of the highest use classification subject to a State quota system in operation on the date of the enactment of this Act is marketed under a new or amended Federal milk marketing order that also includes milk not subject to that State quota system, the Secretary shall provide a segregated account within the pool operated by the Federal milk marketing order for the collection and disbursement of receipts from the marketing of any milk subject to that State quota system.

(D) In accomplishing the consolidation of areas not covered by a Federal milk marketing order on the date of the enactment of this Act, the Secretary may utilize a milk pooling system or other regulatory system in operation in any State on such date in lieu of Federal authorities to blend pool proceeds or manage any quota plan in operation in a State on such date.

Page 114, after line 18, insert the following new subsection:

(d) CONTINUATION OF STATE ORDERS.—Nothing in this section shall preclude a State from maintaining a separate State marketing order for milk and the products of milk so long as the provi-

sions of that State order are consistent with and complement any Federal order or orders applicable to milk marketed in that State.

Page 120, beginning line 13, strike paragraph (2) relating to the definition of large confined livestock operation.

Page 125, strike lines 7 through 10.

Page 130, strike lines 14 through 22 and insert the following new clause:

“(iii) CURRENT POLICIES.—Subject to clause (ii), all catastrophic risk protection policies written by local offices of the Department shall be transferred to the approved insurance provider for performance of all sales, service, and loss adjustment functions. Any fees in connection with such policies that are not yet collected at the time of the transfer shall be payable to the approved insurance providers assuming the policies.”; and

Page 137, strike lines 17 through 23 and insert the following new subsection:

(b) FISCAL YEAR 1996 FUNDING.—From funds appropriated for the salaries and expenses of the Consolidated Farm Service Agency in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996 (Public Law 104–37), the Secretary of Agriculture may use such sums as necessary for the salaries and expenses of the Office of Risk Management established under subsection (a).

Page 139, after line 17, insert the following new section:

SEC. 507. AUTHORIZATION TO GRANT RIGHTS-OF-WAY

Section 501 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761) is amended as it applies to the Secretary of Agriculture—

(1) in subsection (c)(1)—

(A) by striking subparagraph (B);

(B) in subparagraph (D), by striking “originally constructed”;

(C) in subparagraph (G), by striking “1996” and inserting “1998”; and

(D) by redesignating subparagraphs (C) through (G) as subparagraphs (B) through (F), respectively;

(2) in subsection (c)(3)(A), by striking the second and third sentences; and

(3) by adding at the end the following new subsection;

“(e) EFFECT ON VALID EXISTING RIGHTS.—Notwithstanding any provision of this section, the Secretary of Agriculture may not require, as a condition of, or in connection with, the renewal of a right-of-way under this section, a restriction or limitation on the operation, use, repair, or replacement of an existing water supply facility which is located on or above National Forest lands or the exercise and use of existing water rights, if such condition would reduce the quantity of water which would otherwise be made available for use by the owner of such facility or water rights, or cause an increase in the cost of the water supply provided from such facility.”.

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE FRANK OF MASSACHUSETTS, OR A DESIGNEE, DEBATABLE FOR 40 MINUTES

Strike sections 101 through 105 and insert the following:

SEC. 101. CONTINUATION OF PRICE SUPPORT PROGRAMS UNDER AGRICULTURAL ACT OF 1949 FOR WHEAT, FEED GRAINS, COTTON, RICE, AND OILSEEDS.

Subject to the program modifications required by this title, for the 1996 through 2000 crops of each loan commodity, the Secretary of Agriculture shall offer producers the option to participate in price support, production adjustment, and payment programs based on the terms and conditions provided in sections 101B, 103(h), 103B, 105B, 107B, 114, and 205 of the Agricultural Act of 1949 (as in effect on the day before the date of the enactment of this Act), and such other provisions of such Act (as so in effect) as determined by the Secretary to be necessary.

SEC. 102 REDUCTION IN TARGET PRICES AND TERMINATION OF DEFICIENCY PAYMENTS AND MARKETING LOANS FOR WHEAT, FEED GRAINS, RICE, AND COTTON.

(a) WHEAT.—

(1) REDUCTION IN TARGET PRICES.—In the case of any price support program for wheat administered by the Secretary of Agriculture, the established price for wheat for a crop year shall not exceed—

(A) for the 1996 crop of wheat, \$3.84 per bushel; and

(B) for the 1997 through 2002 crops of wheat, an amount that is four percent less than the established price for wheat for the preceding crop year.

(2) TERMINATION OF DEFICIENCY PAYMENT AND MARKETING LOANS.—Notwithstanding any other provision of law, for the 2003 and subsequent crops of wheat, the Secretary of Agriculture shall not make deficiency payments available to producers of wheat or permit producers to repay a price support loan at a rate below the original loan rate.

(b) CORN.—

(1) REDUCTION IN TARGET PRICES.—In the case of any price support program for corn administered by the Secretary of Agriculture, the established price for corn for a crop year shall not exceed—

(A) for the 1996 crop of corn, \$2.64 per bushel; and

(B) for the 1997 through 2002 crops of corn, an amount that is four percent less than the established price for corn for the preceding crop year.

(2) TERMINATION OF DEFICIENCY PAYMENT AND MARKETING LOANS.—Notwithstanding any other provision of law, for the 2003 and subsequent crops of corn, the Secretary of Agriculture shall not make deficiency payments available to producers of corn or permit producers to repay a price support loan at a rate below the original loan rate.

(c) OATS.—

(1) REDUCTION IN TARGET PRICES.—In the case of any price support program for oats administered by the Secretary of Agriculture, the established price for oats for a crop year shall not exceed—

(A) for the 1996 crop of oats, \$1.39 per bushel; and

(B) for the 1997 through 2002 crops of oats, an amount that is four percent less than the established price for oats for the preceding crop year.

(2) TERMINATION OF DEFICIENCY PAYMENT AND MARKETING LOANS.—Notwithstanding any other provision of law, for the 2003 and subsequent crops of oats, the Secretary of Agriculture shall not make deficiency payments available to producers of oats or permit producers to repay a price support loan at a rate below the original loan rate.

(d) GRAIN SORGHUMS.—

(1) REDUCTION IN TARGET PRICES.—In the case of any price support program for grain sorghums administered by the Secretary of Agriculture, the established price for grain sorghums for a crop year shall not exceed—

(A) for the 1996 crop of grain sorghums, \$2.51 per bushel; and

(B) for the 1997 through 2002 crops of grain sorghums, an amount that is four percent less than the established price for grain sorghums for the preceding crop year.

(2) TERMINATION OF DEFICIENCY PAYMENT AND MARKETING LOANS.—Notwithstanding any other provision of law, for the 2003 and subsequent crops of grain sorghums, the Secretary of Agriculture shall not make deficiency payments available to producers of grain sorghums or permit producers to repay a price support loan at a rate below the original loan rate.

(e) BARLEY.—

(1) REDUCTION IN TARGET PRICES.—In the case of any price support program for barley administered by the Secretary of Agriculture, the established price for barley for a crop year shall not exceed—

(A) for the 1996 crop of barley, \$2.27 per bushel; and

(B) for the 1997 through 2002 crops of barley, an amount that is four percent less than the established price for barley for the preceding crop year.

(2) TERMINATION OF DEFICIENCY PAYMENT AND MARKETING LOANS.—Notwithstanding any other provision of law, for the 2003 and subsequent crops of barley, the Secretary of Agriculture shall not make deficiency payments available to producers of barley or permit producers to repay a price support loan at a rate below the original loan rate.

(f) RICE.—

(1) REDUCTION IN TARGET PRICES.—In the case of any price support program for rice administered by the Secretary of Agriculture, the established price for rice for a crop year shall not exceed—

(A) for the 1996 crop of rice, \$10.28 per hundredweight; and

(B) for the 1997 through 2002 crops of rice, an amount that is four percent less than the established price for rice for the preceding crop year.

(2) TERMINATION OF DEFICIENCY PAYMENT AND MARKETING LOANS.—Notwithstanding any other provision of law, for the 2003 and subsequent crops of rice, the Secretary of Agriculture

shall not make deficiency payments available to producers of rice or permit producers to repay a price support loan at a rate below the original loan rate.

(g) UPLAND COTTON.—

(1) REDUCTION IN TARGET PRICES.—In the case of any price support program for upland cotton administered by the Secretary of Agriculture, the established price for upland cotton for a crop year shall not exceed—

(A) for the 1996 crop of upland cotton, \$0.70 per hundredweight; and

(B) for the 1997 through 2002 crops of upland cotton, an amount that is four percent less than the established price for upland cotton for the preceding crop year.

(2) TERMINATION OF DEFICIENCY PAYMENT AND MARKETING LOANS.—Notwithstanding any other provision of law, for the 2003 and subsequent crops of upland cotton, the Secretary of Agriculture shall not make deficiency payments available to producers of upland cotton or permit producers to repay a price support loan at a rate below the original loan rate.

(h) EXTRA LONG STAPLE COTTON.—

(1) REDUCTION IN TARGET PRICES.—In the case of any price support program for extra long staple cotton administered by the Secretary of Agriculture, the established price for extra long staple cotton for a crop year shall not exceed—

(A) for the 1996 crop of extra long staple cotton, \$0.918 per hundredweight; and

(B) for the 1997 through 2002 crops of extra long staple cotton, an amount that is four percent less than the established price for extra long staple cotton for the preceding crop year.

(2) TERMINATION OF DEFICIENCY PAYMENT AND MARKETING LOANS.—Notwithstanding any other provision of law, for the 2003 and subsequent crops of extra long staple cotton, the Secretary of Agriculture shall not make deficiency payments available to producers of extra long staple cotton or permit producers to repay a price support loan at a rate below the original rate.

(i) FUTURE REPEAL OF CURRENT PROVISIONS REGARDING PRICE SUPPORT.—Effective October 1, 2000, the following provisions of the Agricultural Act of 1949, if still in effect on such date, are repealed:

(1) Section 101 (7 U.S.C. 1441) regarding price support levels generally.

(2) Section 101B (7 U.S.C. 1441–2) regarding loans deficiency payments, and acreage reduction programs for rice.

(3) Section 103(h) (7 U.S.C. 1444(h)) regarding loans, deficiency payments, and acreage production programs for extra long staple cotton.

(4) Section 103B (7 U.S.C. 1444–2) regarding loans, deficiency payments, and acreage reduction programs for upland cotton.

(5) Section 105B (7 U.S.C. 1444f) regarding loans, deficiency payments, and acreage reduction programs for feed grains.

(6) Section 107B (7 U.S.C. 1445–3a) regarding loans, deficiency payments, and acreage reduction programs for wheat.

(7) Any similar provisions of law, enacted after the date of the enactment of this Act, relating to loans, deficiency payments, and acreage reduction programs for the crops referred to in the preceding paragraphs.

SEC. 104 BUDGETARY LIMITATIONS ON OUTLAYS FOR DEFICIENCY PAYMENTS FOR WHEAT, FEED, GRAINS, RICE AND COTTON.

(a) **LIMITATION.**—The total Commodity Credit Corporation outlays for deficiency payments for wheat, feed, grains, rice and cotton for the crop year 1996 through 2002 may not exceed—

(1) for fiscal year 1996, 88 percent of the projected Congressional Budget Office baseline of \$6,556,000,000;

(2) for fiscal year 1997, 70 percent of the projected Congressional Budget Office baseline of \$6,525,000;

(3) for fiscal year 1998, 53 percent of the projected Congressional Budget Office baseline of \$6,556,000,000;

(4) for fiscal year 1999, 40 percent of the projected Congressional Budget Office baseline of \$6,921,000,000;

(5) for fiscal year 2000, 23 percent of the projected Congressional Budget Office baseline of \$6,671,000,000;

(b) **PROBATION OF PAYMENTS.**—In any crop year, if the total Commodity Credit Corporation obligations for deficiency payments are projected to exceed the applicable spending limit specified in subsection (a), the Secretary of Agriculture shall prorate deficiency payments to recipients to meet such spending limit.

3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CHABOT OF OHIO, OR REPRESENTATIVE KENNEDY OF MASSACHUSETTS, OR A DESIGNEE, DEBATABLE FOR 30 MINUTES

Page 48, after line 17, insert the following new subsections:

(l) **EARLY TERMINATION FOR COTTON.**—Notwithstanding subsection (a)(1), marketing assistance loans and loan deficiency payments under this section for upland cotton and extra long staple cotton shall be available only for the 1996, 1997, and 1998 crops of upland cotton and extra long staple cotton.

(m) **EFFECT ON CONTRACT PAYMENTS OF MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS FOR UPLAND COTTON.**—If a producer obtains a loan deficiency payment under subsection (e) with respect to upland cotton or receives a marketing loan gain under subsection (d) by reason of repaying a marketing assistance loan for upland cotton at a rate that is less than the loan rate established for upland cotton under subsection (b) and the producer is entitled to payments under a production flexibility contract, then the Secretary shall deduct the total amount of the loan deficiency payment or marketing loan gain from subsequent contract payments to be made to the producer. The Secretary shall make the deduction in equal installments over the remaining term of the contract.

4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE VOLKMER OF MISSOURI, OR A DESIGNEE, DEBATABLE FOR 40 MINUTES

Page 50, after line 2, insert the following subsections (and redesignate subsequent subsections accordingly):

(b) REPEAL OF THREE-ENTITY RULE.—Section 1001A(a)(1) of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)(1) is amended—

(1) in the first sentence by—

(A) striking “substantial beneficial interests in more than two entities” and inserting “a substantial beneficial interest in any other entity”; and

(B) striking “receive such payments as separate persons” and insert “receives such payments as a separate person”; and

(2) by striking the second sentence.

(c) ATTRIBUTION OF PAYMENTS MADE TO CORPORATIONS AND OTHER ENTITIES.—Paragraph (5)(C) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended to read as follows:

“(C)(i) In the case of payments to corporations and other entities described in subparagraph (B)(i)(II), the Secretary shall attribute payments to individuals in proportion to their ownership interests in the corporation or entity receiving the payment or in any other corporation or entity that has a substantial beneficial interest in the corporation or entity actually receiving the payment. This subparagraph shall apply to individuals who hold or acquire, directly or through another corporation or entity, a substantial beneficial interest in the corporation or entity actually receiving the payment.

“(ii) In the case of payments to corporations and other entities described in subparagraph (B)(i)(II), the Secretary shall also attribute payments to any State (or political subdivision or agency thereof) or other corporation or entity that has a substantial beneficial interest in the corporation or entity actually receiving the payment in proportion to their ownership interests in the corporation or entity receiving the payment. This subparagraph shall apply even if the payments are also attributable to individuals under clause (i).

“(iii) For purposes of this subparagraph, the term ‘substantial beneficial interest’ means not less than five percent of all beneficial interests in the corporation or entity actually receiving the payment, except that the Secretary may set a lower percentage in order to ensure that the provisions of this section and the scheme or device provisions in section 1001B are not circumvented.”.

(d) TRACKING OF PAYMENTS.—

(1) IN GENERAL.—Paragraph (3) of section 1001A(a) of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)) is amended to read as follows:

“(3) NOTIFICATION.—To facilitate administration of this section, each entity or individual receiving payments as a separate person shall notify each individual or other entity that acquires or holds a substantial beneficial interest in it of the requirements and limitations under this subsection. Each such entity or individual receiving payments shall provide to the Secretary, at such times and in such manner as prescribed by the Secretary, the name and social security number of each in-

dividual, or the name and taxpayer identification number of each entity, that holds or acquires a substantial beneficial interest.”

(2) CONFRONTING AMENDMENT.—Paragraph (2) of such section is amended to reach as follows:

“(2) SUBSTANTIAL BENEFICIAL INTEREST.—For purposes of this subsection, the term ‘substantial beneficial interest’ has the meaning given such term in section 1001(5)(C)(iii).”

5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SHAYS OF CONNECTICUT, OR REPRESENTATIVE LOWEY OF NEW YORK, OR A DESIGNEE, DEBATABLE FOR 40 MINUTES

Page 51, strike lines 4 and 5, relating to the loan rate for quota peanuts, and insert the following:

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be as follows:

- (A) \$610 per ton for the 1996 crop.
- (B) \$550 per ton for the 1997 crop.
- (C) \$490 per ton for the 1998 crop.
- (D) \$430 per ton for the 1999 crop.
- (E) \$370 per ton for the 2000 crop.
- (F) \$310 per ton for the 2001 crop.

Page 59, line 2, add at the end the following new sentence: “Notwithstanding the loan rate actually in effect under subsection (a)(2) or (b)(1), for purposes of this subsection, the Secretary shall use a national average quota loan rate of \$610 per ton and the loan rate for additional peanuts that corresponds to such national average quota loan rate.”

Page 61, strike lines 16 and 17, relating to the effective period of the peanut program, and insert the following:

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2001 crops of peanuts. For the 2002 and subsequent crops of peanuts, the Secretary may not make price support available, whether in the form of loans, purchases, or other operations, to peanut producers by using funds of the Commodity Credit Corporation or under the authority of any law.

Page 61, beginning line 18 through 10 on page 63, strike “2002” all six places it appears and inset “2001”.

6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MILLER OF FLORIDA, OR REPRESENTATIVE SCHUMER OF NEW YORK, OR A DESIGNEE, DEBATABLE FOR 1 HOUR

Strike section 107 (page 69, line 18, through page 77, line 14), and insert the following new section:

SEC. 107. RECOURSE LOANS FOR PROCESSORS OF SUGARCANE AND SUGAR BEETS.

(a) SUGARCANE PROCESSOR LOANS.—

(1) IN GENERAL.—The Secretary shall make recourse loans available to processors of sugarcane on raw can sugar processed from the 1996 through 1999 crops of domestically grown sugarcane.

(2) LOAN RATES.—Recourse loans under this subsection shall be made at the following rates:

(A) In the case of raw cane sugar processed from 1996 crops, \$0.165.

(B) In the case of raw cane sugar processed from 1997 crop, \$0.15.

(C) In the case of raw cane sugar processed from 1998 crop, \$0.135.

(D) In the case of raw cane sugar processed from 1999 crop, \$0.12.

(B) SUGAR BEET PROCESSOR LOANS.—

(1) IN GENERAL.—The Secretary shall make recourse loans available to processors of sugar beets on refined sugar processed from the 1996 through 1999 crops of domestically grown sugar beets.

(2) LOAN RATES.—Recourse loans under this subsection for sugar refined from a crop of sugar beets shall be made at a rate, per pound of refined sugar, that reflects—

(A) an amount that bears the same relation to the loan rate in effect under subsection (a)(2) as the weighted average of producer returns for sugar beets bears to the weighted average of producer returns for sugarcane, expressed on a cents per pound basis for refined beet sugar and raw cane sugar, for the most recent five-year period for which data are available; plus

(B) an amount that covers sugar beet processor fixed marketing expenses.

(c) CONVERSION TO PRIVATE SECTOR FINANCING.—No processor of sugarcane or sugar beets of the 2000 and subsequent crops shall be eligible for recourse loans under this section, and the Secretary of Agriculture may not make price support available, whether in the form of loans, payments, purchases, or other operations, for the 2000 and subsequent crops of sugar beets and sugarcane by using the funds of the Commodity Credit Corporation or under the authority of any law.

(d) ADMINISTRATIVE RULES.—

(1) NATIONAL LOAN RATES.—Recourse loans under this section shall be made available at all locations nationally at the rates specified in this section, without adjustment to provide regional differentials.

(2) LENGTH OF LOANS.—Each recourse loan made under this section shall be for a term of three months, and may be extended for additional 3-month terms, except that—

(A) no loan may have a cumulative term in excess of nine months or a term that extends beyond September 30 of the fiscal year in which the loan is made; and

(B) a processor may terminate a loan and redeem the collateral for the loan at any time by payment in full of principal, interest, and fees then owing.

(e) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

(f) MARKETING ASSESSMENT.—

(1) SUGARCANE.—Effective for marketings of raw cane sugar during the 1996 through 2003 fiscal years, the first processor of sugarcane shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

(A) in the case of marketings during fiscal year 1996, 1.1 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.375 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

(2) SUGAR BEETS.—Effective for marketings of beet sugar during the 1996 through 2003 fiscal years, the first processor of sugar beets shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

(A) in the case of marketings during fiscal year 1996, 1.1794 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed; and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.47425 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.

(3) COLLECTION.—

(A) TIMING.—A marketing assessment required under this subsection shall be collected on a monthly basis and shall be remitted to the Commodity Credit Corporation not later than 30 days after the end of each month. Any cane sugar or beet sugar processed during a fiscal year that has not been marketed by September 30 of the year shall be subject to assessment on that date. The sugar shall not be subject to a second assessment at the time that it is marketed.

(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

(4) PENALTIES.—If any person fails to remit the assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

- (A) the quantity of cane sugar or beet sugar involved in the violation; by
- (B) the loan rate for the applicable crop of sugarcane or sugar beets.
- (5) ENFORCEMENT.—The Secretary may enforce this subsection in a court of the United States.
- (6) SENSE OF CONGRESS.—It is the sense of Congress that, given the prohibition on the provision of price support for sugarcane and sugar beets for the 2000 and subsequent crops, the need for the application of assessments under this subsection with regard to such crops should be reexamined at that time.
- (g) EFFECT ON EXISTING LOANS FOR SUGAR.—Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to nonrecourse loans made under such section before such date.
- (h) CONFORMING AMENDMENTS.—
- (1) POWERS OF COMMODITY CREDIT CORPORATION.—Section 5(a) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(a)) is amended by inserting “(except for sugarcane and sugar beets of the 2000 and subsequent crops)” after “agricultural commodities”.
- (2) SECTION 32 ACTIVITIES.—The second sentence of the first paragraph of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), is amended by inserting “(other than sugarcane and sugar beets)” after “commodity” the last place it appears.
- (i) CCC SALES PRICE RESTRICTIONS.—The Commodity Credit Corporation may sell for unrestricted use sugar surrendered to the Corporation under loan programs provided for in section 206 of the Agricultural Act of 1949 or this section at such price as the Corporation determines appropriate to maintain and expand export and domestic markets for sugar and to avoid undue disruption of commercial sales of sugar.
- (j) ASSURANCE OF ADEQUATE SUPPLIES OF SUGAR.—Subsection (a) of section 902 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1446g note) is amended to read as follows:
- “(a) Beginning with the quota year for sugar imports which begins after the 1995/1996 quota year, the President and the Secretary of Agriculture shall use all authorities available to the President and the Secretary, as the case may be, to ensure that adequate supplies of raw cane sugar are made available to the United States market at prices no greater than the higher of—
- “(1) the world sugar price (adjusted to a delivered basis); or
- “(2) the raw cane sugar loan rate in effect under section 107(a) of the Agricultural Market Transition Act (plus interest).”.
- (k) TERMINATION OF MARKETING QUOTAS AND ALLOTMENTS.—
- (1) TERMINATION.—Effective October 1, 1996, part VII of subtitle B of title III of the Agriculture Adjustment Act of 1938 (7 U.S.C. 1359aa-1359jj) is repealed.
- (2) CONFORMING AMENDMENT.—Section 344(f)(2) of such Act (7 U.S.C. 1344(f)(2)) is amended by striking “sugar cane for sugar; sugar beets for sugar;”.

(3) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall apply with respect to sugar marketed on or after such date.

7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SOLOMON OF NEW YORK, OR A DESIGNEE, DEBATABLE FOR 40 MINUTES

Strike title II (page 81, line 5, through page 118, line 17) and insert the following:

TITLE II—DAIRY

SEC. 201. MILK PRICE SUPPORT PROGRAM.

(a) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2000, the Secretary of Agriculture shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(b) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

- (1) During calendar year 1996, \$10.15.
- (2) During calendar year 1997, \$10.05.
- (3) During calendar year 1998, \$9.95.
- (4) During calendar year 1999, \$9.85.
- (5) During calendar year 2000, \$9.75.

(c) BID PRICES.—The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

(d) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK—

(1) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(2) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(e) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—

(1) REFUND REQUIRED.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995

or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994 or 1995, respectively.

(2) EXCEPTION.—This subsection shall not apply with respect to a producer for a particular calendar year if the producer has already received a refund under section 204(h) of the Agricultural Act of 1949 for the same fiscal year before the date of the enactment of this Act.

(3) TREATMENT OF REFUND.—A refund under this subsection shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

(g) PERIOD OF EFFECTIVENESS.—This section shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2000. The program authorized by this section shall terminate on December 31, 2000, and shall be considered to have expired notwithstanding section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 907).

SEC. 202. CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.

(a) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(1) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(2) provide for multiple basing points for the pricing of milk.

(b) EXPEDITED PROCESS.—Using the rulemaking procedures provided in section 553 of title 5, United States Code, the Secretary shall—

(1) announce the amendments required under subsection (a) not later than December 31, 1998; and

(2) implement the amendments not later than December 31, 2000.

(c) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(d) STUDY REGARDING FURTHER REFORMS.—Not later than January 1, 1998, the Secretary of Agriculture shall submit to Congress a report—

(1) reviewing the Federal milk marketing order system established pursuant to section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, in light of the reforms required by subsection (a); and

(2) containing such recommendations as the Secretary considers appropriate for further improvements and reforms to the Federal milk marketing order system.

SEC. 203. DAIRY EXPORT INCENTIVE PROGRAM.

(a) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking “2001” and inserting “2002”.

(b) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting “sole” before “discretion”.

(c) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(1) by striking “and” at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting “; and”; and

(3) by adding at the end the following:

“(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

“(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.”.

(d) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(1) by striking “and” and inserting “the”; and

(2) by inserting before the period the following: “, and any additional amount that may be required to assist in the development of world markets for United States dairy products”.

(e) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

“(f) REQUIRED FUNDING.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

“(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.”.

SEC. 204. EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.

Nothing in this Act or any other provision of law shall be construed to preempt, prohibit or otherwise limit the authority of the State of California, directly or indirectly, to establish or continue to effect any law, regulation or requirement regarding—

(1) the percentage of milk solids or solids not fat in fluid milk products sold at retail or marketed in the State of California; or

(2) the labeling of such fluid milk products with regard to milk solids or solids not fat.

SEC. 205. REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.

Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e-1) is repealed.

SEC. 206. PROMOTION.

(a) CONGRESSIONAL PURPOSE.—Section 1999B(a) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401(a)) is amended—

(1) by redesignating paragraphs (6), (7) and (8) as paragraphs (7), (8) and (9), respectively; and

(2) by inserting after paragraph (5) the following new paragraph:

“(6) the congressional purpose underlying this subtitle is to maintain and expand markets for fluid milk products, not to maintain or expand any processor’s share of those markets and that the subtitle does not prohibit or restrict individual advertising or promotion of fluid milk products since the programs created and funded by this subtitle are not extended to replace individual advertising and promotion efforts;”.

(b) CONGRESSIONAL POLICY.—Section 1999B(b) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401(b)) is amended to read as follows:

“(b) POLICY.—It is declared to be the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of powers provided in this subtitle, of an orderly procedure for developing, financing, through adequate assessments on fluid milk products produced in the United States and carrying out an effective, continuous, and coordinated program of promotion, research, and consumer information designed to strengthen the position of the dairy industry in the marketplace and maintain and expand domestic and foreign markets and uses for fluid milk products, the purpose of which is not to compete with or replace individual advertising or promotion efforts designed to promote individual brand name or trade name fluid milk products, but rather to maintain and expand the markets for all fluid milk products, with the goal and purpose of this subtitle being a national governmental goal that authorizes and funds programs that result in government speech promoting government objectives.”.

(c) RESEARCH.—Section 1999C(6) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402(6)) is amended to read as follows:

“(6) RESEARCH.—The term ‘research’ means market research to support advertising and promotion efforts, including educational activities, research directed to product characteristics, product development, including new products or improved technology in production, manufacturing or processing of milk and the products of milk.”.

(d) VOTING.—(1) Section 1999N(b)(2) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6413(b)(2)) is amended by striking “all proc-

essors” and inserting “fluid milk processors voting in the referendum”.

(2) Section 1999O(c) of such Act (7 U.S.C. 6414(c)) is amended by striking “all processors” each place it appears and inserting “fluid milk processors voting in the referendum”.

(e) DURATION.—Section 1999O(a) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6414(a)) is amended by striking “1996” and inserting “2002”.

8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BOEHLERT OF NEW YORK, OR A DESIGNEE, DEBATABLE FOR 40 MINUTES

Strike title III (page 118, line 18, through page 128, line 12) and insert the following:

TITLE III—CONSERVATION

SEC. 301. CONSERVATION.

(a) FUNDING.—Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended to read as follows:

“Subtitle E—Funding

“SEC. 1241. FUNDING.

“(a) MANDATORY EXPENSES.—For each of fiscal years 1996 through 2002, the Secretary shall use the funds of the Commodity Credit Corporation to carry out the programs authorized by—

“(1) subchapter B of chapter 1 of subtitle D (including contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 16 U.S.C. 3831 note));

“(2) subchapter C of chapter 1 of subtitle D; and

“(3) chapter 4 of subtitle D.

“(b) ENVIRONMENTAL QUALITY INCENTIVE PROGRAM.—For each of fiscal years 1996 through 2002, \$200,000,000 of the funds of the Commodity Credit Corporation shall be available for providing technical assistance, cost-sharing payments, and incentive payments for practices authorized under the environmental quality incentive program under chapter 4 of subtitle D. At least 50 percent of the funds made available under this subsection for a fiscal year shall be used to provide technical assistance, cost-sharing payments, and incentive payments under such chapter relating to livestock production.”.

(b) ENVIRONMENTAL QUALITY INCENTIVE PROGRAM.—Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by adding at the end the following:

“CHAPTER 4—ENVIRONMENTAL QUALITY INCENTIVE PROGRAM

“SEC. 1240. DEFINITIONS.

“In this chapter and section 1241:

“(1) LAND MANAGEMENT PRACTICE.—The term ‘land management practice’ means a site-specific nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or other land management practice that the Secretary determines is needed to protect, in the most cost effective manner, water, soil, or related resources from degradation.

“(2) LIVESTOCK.—The term ‘livestock’ means mature livestock, dairy cows, beef cattle, laying hens, turkeys, swine, sheep, and such other animals as determined by the Secretary.

“(3) PRODUCER.—The term ‘producer’ means a person who is engaged in livestock or agricultural production (as defined by the Secretary).

“(4) STRUCTURAL PRACTICE.—The term ‘structural practice’ means—

“(A) the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, tailwater pit, or other structural practice that the Secretary determines is needed to protect, in the most cost effective manner, water, soil, or related resources from degradation; and

“(B) the capping of abandoned wells.

“SEC. 1240A. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVE PROGRAM.

“(a) ESTABLISHMENT.—

“(1) IN GENERAL.—During the 1996 through 2002 fiscal years, the Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to producers who enter into contracts with the Secretary, through an environmental quality incentive program.

“(2) ELIGIBLE PRACTICES.—

“(A) STRUCTURAL PRACTICES.—A producer who implements a structural practice shall be eligible for technical assistance or cost-sharing payments, or both.

“(B) LAND MANAGEMENT PRACTICES.—A producer who performs a land management practice shall be eligible for technical assistance or incentive payments, or both.

“(3) ELIGIBLE LAND.—Assistance under this chapter may be provided with respect to land that is used for livestock or agricultural production and on which a serious threat to water, soil, or related resources exists, as determined by the Secretary, by reason of the soil types, terrain, climatic, soil, topographic, flood, or saline characteristics, or other factors or natural hazards.

“(4) SELECTION CRITERIA.—In providing technical assistance, cost-sharing payments, and incentive payments to producers in a region or watershed, the Secretary shall consider—

“(A) the significance of the water, soil, and related natural resource problems; and

“(B) the maximization of environmental benefits per dollar expended.

“(b) APPLICATION AND TERM.—

“(1) IN GENERAL.—A contract between a producer and the Secretary under this chapter may—

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

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

“(2) DUTIES OF PRODUCERS AND SECRETARY.—To receive cost-sharing or incentive payments, or technical assistance, participating producers shall comply with all terms and conditions of the contract and a plan, as established by the Secretary.

“(c) STRUCTURAL PRACTICES.—

“(1) COMPETITIVE OFFER.—The Secretary shall administer a competitive offer system for producers proposing to receive cost-sharing payments in exchange for the implementation of 1 or more structural practices by the producer. The competitive offer system shall consist of—

“(A) the submission of a competitive offer by the producer in such manner as the Secretary may prescribe; and

“(B) evaluation of the offer in light of the selection criteria established under subsection (a)(4) and the projected cost of the proposal, as determined by the Secretary.

“(C) CONCURRENCE OF OWNER.—If the producer making an offer to implement a structural practice is a tenant of the land involved in agricultural production, for the offer to be acceptable, the producer shall obtain the concurrence of the owner of the land with respect to the offer.

“(d) LAND MANAGEMENT PRACTICES.—The Secretary shall establish an application and evaluation process for awarding technical assistance or incentive payments, or both, to a producer in exchange for the performance of 1 or more land management practices by the producer.

“(e) COST-SHARING, INCENTIVE PAYMENTS, AND TECHNICAL ASSISTANCE.—

“(1) COST-SHARING PAYMENTS.—

“(A) IN GENERAL.—The Federal share of cost-sharing payments to a producer proposing to implement 1 or more structural practices shall not be greater than 75 percent of the projected cost of each practice, as determined by the Secretary, taking into consideration any payment received by the producer from a State or local government.

“(B) OTHER PAYMENTS.—A producer shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the producer receives cost-sharing payments or other benefits for the same land under chapter 1, 2, or 3.

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

“(3) TECHNICAL ASSISTANCE.—

“(A) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance with respect to non-Federal lands according to the purpose and projected cost for which the technical assistance is

provided for a fiscal year. The allocated amount may vary according to the type of expertise required, quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided for a fiscal year.

“(B) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the producer to receive technical assistance under other authorities of law available to the Secretary.

“(C) PRIVATE SOURCES.—The Secretary shall ensure that the process of writing and developing proposals and plans for contracts under this chapter, and of assisting in the implementation of structural practices and land management practices covered by the contracts, are open to individuals in agribusiness, including agricultural producers, representatives from agricultural cooperatives, agricultural input retail dealers, and certified crop advisers. The requirements of this subparagraph shall also apply to any other Department program using incentive payments, technical assistance, or cost-share payments and to pilot project programs of the Department that require plans.

“(f) LIMITATION ON PAYMENTS.—

“(1) IN GENERAL.—The total amount of cost-sharing and incentive payments paid to a person under this chapter may not exceed—

“(A) \$10,000 for any fiscal year; or

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

“(2) EXCEPTION TO ANNUAL LIMIT.—The Secretary may exceed the limitation on the annual amount of a payment under paragraph (1)(A) on a case-by-case basis if the Secretary determines that a larger payment is essential to accomplish the land management practice or structural practice for which the payment is made.

“(3) REGULATIONS.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

“(A) defining the term ‘person’ as used in paragraph (1); and

“(B) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations established under this subsection.

“(g) REGULATIONS.—Not later than 180 days after the effective date of this subsection, the Secretary shall issue regulations to implement the environmental quality incentive program established under this chapter.”.

SEC. 302. WETLANDS RESERVE PROGRAM.

(a) ENROLLMENT.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by striking subsection (b) and inserting the following:

“(b) ENROLLMENT CONDITIONS.—

“(1) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the wetlands reserve program shall not exceed 975,000 acres.

“(2) METHODS OF ENROLLMENT.—The Secretary shall ensure, to the maximum extent practicable, that of the total number of acres enrolled in the wetlands reserve program—

“(A) one-third of the acres are enrolled through the use of permanent easements;

“(B) one-third of the acres are enrolled through the use of 30-year easements (or easements of a shorter period if required under applicable State laws); and

“(C) one-third of the acres are enrolled through the use of restoration cost-share agreements authorized under section 1237A(h).”.

“(3) TEMPORARY EMPHASIS ON CERTAIN ENROLLMENT METHODS.—To achieve the enrollment rations specified in paragraph (2), the Secretary shall endeavor, to the maximum extent practicable, to rely on the enrollment methods described in subparagraphs (B) and (C) of paragraph (2) to enroll lands in the wetlands reserve program until such time as enrollments under each such subparagraph accounts for approximately one-third of all lands enrolled in the wetlands reserve.”

(b) ELIGIBILITY.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended by striking “2000” and inserting “2002”.

(c) EASEMENTS AND RESTORATION COST-SHARE AGREEMENTS.—Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in the section heading, by inserting before the period at the end the following: “**AND RESTORATION COST-SHARE AGREEMENTS**”;

(2) by striking subsection (c) and inserting the following:

“(c) RESTORATION PLANS.—The development of a restoration plan, including any compatible use, under this section shall be made through the local Natural Resources Conservation Service representative.”;

(3) in subsection (f), by striking the third sentence and inserting the following: “Compensation may be provided in not less than 5, nor more than 30, annual payments of equal or unequal size, as agreed to by the owner and the Secretary.”; and

(4) by adding at the end the following:

“(h) RESTORATION COST-SHARE AGREEMENTS.—The Secretary may enroll land in the wetland reserve program through agreements that require the landowner to restore wetlands on the land, if the agreement does not provide the Secretary with an easement. Other than cost share and technical assistance provided under section 1237C(b), the Secretary may not provide compensation for an agreement under this subsection.”.

(d) SHARE AND TECHNICAL ASSISTANCE.—Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (b) and inserting the following:

“(b) COST SHARE AND TECHNICAL ASSISTANCE.—

“(1) EASEMENTS.—In the case of an easement entered into during the 1996 through 2002 calendar years, in making cost share payments under subsection (a)(1), the Secretary shall—

“(A) in the case of a permanent easement, pay the owner an amount that is not less than 75 percent, but not more than 100 percent, of the eligible costs; and

“(B) in the case of a 30-year easement, pay the owner an amount that is not less than 50 percent, but not more than 75 percent, of the eligible costs.

“(2) RESTORATION COST-SHARE AGREEMENTS.—In making cost share payments in connection with a restoration cost-share agreement entered into under section 1237(A)(h), the Secretary shall pay the owner an amount that is not less than 50 percent, but not more than 75 percent, of the eligible costs.

“(3) TECHNICAL ASSISTANCE.—The Secretary shall provide owners with technical assistance to assist owners in complying with the terms of easements and restoration cost-share agreements.”.

(e) EFFECT ON EXISTING EASEMENTS.—The amendments made by this section shall not affect the validity or terms of any easements acquired by the Secretary of Agriculture under subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837 et seq.) before the date of the enactment of this Act or any payments required to be made in connection with such easements.

SEC. 303. ELIMINATION OF CONSULTATION REQUIREMENTS WITH SECRETARY OF THE INTERIOR.

Section 1242 of the Food Security Act of 1985 (16 U.S.C. 3842) is amended—

- (1) by striking “(a)” before “In carrying out”; and
- (2) by striking subsection (b).

SEC. 304. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

(a) PROGRAM EXTENSIONS.—Section 1230(a) of the Food Security Act of 1985 (16 U.S.C. 3830(a)) is amended by striking “1995” and inserting “2002”.

(b) CONSERVATION AND IMPROVEMENT OF WILDLIFE HABITAT.—Such section is further amended by inserting “and wildlife habitat” after “soil and water resources”.

SEC. 305. CONSERVATION RESERVE PROGRAM.

(a) PROGRAM EXTENSIONS.—

(1) CONSERVATION RESERVE PROGRAM.—Section 1231 of the Act (16 U.S.C. 3831) is amended in subsections (a) and (b)(3), by striking “1995” each place it appears and inserting “2002”.

(3) DUTIES OF OWNERS AND OPERATORS.—Section 1232(c) of the Act (16 U.S.C. 3832(c)) is amended by striking “1995” and inserting “2002”.

(b) MAXIMUM ENROLLMENT.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended by striking “total of” and all that follows through the period at the end of the subsection and inserting “total of 36,400,000 acres during the 1986 through 2002 calendar years (including contracts extended by the Secretary pursuant to section 1437(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 16 U.S.C. 3831 note).”.

(c) **OPTIONAL CONTRACT TERMINATION BY PRODUCERS.**—Section 1235 of the Food Security Act of 1985 (16 U.S.C. 3835) is amended by adding at the end the following new subsection:

“(e) **TERMINATIONAL BY OWNER OR OPERATOR.**—

(1) **EARLY TERMINATION AUTHORIZED.**—The Secretary shall allow an owner or operator of land that, on the date of the enactment of the Agricultural Market Transition Act, is covered by a contract that was entered into under this subchapter at least five years before that date to terminate the contract with respect to all or a portion of the covered land. The owner or operator shall provide the Secretary with reasonable notice of the termination request.

“(2) **CERTAIN LANDS EXCEPTED.**—Notwithstanding paragraph (1), the following lands shall not be subject to an early termination of contract under this subsection:

“(A) Filterstrips, waterways, strips adjacent to riparian areas, windbreaks, and shelterbelts.

“(B) Land with an erodibility index of more than 15.

“(C) Other lands of high environmental value, as determined by the Secretary.

“(3) **EFFECTIVE DATE.**—The contract termination shall take effect 60 days after the date on which the owner or operator submits the notice under paragraph (1).

“(4) **PRORATED RENTAL PAYMENT.**—If a contract entered into under this subchapter is terminated under this subsection before the end of the fiscal year for which a rental payment is due, the Secretary shall provide a prorated rental payment covering the portion of the fiscal year during which the contract was in effect.

“(5) **RENEWED ENROLLMENT.**—The termination of a contract entered into under this subchapter shall not affect the ability of the owner or operator who requested the termination to submit a subsequent bid to enroll the land that was subject to the contract into the conservation reserve.

“(6) **CONSERVATION REQUIREMENTS.**—If land that was subject to a contract is returned to production of an agricultural commodity, the conservation requirements under subtitles B and C shall apply to the use of the land to the extent that the requirements are similar to those requirements imposed on other similar lands in the area, except that the requirements may not be more onerous than the requirements imposed on other lands.”.

(d) **USE OF UNEXPENDED FUNDS.**—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by adding at the end the following:

“(h) **USE OF UNEXPENDED FUNDS FROM CONTRACT TERMINATIONS.**—If a contract entered into under this section is terminated, voluntarily or otherwise, before the expiration date specified in the contract, the Secretary may use funds, already available to the Secretary to cover payments under the contract, but unexpended as a result of the contract termination, to enroll other eligible lands in the conservation reserve established under this subchapter.”.

(e) **FAIR MARKET VALUE RENTAL RATES.**—

(1) IN GENERAL.—Section 1234(c) of the Food Security Act of 1985 (16 U.S.C. 3834(c)) is amended by adding at the end the following new paragraph:

“(5) In the case of a contract covering land which has not been previously enrolled in the conservation reserve, annual rental payments under the contract may not exceed the average fair market rental rate for comparable lands in the county in which the lands are located. This paragraph shall not apply to the extension of an existing contract.”

(2) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall apply with respect to contracts for the enrollment of lands in the conservation reserve program under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) entered into after the date of the enactment of this Act.

(f) ENROLLMENTS IN 1997.—Section 725 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996 (Public Law 104–37; 109 Stat. 332), is amended by striking the proviso relating to enrollment of new acres in 1997.

9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TIAHRT OF KANSAS, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

Amend section 402—

(1) by inserting “(a) GENERALLY.—” before “Effective”; and

(2) by adding at the end the following:

(b) PRIORITY FUNDING FOR WHEAT FLOUR.—Section 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5651) is amended by adding at the end the following:

“(h) PRIORITY FUNDING FOR WHEAT FLOUR.—Consistent, as determined by the Secretary, with the obligations and reduction commitments undertaken by the United States set forth in the Uruguay Round Agreements, the Secretary shall announce awards under this section on an annual basis for the sale of wheat flour in sufficient amount to maintain the percentage of market share of world commercial flour markets achieved by the United States wheat flour industry during the Uruguay Round base period years of 1986 through 1990.”

10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE ROTH OF WISCONSIN, OR A DESIGNEE, DEBATABLE FOR 30 MINUTES

Add at the end of title IV the following:

Subtitle B—Amendments to Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

SEC. 411. FOOD AID TO DEVELOPING COUNTRIES.

(a) IN GENERAL.—Section 3 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691a) is amended to read as follows:

“SEC. 3. FOOD AID TO DEVELOPING COUNTRIES.

“(a) **POLICY.**—In light of the Uruguay Round Agreement on Agriculture and the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Program on Least-Developed and Net-Food Importing Developing Countries, the United States reaffirms the commitment of the United States to providing food aid to developing countries.

“(b) **SENSE OF CONGRESS.**—It is the sense of Congress that—

“(1) the President should initiate consultations with other donor nations to consider appropriate levels of food aid commitments to meet the legitimate needs of developing countries;

“(2) the United States should increase its contribution of bona fide food assistance to developing countries consistent with the Agreement on Agriculture.”.

(b) **CONFORMING AMENDMENT.**—Section 411 of the Uruguay Round Agreements Act (19 U.S.C. 3611) is amended by striking subsection (e).

SEC. 412. TRADE AND DEVELOPMENT ASSISTANCE.

Section 101 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701) is amended—

(1) by striking “developing countries” each place it appears and inserting “developing countries and private entities”; and

(2) in subsection (b), by inserting “and entities” before the period at the end.

SEC. 413. AGREEMENTS REGARDING ELIGIBLE COUNTRIES AND PRIVATE ENTITIES.

Section 102 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1702) is amended to read as follows:

“SEC. 102. AGREEMENTS REGARDING ELIGIBLE COUNTRIES AND PRIVATE ENTITIES.

“(a) **PRIORITY.**—In selecting agreements to be entered into under this title, the Secretary shall give priority to agreements providing for the export of agricultural commodities to developing countries that—

“(1) have the demonstrated potential to become commercial markets for competitively priced United States agricultural commodities;

“(2) are undertaking measures for economic development purposes to improve food security and agricultural development, alleviate poverty, and promote broad-based equitable and sustainable development; and

“(3) demonstrate the greatest need for food.

“(b) **PRIVATE ENTITIES.**—An agreement entered into under this title with a private entity shall require such security, or such other provisions as the Secretary determines necessary, to provide reasonable and adequate assurance of repayment of the financing extended to the private entity.

“(c) **AGRICULTURAL MARKET DEVELOPMENT PLAN.**—

“(1) **DEFINITION OF AGRICULTURAL TRADE ORGANIZATION.**—In this subsection, the term ‘agricultural trade organization’ means a United States agricultural trade organization that promotes the export and sale of a United States agricultural

commodity and that does not stand to profit directly from the specific sale of the commodity.

“(2) AN.—The Secretary shall consider a developing country for which an agricultural market development plan has been approved under this subsection to have the demonstrated potential to become a commercial market for competitively priced United States agricultural commodities for the purpose of granting a priority under subsection (a).

“(3) REQUIREMENTS.—

“(A) IN GENERAL.—To be approved by the Secretary, an agricultural market development plan shall—

“(i) be submitted by a developing country or private entity, in conjunction with an agricultural trade organization;

“(ii) describe a project or program for the development and expansion of a United States agricultural commodity market in a developing country, and the economic development of the country, using funds derived from the sale of agricultural commodities received under an agreement described in section 101;

“(iii) provide for any matching funds that are required by the Secretary for the project or program;

“(iv) provide for a results-oriented means of measuring the success of the project or program; and

“(v) provide for graduation to the use of non-Federal funds to carry out the project or program, consistent with requirements established by the Secretary.

“(B) AGRICULTURAL TRADE ORGANIZATION.—The project or program shall be designed and carried out by the agricultural trade organization.

“(C) ADDITIONAL REQUIREMENTS.—An agricultural market development plan shall contain such additional requirements as are determined necessary by the Secretary.

“(4) ADMINISTRATIVE COSTS.—

“(A) IN GENERAL.—The Secretary shall make funds made available to carry out this title available for the reimbursement of administrative expenses incurred by agricultural trade organizations in developing, implementing, and administering agricultural market development plans, subject to such requirements and in such amounts as the Secretary considers appropriate.

“(B) DURATION.—The funds shall be made available to agricultural trade organizations for the duration of the applicable agricultural market development plan.

“(C) TERMINATION.—The Secretary may terminate assistance made available under this subsection if the agricultural trade organization is not carrying out the approved agricultural market development plan.”.

SEC. 414. TERMS AND CONDITIONS OF SALES.

Section 103 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703) is amended—

“(1) in subsection (a)(2)(A)—

(A) by striking “a recipient country to make”; and

- (B) by striking “such country” and inserting “the appropriate country”;
- (2) in subsection (c), by striking “less than 10 nor”; and
- (3) in subsection (d)—
- (A) by striking “recipient country” and inserting “developing country or private entity”; and
- (B) by striking “7” and inserting “5”.

SEC. 415. USE OF LOCAL CURRENCY PAYMENT.

Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704) is amended—

- (1) in subsection (a), by striking “recipient country” and inserting “developing country or private entity”; and
- (2) in subsection (c)—
- (A) by striking “recipient country” each place it appears and inserting “appropriate developing country”; and
- (B) in paragraph (3), by striking “recipient countries” and inserting “appropriate developing countries”.

SEC. 416. ELIGIBLE ORGANIZATIONS.

Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722) is amended—

- (1) by striking subsection (b) and inserting the following:
 - “(b) NONEMERGENCY ASSISTANCE.—
 - “(1) IN GENERAL.—The Administrator may provide agricultural commodities for nonemergency assistance under this title through eligible organizations (as described in subsection (d)) that have entered into an agreement with the Administrator to use the commodities in accordance with this title.
 - “(2) LIMITATION.—The Administrator may not deny a request for funds or commodities submitted under this subsection because the program for which the funds or commodities are requested—
 - “(A) would be carried out by the eligible organization in a foreign country in which the Agency for International Development does not have a mission, office, or other presence; or
 - “(B) is not part of a development plan for the country prepared by the Agency.”; and
- (2) in subsection (e)—
- (A) in the subsection heading, by striking “PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES” and inserting “ELIGIBLE ORGANIZATIONS”;
- (B) in paragraph (1)—
- (i) by striking “\$13,500,000” and inserting “\$28,000,000”; and
- (ii) by striking “private voluntary organizations and cooperatives to assist such organizations and cooperatives” and inserting “eligible organizations described in subsection (d), to assist the organizations”;
- (C) in paragraph (3), by striking “a private voluntary organization or cooperative, the Administrator may provide assistance to that organization or cooperative” and inserting “an eligible organization, the Administrator may provide assistance to the eligible organization”.

SEC. 417. GENERATION AND USE OF FOREIGN CURRENCIES.

Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) is amended—

- (1) in subsection (a), by inserting “, or in a country in the same region,” after “in the recipient country”;
- (2) in subsection (b)—
 - (A) by inserting “or in countries in the same region,” after “in recipient countries,”; and
 - (B) by striking “10 percent” and inserting “15 percent”;
- (3) in subsection (c), by inserting “or in a country in the same region,” after “in the recipient country,”; and
- (4) in subsection (d)(2), by inserting “or within a country in the same region” after “within the recipient country”.

SEC. 418. GENERAL LEVELS OF ASSISTANCE UNDER PUBLIC LAW 480.

Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

- (1) in paragraph (1), by striking “amount that” and all that follows through the period at the end and inserting “amount that for each of fiscal years 1996 through 2002 is not less than 2,025,000 metric tons.”;
- (2) in paragraph (2), by striking “amount that” and all that follows through the period at the end and inserting “amount that for each of fiscal years 1996 through 2002 is not less than 1,550,000 metric tons.”; and
- (3) in paragraph (3), by adding at the end the following: “No waiver shall be made before the beginning of the applicable fiscal year.”.

SEC. 419. FOOD AND CONSULTATIVE GROUP.

Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

- (1) in subsection (a), by striking “private voluntary organizations, cooperatives and indigenous non-governmental organizations” and inserting “eligible organizations described in section 202(d)(1)”;
- (2) in subsection (b)—
 - (A) in paragraph (2), by striking “for International Affairs and Commodity Programs” and inserting “of Agriculture for Farm and Foreign Agricultural Services”;
 - (B) in paragraph (4), by striking “and” at the end;
 - (C) in paragraph (5), by striking the period at the end and inserting “; and”; and
 - (D) by adding at the end the following:
 - “(6) representatives from agricultural producer groups in the United States.”;
- (3) in the second sentence of subsection (d), by inserting “(but at least twice per year)” after “when appropriate”; and
- (4) in subsection (f), by striking “1995” and inserting “2002”.

SEC. 420. SUPPORT OF NONGOVERNMENTAL ORGANIZATIONS.

(a) IN GENERAL.—Section 306(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727e(b)) is amended—

- (1) in the subsection heading, by striking “INDIGENOUS NON-GOVERNMENTAL” and inserting “NONGOVERNMENTAL”; and

(2) by striking “utilization of indigenous” and inserting “utilization of”.

(b) CONFORMING AMENDMENT.—Section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732) is amended by striking paragraph (6) and inserting the following:

“(6) NONGOVERNMENTAL ORGANIZATION.—The term ‘nongovernmental organization’ means an organization that works at the local level to solve development problems in a foreign country in which the organization is located, except that the term does not include an organization that is primarily an agency or instrumentality of the government of the foreign country.”.

SEC. 421. COMMODITY DETERMINATIONS.

Section 401 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731) is amended—

(1) by striking subsections (a) through (d) and inserting the following:

“(a) AVAILABILITY OF COMMODITIES.—No agricultural commodity shall be available for disposition under this Act if the Secretary determines that the disposition would reduce the domestic supply of the commodity below the supply needed to meet domestic requirements and provide adequate carryover (as determined by the Secretary), unless the Secretary determines that some part of the supply should be used to carry out urgent humanitarian purposes under this Act.”;

(2) by redesignating subsections (e) and (f) as subsections (b) and (c), respectively; and

(3) in subsection (c) (as so redesignated), by striking “(e)(1)” and inserting “(b)(1)”.

SEC. 422. GENERAL PROVISIONS.

Section 403 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by striking “CONSULTATIONS” and inserting “IMPACT ON LOCAL FARMERS AND ECONOMY”; and

(B) by striking “consult with” and all that follows through “other donor organizations to”;

(2) in subsection (c)—

(A) by striking “from countries”; and

(B) by striking “for use” and inserting “or use”;

(3) in subsection (f)—

(A) by inserting “or private entities, as appropriate,” after “from countries”; and

(B) by inserting “or private entities” after “such countries”; and

(4) in subsection (i)(2), by striking subparagraph (C).

SEC. 423. AGREEMENTS.

Section 404 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1734) is amended—

(1) in subsection (a), by inserting “with foreign countries” after “Before entering into agreements”;

(2) in subsection (b)(2)—

- (A) by inserting “with foreign countries” after “with respect to agreements entered into”; and
- (B) by inserting before the semicolon at the end the following: “and broad-based economic growth”; and
- (3) in subsection (c), by striking paragraph (1) and inserting the following:
 - “(1) IN GENERAL.—Agreements to provide assistance on a multi-year basis to recipient countries or to eligible organizations—
 - “(A) may be made available under titles I and III; and
 - “(B) shall be made available under title II.”.

SEC. 424. ADMINISTRATIVE PROVISIONS.

Section 407 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a) is amended—

- (1) in subsection (a)—
 - (A) in paragraph (1), by inserting “or private entity that enters into an agreement under title I” after “importing country”; and
 - (B) in paragraph (2), by adding at the end the following: “Resulting contracts may contain such terms and conditions as the Secretary determines are necessary and appropriate.”;
- (2) in subsection (c)—
 - (A) in paragraph (1)(A), by inserting “importer or” before “importing country”; and
 - (B) in paragraph (2)(A), by inserting “importer or” before “importing country”;
- (3) in subsection (d)—
 - (A) by striking paragraph (2) and inserting the following:
 - “(2) FREIGHT PROCUREMENT.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or other similar provisions of law relating to the making or performance of Federal Government contracts, ocean transportation under titles II and III may be procured on the basis of such full and open competitive procedures. Resulting contracts may contain such terms and conditions, as the Administrator determines are necessary and appropriate.”;
 - and
 - (B) by striking paragraph (4);
- (4) in subsection (g)(2)—
 - (A) in subparagraph (B), by striking “and” at the end;
 - (B) in subparagraph (C), by striking the period at the end and inserting “; and”; and
 - (C) by adding at the end the following:
 - “(D) an assessment of the progress towards achieving food security in each country receiving food assistance from the United States Government, with special emphasis on the nutritional status of the poorest populations in each country.”; and
- (5) by striking subsection (h).

SEC. 425. EXPIRATION DATE.

Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by striking "1995" and inserting "2002".

SEC. 426. REGULATIONS.

Section 409 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736c) is repealed.

SEC. 427. INDEPENDENT EVALUATION OF PROGRAMS.

Section 410 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736d) is repealed.

SEC. 428. AUTHORIZATION OF APPROPRIATIONS.

(a) **IN GENERAL.**—Section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f) is amended—

(1) by striking subsections (b) and (c) and inserting the following:

“(b) **TRANSFER OF FUNDS.**—Notwithstanding any other provision of law, the President may direct that—

“(1) up to 15 percent of the funds available for any fiscal year for carrying out title I or III of this Act be used to carry out any other title of this Act; and

“(2) up to 100 percent of funds available for title III be used to carry out title II.”; and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(b) **RELATION TO OTHER WAIVER.**—Section 204(a)(3) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)(3)) is amended by inserting “all authority to transfer from title I under section 412 has been exercised with respect to that fiscal year and” after “any fiscal year if”.

SEC. 429. COORDINATION OF FOREIGN ASSISTANCE PROGRAMS.

Section 413 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736g) is amended by inserting “title III of” before “this Act” each place it appears.

SEC. 430. USE OF CERTAIN LOCAL CURRENCY.

Title IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731 et seq.) (as amended by section 222) is further amended by adding at the end the following:

SEC. 416. USE OF CERTAIN LOCAL CURRENCY.

“Local currency payments received by the United States pursuant to agreements entered into under title I (as in effect on November 27, 1990) may be utilized by the Secretary in accordance with section 108 (as in effect on November 27, 1990).”.

SEC. 431. LEVEL OF ASSISTANCE TO FARMER TO FARMER PROGRAM.

Section 501(c) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737(c)) is amended—

(1) by striking “0.2” and inserting “0.4”;

(2) by striking “0.1” and inserting “0.2”; and

(3) by striking “1991 through 1955” and inserting “1996 through 2002”.

SEC. 432. FOOD SECURITY COMMODITY RESERVE.

(a) **FOOD SECURITY COMMODITY RESERVE ACT OF 1995.**—The title heading of title III of the Agricultural Act of 1980 (7 U.S.C. 1736f–1 note) is amended by striking “**FOOD SECURITY WHEAT RESERVE ACT OF 1980**” and inserting “**FOOD SECURITY COMMODITY RESERVE ACT OF 1995**”.

(b) **SHORT TITLE.**—Section 301 of the Act (7 U.S.C. 1736f–1 note) is amended by striking “Food Security Wheat Reserve Act of 1980” and inserting “Food Security Commodity Reserve Act of 1995”.

(c) **IN GENERAL.**—Section 302 of the Act (7 U.S.C. 1736f–1) is amended—

(1) in the section heading, by striking “**FOOD SECURITY WHEAT RESERVE**” and inserting “**FOOD SECURITY COMMODITY RESERVE**”;

(2) so that subsection (a) reads as follows:

“(a) **IN GENERAL.**—To provide for a reserve solely to meet emergency humanitarian food needs in developing countries, the Secretary shall establish a reserve stock of wheat, rice, corn, or sorghum, or any combination of the commodities, totaling not more than 4,000,000 metric tons for use as described in subsection (c).”;

(3) so that subsection (b)(1) reads as follows:

“(b) **COMMODITIES IN RESERVE.**—

“(1) **IN GENERAL.**—The reserve established under this section shall consist of—

“(A) wheat in the reserve established under the Food Security Commodity Reserve Act of 1980 as of the date of enactment of the Food For Peace Reauthorization Act of 1995;

“(B) wheat, rice, corn, and sorghum (referred to in this section as ‘eligible commodities’) acquired in accordance with paragraph (2) to replenish eligible commodities released from the reserve, including wheat to replenish wheat released from the reserve established under the Food Security Wheat Reserve Act of 1980 but not replenished as of the date of enactment of the Food For Peace Reauthorization Act of 1995; and

“(C) such rice, corn, and sorghum as the Secretary of Agriculture (referred to in this section as the ‘Secretary’) may, at such time and in such manner as the Secretary determines appropriate, acquire as a result of exchanging an equivalent value of wheat in the reserve established under this section.”;

(4) in subsection (b)(2)—

(A) by striking “(2)(A) Subject to” and inserting the following:

“(2) **REPLENISHMENT OF RESERVE.**—

“(A) **IN GENERAL.**—Subject to;

(B) in subparagraph (A)—

(i) by striking “(i) of this section stocks of wheat” and inserting “(i) stocks of eligible commodities”;

(ii) in clause (ii), by striking “stocks of wheat” and inserting “stocks of eligible commodities”; and

(iii) in the second sentence, by striking “wheat” and inserting “eligible commodities”; and

(C) in subparagraph (B)—

(i) by striking “(B) Not later” and inserting “(B) TIME FOR REPLENISHMENT OF RESERVE.—Not later”;

and
 (ii) in clause (ii), by striking “wheat” and inserting “eligible commodities”;

(5) so that subsections (c) through (f) read as follows:

“(c) RELEASE OF ELIGIBLE COMMODITIES.—

“(1) DETERMINATION.—If the Secretary determines that the amount of commodities allocated for minimum assistance under section 204(a)(1) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)(1)) less the amount of commodities allocated for minimum non-emergency assistance under section 204(a)(2) of the Act (7 U.S.C. 1724(a)(2)) will be insufficient to meet the need for commodities for emergency assistance under section 202(a) of the Act (7 U.S.C. 1722(a)), the Secretary in any fiscal year may release from the reserve—

“(A) up to 500,000 metric tons of wheat or the equivalent value of eligible commodities other than wheat; and

“(B) any eligible commodities which under subparagraph (A) could have been released but were not released in prior fiscal years.

“(2) AVAILABILITY OF COMMODITIES.—Commodities released under paragraph (1) shall be made available under title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.) for emergency assistance.

“(3) EXCHANGE.—The Secretary may exchange an eligible commodity for another United States commodity of equal value, including powdered milk, pulses, and vegetable oil.

“(4) USE OF NORMAL COMMERCIAL PRACTICES.—To the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section, the Secretary shall use the usual and customary channels, facilities, arrangements, and practices of the trade and commerce.

“(5) WAIVER OF MINIMUM TONNAGE REQUIREMENTS.—Nothing in this subsection shall require the exercise of the waiver under section 204(a)(3) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)(3)) as a prerequisite for the release of eligible commodities under this subsection.

“(d) TRANSPORTATION AND HANDLING COSTS.—

“(1) IN GENERAL.—The cost of transportation and handling of eligible commodities released from the reserve established under this section shall be paid by the Commodity Credit Corporation in accordance with section 406 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736).

“(2) REIMBURSEMENT.—

“(A) IN GENERAL.—The Commodity Credit Corporation shall be reimbursed for the costs incurred under paragraph (1) from the funds made available to carry out the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.)

“(B) BASIS FOR REIMBURSEMENT.—The reimbursement shall be made on the basis of the lesser of the actual cost incurred by the Commodity Credit Corporation less any savings achieved as a result of decreased storage and handling costs for the reserve.

“(C) DECREASED STORAGE AND HANDLING COSTS.—For purposes of this subsection, ‘decreased storage and handling costs’ shall mean the total actual costs for storage and handling incurred by the Commodity Credit Corporation for the reserve established under title III of the Agricultural Act of 1980 in fiscal year 1995 less the total actual costs for storage and handling incurred by the Corporation for the reserve established under this Act in the fiscal year for which the savings are calculated.

“(e) MANAGEMENT OF RESERVE.—The Secretary shall provide for—

“(1) the management of eligible commodities in the reserve as to location and quality of commodities needed to meet emergency situations; and

“(2) the periodic rotation of eligible commodities in the reserve to avoid spoilage and deterioration of such stocks.

“(f) TREATMENT OF RESERVE UNDER OTHER LAW.—Eligible commodities in the reserve established under this section shall not be—

“(1) considered a part of the total domestic supply (including carryover) for the purpose of administering the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.); and

“(2) subject to any quantitative limitation on exports that may be imposed under section 7 of the Export Administration Act of 1979 (50 U.S.C. App. 2406).”;

(6) in subsection (g)—

(A) by striking “(g)(1) The” and inserting the following:

“(g) USE OF COMMODITY CREDIT CORPORATION.—The”;

(B) by striking “wheat” and inserting “an eligible commodity”; and

(C) by striking paragraph (2);

(7) in subsection (h)—

(A) by striking “(h) Any” and inserting:

“(h) FINALITY OF DETERMINATION.—Any”; and

(B) by striking “President or the Secretary of Agriculture” and inserting “Secretary”; and

(8) in subsection (i)—

(A) by striking “(i) The” and inserting:

“(i) TERMINATION OF AUTHORITY.—The”;

(B) by striking “wheat” each place it appears and inserting “eligible commodities”; and

(C) by striking “1995” each place it appears and inserting “2002”.

(d) EFFECTIVE DATE.—Section 303 of the Act (7 U.S.C. 1736–1 note) is amended by striking “October 1, 1980” and all that follows through the end of the section and inserting “on the date of enactment of this Act.”.

(e) CONFORMING AMENDMENT.—Section 208(d)(2) of the Agriculture Trade Suspension Adjustment Act of 1980 (7 U.S.C. 4001(d)(2)) is amended to read as follows:

“(2) APPLICABILITY OF CERTAIN PROVISIONS.—Subsections (b)(2), (c), (e), and (f) of section 302 of the Food Security Commodity Reserve Act of 1995 shall apply to commodities in any reserve established under paragraph (1), except that the references to ‘eligible commodities’ in the subsections shall be deemed to be references to ‘agricultural commodities’.”.

SEC. 423. FOOD FOR PROGRESS PROGRAM.

The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking “(b)(1)” and inserting “(b)”; and

(ii) in the first sentence, by inserting “intergovernmental organizations” after “cooperatives”; and

(B) by striking paragraph (2);

(2) in subsection (e)(4), by striking “203” and inserting “406”;

(3) in subsection (f)—

(A) in paragraph (1), by striking “in the case of the independent states of the former Soviet Union,”;

(B) by striking paragraph (2);

(C) in paragraph (4), by inserting “in each of fiscal years 1996 through 2002” after “may be used”; and

(D) by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively;

(4) in subsection (g), by striking “1995” and inserting “2002”;

(5) in subsection (j), by striking “shall” and inserting “may”;

(6) in subsection (k), by striking “1995” and inserting “2002”;

(7) in subsection (l)(1)—

(A) by striking “1991 through 1995” and inserting “1996 through 2002”; and

(B) by inserting “, and to provide technical assistance for monetization programs,” after “monitoring of food assistance programs”; and

(8) in subsection (m)—

(A) by striking “with respect to the independent states of the former Soviet Union”;

(B) by striking “private voluntary organizations and cooperatives” each place it appears and inserting “agricultural trade organizations, intergovernmental organizations, private voluntary organizations, and cooperatives”; and

(C) in paragraph (2), by striking “in the independent states”.

Subtitle C—Amendments to Agricultural Trade Act of 1978

SEC. 451. AGRICULTURAL EXPORT PROMOTION STRATEGY.

(a) IN GENERAL.—Section 103 of the Agricultural Trade Act of 1978 (7 U.S.C. 5603) is amended to read as follows:

“SEC. 103. AGRICULTURAL EXPORT PROMOTION STRATEGY.

“(a) IN GENERAL.—The Secretary shall develop a strategy for implementing Federal agricultural export promotion programs that takes into account the new market opportunities for agricultural products, including opportunities that result from—

“(1) the North American Free Trade Agreement and the Uruguay Round Agreements;

“(2) any accession to membership in the World Trade Organization;

“(3) the continued economic growth in the Pacific Rim; and

“(4) other developments.

“(b) PURPOSE OF STRATEGY.—The strategy developed under subsection (a) shall encourage the maintenance, development, and expansion of export markets for United States agricultural commodities and related products, including high-value and value-added products.

“(c) GOALS OF STRATEGY.—The strategy developed under subsection (a) shall have the following goals:

“(1) By September 30, 2002, increasing the value of annual United States agricultural exports to \$60,000,000,000.

“(2) By September 30, 2002, increasing the United States share of world export trade in agricultural products significantly above the average United States share from 1993 through 1995.

“(3) By September 30, 2002, increasing the United States share of world trade in high-value agricultural products to 20 percent.

“(4) Ensuring that the value of United States exports of agricultural products increases at a faster rate than the rate of increase in the value of overall world export trade in agricultural products.

“(5) Ensuring that the value of United States exports of high-value agricultural products increases at a faster rate than the rate of increase in overall world export trade in high-value agricultural products.

“(6) Ensuring to the extent practicable that—

“(A) substantially all obligations undertaken in the Uruguay Round Agreement on Agriculture that provide significantly increased access for United States agricultural commodities are implemented to the extent required by the Uruguay Round Agreements; or

“(B) applicable United States trade laws are used to secure United States rights under the Uruguay Round Agreement on Agriculture.

“(d) PRIORITY MARKETS.—

“(1) IDENTIFICATION OF MARKETS.—In developing the strategy required under subsection (a), the Secretary shall identify as priority markets—

“(A) those markets in which imports of agricultural products show the greatest potential for increase by September 30, 2002; and

“(B) those markets in which, with the assistance of Federal export promotion programs, exports of United States

agricultural products show the greatest potential for increase by September 30, 2002.

“(2) IDENTIFICATION OF SUPPORTING OFFICES.—The President shall identify annually in the budget of the United States Government submitted under section 1105 of title 31, United States Code, each overseas office of the Foreign Agricultural Service that provides assistance to United States exporters in each of the priority markets identified under paragraph (1).

“(e) REPORT.—Not later than December 31, 2001, the Secretary shall prepare and submit a report to Congress assessing progress in meeting the goals established by subsection (c).

“(f) FAILURE TO MEET GOALS.—Notwithstanding any other law, if the Secretary determines that more than 2 of the goals established by subsection (c) are not met by September 30, 2002, the Secretary may not carry out agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) as of that date.

“(g) NO PRIVATE RIGHT OF ACTION.—This section shall not create any private right of action.”

(b) CONTINUATION OF FUNDING.—

(1) IN GENERAL.—If the Secretary of Agriculture makes a determination under section 103(f) of the Agricultural Trade Act of 1978 (as amended by subsection (a)), the Secretary shall utilize funds of the Commodity Credit Corporation to promote United States agricultural exports in a manner consistent with the Commodity Credit Corporation Chapter Act (15 U.S.C. 714 et seq.) and obligations pursuant to the Uruguay Round Agreements.

(2) FUNDING.—The amount of Commodity Credit Corporation funds used to carry out paragraph (1) during a fiscal year shall not exceed the total outlays for agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) during fiscal year 2002.

(c) ELIMINATION OF REPORT.—

(1) IN GENERAL.—Section 601 of the Agricultural Trade Act of 1978 (7 U.S.C. 5711) is repealed.

(2) CONFORMING AMENDMENT.—The last sentence of section 603 of the Agricultural Trade Act of 1978 (7 U.S.C. 5713) is amended by striking “, in a consolidated report,” and all that follows through “section 601” and inserting “ or in a consolidated report”.

SEC. 452. EXPORT CREDITS.

(a) EXPORT CREDIT GUARANTEE PROGRAM.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended—

(1) in subsection (a)—

(A) by striking “GUARANTEES.—The” and inserting the following “GUARANTEES.—

“(1) IN GENERAL.—The”; and

(B) by adding at the end the following:

“(2) SUPPLIER CREDITS.—In carrying out this section, the Commodity credit Corporation may issue guarantees for the repayment of credit made available for a period of not more than 180 days by a United States exporter to a buyer in a foreign country.”;

- (2) in subsection (f)—
- (A) by striking “(f) RESTRICTIONS.—The” and inserting the following:
- “(f) RESTRICTIONS.—
- “(1) IN GENERAL.—The”; and
- (B) by adding at the end the following:
- “(2) CRITERIA FOR DETERMINATION.—In making the determination required under paragraph (1) with respect to credit guarantees under subsection (b) for a country, the Secretary may consider, in addition to financial, macroeconomic, and monetary indicators—
- “(A) whether an International Monetary Fund standby agreement, Paris Club rescheduling plan, or other economic restructuring plan is in place with respect to the country;
- “(B) the convertibility of the currency of the country;
- “(C) whether the country provides adequate legal protection for foreign investments;
- “(D) whether the country has viable financial markets;
- “(E) whether the country provides adequate legal protection for the private property rights of citizens of the country; and
- “(F) any other factors that are relevant to the ability of the country to service the debt of the country.”;
- (3) by striking subsection (h) and inserting the following:
- “(h) UNITED STATES AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities.”;
- (4) in subsection (i)—
- (A) by striking “INSTITUTIONS.—A financial” and inserting the following: “INSTITUTIONS.—
- “(1) IN GENERAL.—A financial”;
- (B) by striking paragraph (1);
- (C) by striking “(2) is” and inserting the following: “(A) is”;
- (D) by striking “(3) is” and inserting the following: “(B) is”; and
- (E) by adding at the end the following:
- “(2) THIRD COUNTRY BANKS.—The Commodity Credit Corporation may guarantee under subsections (a) and (b) the repayment of credit made available to finance an export sale irrespective of whether the obligor is located in the country to which the export sale is destined.”; and
- (5) by striking subsection (k) and inserting the following:
- “(k) PROCESSED AND HIGH-VALUE PRODUCTS.—
- “(1) IN GENERAL.—In issuing export credit guarantees under this section, the Commodity Credit Corporation shall, subject to paragraph (2), ensure that not less than 25 percent for each of fiscal years 1996 and 1997, 30 percent for each of fiscal years 1998 and 1999, and 35 percent of each of fiscal years 2000, 2001, and 2002, of the total amount of credit guarantees issued for a fiscal year is issued to promote the export of processed or high-value agricultural products and that the balance

is issued to promote the export of bulk or raw agricultural commodities.

“(2) LIMITATION.—The percentage requirement of paragraph (1) shall apply for a fiscal year to the extent that a reduction in the total amount of credit guarantees issued for the fiscal year is not required to meet the percentage requirement.”.

(b) FUNDING LEVELS.—Section 211(b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)) is amended—

(1) by striking paragraph (2);

(2) by redesignating subparagraph (B) of paragraph (1) as paragraph (2) and indenting the margin of paragraph (2) (as so redesignated) so as to align with the margin of paragraph (1); and

(3) by striking paragraph (1) and inserting the following:

“(1) EXPORT CREDIT GUARANTEES.—The Commodity Credit Corporation shall make available for each of fiscal years 1996 through 2002 not less than \$5,500,000,000 in credit guarantees under subsections (a) and (b) of section 202.”.

(c) DEFINITIONS.—Section 102(7) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(7)) is amended by striking subparagraphs (A) and (B) and inserting the following:

“(A) an agricultural commodity or product entirely produced in the United States; or

“(B) a product of an agricultural commodity—

“(i) 90 percent or more of the agricultural components of which by weight, excluding packaging and added water, is entirely produced in the United States; and

“(ii) that the Secretary determines to be a United States high value agricultural product.”.

(d) REGULATIONS.—Not later than 180 days after the effective date of this title, the Secretary of agriculture shall issue regulations to carry out the amendments made by this section.

SEC. 453. EXPORT PROGRAM AND GOOD ASSISTANCE TRANSFER AUTHORITY.

The Secretary of Agriculture shall fully utilize and aggressively implement the full range of agricultural export programs authorized in this Act and any other Act, in any combination, to help United States agriculture maintain and expand export markets, promote United States agricultural commodity and product exports, counter subsidized foreign competition, and capitalize on potential new market opportunities. Consistent with United States obligations under GATT, if the Secretary determines that funds available under 1 or more export subsidy programs cannot be fully or effectively utilized for such programs, the Secretary may utilize such funds for other authorized agricultural export and food assistance programs to achieve the above objectives and to further enhance the overall global competitiveness of United States agriculture. Funds so utilized shall be in addition to funds which may otherwise be authorized or appropriated for such other agricultural export programs.

SEC. 454. ARRIVAL CERTIFICATION.

Section 401 of the Agricultural Trade Act of 1978 (7 U.S.C. 5662(a)) is amended by striking subsection (a) and inserting the following:

“(a) ARRIVAL CERTIFICATION.—With respect to a commodity provided, or for which financing or a credit guarantee or other assistance is made available, under a program authorized in section 201, 202, or 301, the Commodity Credit Corporation shall require the exporter of the commodity to maintain records of an official or customary commercial nature or other documents as the Secretary may require, and shall allow representatives of the Commodity Credit Corporation access to the records or documents as needed, to verify the arrival of the commodity in the country that was the intended destination of the commodity.”.

SEC. 455. REGULATIONS.

Section 404 of the Agricultural Trade Act of 1978 (7 U.S.C. 5664) is repealed.

SEC. 456. FOREIGN AGRICULTURAL SERVICE.

Section 503 of the Agricultural Trade Act of 1978 (7 U.S.C. 5693) is amended to read as follows:

“SEC. 503. ESTABLISHMENT OF THE FOREIGN AGRICULTURAL SERVICE.

“The Service shall assist the Secretary in carrying out the agricultural trade policy and international cooperation policy of the United States by—

“(1) acquiring information pertaining to agricultural trade;

“(2) carrying out market promotion and development activities;

“(3) providing agricultural technical assistance and training; and

“(4) carrying out the programs authorized under this Act, the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.), and other Acts.”.

SEC. 457. REPORTS.

The first sentence of section 603 of the Agricultural Trade Act of 1978 (7 U.S.C. 5713) is amended by striking “The” and inserting “Subject to section 217 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6917), the”.

Subtitle D—Miscellaneous

SEC. 471. REPORTING REQUIREMENTS RELATING TO TOBACCO.

Section 214 of the Tobacco Adjustment Act of 1983 (7 U.S.C. 509) is repealed.

SEC. 472. TRIGGERED EXPORT ENHANCEMENT.

(a) READJUSTMENT OF SUPPORT LEVELS.—Section 1302 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508; 7 U.S.C. 1421 note) is repealed.

(b) TRIGGERED MARKETING LOANS AND EXPORT ENHANCEMENT.—Section 4301 of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100-418; 7 U.S.C. 1446 note) is repealed.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall be effective beginning with the 1996 crops of wheat, feed grains, upland cotton, and rice.

SEC. 473. DISPOSITION OF COMMODITIES TO PREVENT WASTE.

Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by inserting after the first sentence the following: “The Secretary may use funds of the Commodity Credit Corporation to cover administrative expenses of the programs.”;

(B) in paragraph (7)(D)(iv), by striking “one year of acquisition” and all that follows and inserting the following: “a reasonable length of time, as determined by the Secretary, except that the Secretary may permit the use of proceeds in a country other than the country of origin—

“(I) as necessary to expedite the transportation of commodities and products furnished under this subsection; or

“(II) if the proceeds are generated in a currency generally accepted in the other country.”;

(C) in paragraph (8), by striking subparagraph (C); and
(D) by striking paragraphs (10), (11), and (12); and

(2) by striking subsection (c).

SEC. 474. DEBT-FOR-HEALTH-AND-PROTECTION SWAP.

(a) **IN GENERAL.**—Section 1517 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1706) is repealed.

(b) **CONFORMING AMENDMENT.**—Subsection (e)(3) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(e)(3)) is amended by striking “section 106” and inserting “section 103”.

SEC. 475. POLICY ON EXPANSION OF INTERNATIONAL MARKETS.

Section 1207 of the Agriculture and Food Act of 1981 (7 U.S.C. 1736m) is repealed.

SEC. 476. POLICY ON MAINTENANCE AND DEVELOPMENT OF EXPORT MARKETS.

Section 1121 of the Food Security Act of 1985 (7 U.S.C. 1736p) is amended—

(1) by striking subsection (a); and

(2) in subsection (b)—

(A) by striking “(b)”; and

(B) by striking paragraphs (1) through (4) and inserting the following:

“(1) be the premier supplier of agricultural and food products to world markets and expand exports of high value products;

“(2) support the principle of free trade and the promotion of fair trade in agricultural commodities and products;

“(3) cooperate fully in all efforts to negotiate with foreign countries further reductions in tariff and nontariff barriers to trade, including sanitary and phytosanitary measures and trade-distorting subsidies;

“(4) aggressively counter unfair foreign trade practices as a means of encouraging fairer trade;”.

SEC. 477. POLICY ON TRADE LIBERALIZATION.

Section 1122 of the Food Security Act of 1985 (7 U.S.C. 1736q) is repealed.

SEC. 478. AGRICULTURAL TRADE NEGOTIATIONS.

Section 1123 of the Food Security Act of 1985 (7 U.S.C. 1736r) is amended to read as follows:

“SEC. 1123. TRADE NEGOTIATIONS POLICY.

“(a) FINDINGS.—Congress finds that—

“(1) on a level playing field, United States producers are the most competitive suppliers of agricultural products in the world;

“(2) exports of United States agricultural products will account for \$54,000,000,000 in 1995, contributing a net \$24,000,000,000 to the merchandise trade balance of the United States and supporting approximately 1,000,000 jobs;

“(3) increased agricultural exports are critical to the future of the farm, rural, and overall United States economy, but the opportunities for increased agricultural exports are limited by the unfair subsidies of the competitors of the United States, and a variety of tariff and nontariff barriers to highly competitive United States agricultural products;

“(4) international negotiations can play a key role in breaking down barriers to United States agricultural exports;

“(5) the Uruguay Round Agreement on Agriculture made significant progress in the attainment of increased market access opportunities for United States exports of agricultural products, for the first time—

“(A) restraining foreign trade-distorting domestic support and export subsidy programs; and

“(B) developing common rules for the application of sanitary and phytosanitary restrictions;

that should result in increased exports of United States agricultural products, jobs, and income growth in the United States;

“(6) the Uruguay Round Agreement on Agriculture did not succeed in completely eliminating trade distorting domestic support and export subsidies by—

“(A) allowing the European Union to continue unreasonable levels of spending on export subsidies; and

“(B) failing to discipline monopolistic state trading entities, such as the Canadian Wheat Board, that use nontransparent and discriminatory pricing as a hidden de facto export subsidy;

“(7) during the period 1996 through 2002, there will be several opportunities for the United States to negotiate fairer trade in agricultural products, including further negotiations under the World Trade Organization, and steps toward possible free trade agreements of the Americas and Asian-Pacific Economic Cooperation (APEC); and

“(8) the United States should aggressively use these opportunities to achieve more open and fair opportunities for trade in agricultural products.

“(b) GOALS OF THE UNITED STATES IN AGRICULTURAL TRADE NEGOTIATIONS.—The objectives of the United States with respect to future negotiations on agriculture trade include—

“(1) increasing opportunities for United States exports of agricultural products by eliminating tariff and nontariff barriers to trade;

“(2) leveling the playing field for United States producers of agricultural products by limiting per unit domestic production supports to levels that are no greater than those available in the United States;

“(3) ending the practice of export dumping by eliminating all trade distorting export subsidies and disciplining state trading entities so that they do not (except in cases of bona fide food aid) sell in foreign markets at below domestic market prices nor their full costs of acquiring and delivering agricultural products to the foreign markets; and

“(4) encouraging government policies that avoid price-depressing surpluses.”.

SEC. 479. POLICY ON UNFAIR TRADE PRACTICES.

Section 1164 of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1499) is repealed.

SEC. 480. AGRICULTURAL AID AND TRADE MISSIONS.

(a) IN GENERAL.—The Agricultural Aid and Trade Missions Act (7 U.S.C. 1736bb et seq.) is repealed.

(b) CONFORMING AMENDMENT.—Section 7 of Public Law 100-277 (7 U.S.C. 1736bb note) is repealed.

SEC. 481. ANNUAL REPORTS BY AGRICULTURAL ATTACHES.

Section 108(b)(1)(B) of the Agricultural Act of 1954 (7 U.S.C. 1748(b)(1)(B)) is amended by striking “including fruits, vegetables, legumes, popcorn, and ducks”.

SEC. 482. WORLD LIVESTOCK MARKET PRICE INFORMATION.

Section 1545 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 1761 note) is repealed.

SEC. 483. ORDERLY LIQUIDATION OF STOCKS.

Sections 201 and 207 of the Agricultural Act of 1956 (7 U.S.C. 1851 and 1857) are repealed.

SEC. 484. SALES OF EXTRA LONG STAPLE COTTON.

Section 202 of the Agricultural Act of 1956 (7 U.S.C. 1852) is repealed.

SEC. 485. REGULATIONS.

Section 707 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (Public Law 102-511; 7 U.S.C. 5621 note) is amended by striking subsection (d).

SEC. 486. EMERGING MARKETS.

(a) PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.—

(1) EMERGING MARKETS.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 5622 note) is amended—

(A) in the section heading, by striking “**EMERGING DEMOCRACIES**” and inserting “**EMERGING MARKETS**”;

(B) by striking “emerging democracies” each place it appears in subsections (b), (d), and (e) and inserting “emerging markets”;

(C) by striking “emerging democracy” each place it appears in subsection (c) and inserting “emerging market”;

and

(D) by striking subsection (f) and inserting the following:

“(f) **EMERGING MARKET.**—In this section and section 1543, the term ‘emerging market’ means any country that the Secretary determines—

“(1) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

“(2) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.”.

(2) **FUNDING.**—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking subsection (a) and inserting the following:

“(a) **FUNDING.**—The Commodity Credit Corporation shall make available for fiscal years 1996 through 2002 not less than \$1,000,000,000 of direct credits or export credit guarantees for exports to emerging markets under section 201 or 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621 and 5622), in addition to the amounts acquired or authorized under section 211 of the Act (7 U.S.C. 5641) for the program.”.

(3) **AGRICULTURAL FELLOWSHIP PROGRAM.**—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended—

(A) in subsection (b), by striking the last sentence and inserting the following: “The Commodity Credit Corporation shall give priority under this subsection to—

“(A) projects that encourage the privatization of the agricultural sector or that benefit private farms or cooperatives in emerging markets; and

“(B) projects for which nongovernmental persons agree to assume a relatively larger share of the costs.”; and

(B) in subsection(d)—

(i) in the matter preceding paragraph (1), by striking “the Soviet Union” and inserting “emerging markets”;

(ii) in paragraph (1)—

(I) in subparagraph (A)(i)—

(aa) by striking “1995” and inserting “2002”;

and

(bb) by striking “those systems, and identify” and inserting “the systems, including potential reductions in trade barriers, and identify and carry out”;

(II) in subparagraph (B), by striking “shall” and inserting “may”;

(III) in subparagraph (D), by inserting “(including the establishment of extension services)” after “technical assistance”;

(IV) by striking subparagraph (F);

(V) by redesignating subparagraphs (G)(H), and (I) as subparagraphs (F), (G), and (H), respectively; and

(VI) in subparagraph (H) (as redesignated by subclause (V)), by striking “\$10,000,000” and inserting “\$20,000,000”;

(iii) in paragraph (2)—

(I) by striking “the Soviet Union” each place it appears and inserting “emerging markets”;

(II) in subparagraph (A), by striking “a free market food production and distribution system” and inserting “free market food production and distribution systems”;

(III) in subparagraph (B)—

(aa) in clause (i), by striking “Government” and inserting “governments”;

(bb) in clause (iii)(II), by striking “and” at the end;

(cc) in clause (iii)(III), by striking the period at the end and inserting “; and”; and

(dd) by adding at the end of clause (iii) the following:

“(IV) to provide for the exchange of administrators and faculty members from agricultural and other institutions to strengthen and revise educational programs in agricultural economics, agribusiness, and agrarian law, to support change towards a free market economy in emerging markets.”;

(IV) by striking subparagraph (D); and by redesignating subparagraph (E) as subparagraph (D); and

(iv) by striking paragraph (3).

(4) UNITED STATES AGRICULTURAL COMMODITY.—Subsections (b) and (c) of section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 are amended by striking “section 101(6)” each place it appears and inserting “section 102(7)”.

(5) REPORT.—The first sentence of section 1542(e)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking “Not” and inserting “Subject to section 217 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6917), not”.

(b) AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES, AND EMERGING MARKETS.—Section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293) is amended—

(1) in the section heading, by striking “**MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES**” and inserting “**MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES, AND EMERGING MARKETS**”;

(2) in subsection (b), by adding at the end the following:

“(5) EMERGING MARKET.—Any emerging market, as defined in section 1542(f).”; and

(3) in subsection (c)(1), by striking “food needs” and inserting “food and fiber needs”.

(c) CONFORMING AMENDMENTS.—

(1) Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737 is amended—

(A) in subsection (a), by striking “emerging democracies” and inserting “emerging markets”; and

(B) in subsection (b), by striking paragraph (1) and inserting the following:

“(1) EMERGING MARKET.—The term ‘emerging market’ means any country that the Secretary determines—

(A) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

(B) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.”.

(2) Section 201(d)(1)(C)(ii) of the Agricultural Trade Act of 1978 (7 U.S.C. 5621(d)(1)(C)(ii)) is amended by striking “emerging democracies” and inserting “emerging markets”.

(3) Section 202(d)(3)(B) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(d)(3)(B)) is amended by striking “emerging democracies” and inserting “emerging markets”.

SEC. 487. IMPLEMENTATION OF COMMITMENTS UNDER URUGUAY ROUND AGREEMENTS.

Part III of subtitle A of title IV of the Uruguay Round Agreements Act (Public Law 103-465; 108 Stat. 4964) is amended by adding at the end the following:

“SEC. 427. IMPLEMENTATION OF COMMITMENTS UNDER URUGUAY ROUND AGREEMENTS

“Not later than September 30 of fiscal year, the Secretary of Agriculture shall determine whether the obligations undertaken by foreign countries under the Uruguay Round Agreement on Agriculture are being fully implemented. If the Secretary of Agriculture determines that any foreign country, by not implementing the obligations of the country, is significantly constraining an opportunity for United States agricultural exports, the Secretary shall—

“(1) submit to the United States Trade Representative a recommendation as to whether the President should take action under any provision of law; and

“(2) transmit a copy of the recommendation to the Committee on Agriculture, the Committee on International Relations, and the Committee on Ways and Means, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance, of the Senate.”.

SEC. 488. SENSE OF CONGRESS CONCERNING MULTILATERAL DISCIPLINES ON CREDIT GUARANTEES.

It is the sense of Congress that—

(1) in negotiations to establish multilateral disciplines on agricultural export credits and credit guarantees, the United

States should not agree to any arrangement that is incompatible with the provisions of United States law that authorize agricultural export credits and credit guarantees;

(2) in the negotiations (which are held under the auspices of the Organization for Economic Cooperation and Development), the United States should not reach any agreement that fails to impose disciplines on the practices of foreign government trading entities such as the Australian Wheat Board and Canadian Wheat Board; and

(3) the disciplines should include greater openness in the operations of the entities as long as the entities are subsidized by the foreign government or have monopolies for exports of a commodity that are sanctioned by the foreign government.

SEC. 489. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

“TITLE VII—FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM

“SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZATION.

“In this title, the term ‘eligible trade organization’ means a United States trade organization that—

“(1) promotes the export of 1 or more United States agricultural commodities or products; and

“(2) does not have a business interest in or receive remuneration from specific sales of agricultural commodities or products.

“SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

“(a) IN GENERAL.—The Secretary shall establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products.

“(b) ADMINISTRATION.—Funds made available to carry out this title shall be used only to provide—

“(1) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and

“(2) assistance for other costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.

“SEC. 703. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1996 through 2002.”.

Subtitle E—Dairy Exports

SEC. 491. DAIRY EXPORT INCENTIVE PROGRAM

(a) IN GENERAL.—Section 153(c) of the Food Security Act of 1985 (15 U.S.C. 713a–14(c)) is amended—

(1) by striking “and” at the end of paragraph (1);
 (2) by striking the period at the end of paragraph (2) and inserting “;”; and

(3) by adding at the end the following new paragraphs:

“(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization are exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.”.

(b) **SOLE DISCRETION.**—Section 153(b) of the Food Security Act of 1985 (15 U.S.C. 713a–14(b)) is amended by inserting “sole” before “discretion”.

(c) **MARKET DEVELOPMENT.**—Section 153(e)(1) of the Food Security Act of 1985 (15 U.S.C. 713a–14(e)(1)) is amended—

(1) by striking “and” and inserting “the”; and

(2) by inserting before the period the following: “, and any additional amount that may be required to assist in the development of world markets for United States dairy products”.

(d) **MAXIMUM ALLOWABLE AMOUNTS.**—Section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by adding at the end the following:

“(f) **REQUIRED FUNDING.**—The Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (7 U.S.C. 1731 note) during that year. However, the Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.”.

(e) **CONFORMING AMENDMENT.**—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14(a)) is amended by striking “2001” and inserting “2002”.

SEC. 492. AUTHORITY TO ASSIST IN ESTABLISHMENT AND MAINTENANCE OF EXPORT TRADING COMPANY.

The Secretary of Agriculture shall, consistent with the obligations of the United States as a member of the World Trade Organization, provide such advice and assistance to the United States dairy industry as may be necessary to enable that industry to establish and maintain an export trading company under the Export Trading Company Act of 1982 (15 U.S.C. 4001 et seq.) for the purpose of facilitating the international market development for and exportation of dairy products produced in the United States.

SEC. 493. STANDBY AUTHORITY TO INDICATE ENTITY BEST SUITED TO PROVIDE INTERNATIONAL MARKET DEVELOPMENT AND EXPORT SERVICES.

(a) INDICATION OF ENTITY BEST SUITED TO ASSIST INTERNATIONAL MARKET DEVELOPMENT FOR AND EXPORT OF UNITED STATES DAIRY PRODUCTS.—If—

(1) the United States dairy industry has not established an export trading company under the Export Trading Company Act of 1982 (15 U.S.C. 4001 et seq.) for the purpose of facilitating the international market development for an exportation of dairy products produced in the United States on or before June 30, 1996; or

(2) the quantity of exports of United States dairy products during the 12-month period preceding July 1, 1997 does not exceed the quantity of exports of United States dairy products during the 12-month period preceding July 1, 1996 by 1.5 billion pounds (milk equivalent, total solids basis);

the Secretary of Agriculture is directed to indicate which entity autonomous of the Government of the United States is best suited to facilitate the international market development for and exportation of United States dairy products.

(b) FUNDING OF EXPORT ACTIVITIES.—The Secretary shall assist the entity in identifying sources of funding for the activities specified in subsection (a) from within the dairy industry and elsewhere.

(c) APPLICATION OF SECTION.—This section shall apply only during the period beginning on July 1, 1997 and ending on September 30, 2000.

SEC. 494. STUDY AND REPORT REGARDING POTENTIAL IMPACT OF URUGUAY ROUND ON PRICES, INCOME AND GOVERNMENT PURCHASES.

(a) STUDY.—The Secretary of Agriculture shall conduct a study, on a variety by variety of cheese basis, to determine the potential impact on milk prices in the United States, dairy producer income, and Federal dairy program costs, of the allocation of additional cheese granted access to the United States as a result of the obligations of the United States as a member of the world Trade Organization.

(b) REPORT.—Not later than June 30, 1997, the Secretary shall report to the Committees on Agriculture of the Senate and the House of Representatives the results of the study conducted under this section.

(c) RULE OF CONSTRUCTION.—Any limitation imposed by Act of Congress on the conduct or completion of studies or reports to Congress shall not apply to the study and report required under this section unless such limitation explicitly references this section in doing so.

SEC. 495. PROMOTION OF UNITED STATES DAIRY PRODUCTS IN INTERNATIONAL MARKETS THROUGH DAIRY PROMOTION PROGRAM.

Section 113(e) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(e)) is amended by adding at the end the following new sentence: "For each of the fiscal years 1996 through 2000, the Board's budget shall provide for the expenditure of not less than 10 percent of the anticipated revenues available to the Board to develop international markets for, and to promote within such mar-

kets, the consumption of dairy products produced in the United States from milk produced in the United States.”.

11. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE LIVINGSTON OF LOUISIANA, OR A DESIGNEE, DEBATABLE FOR 40 MINUTES

On page 119, strike lines 2 through 21, and insert the following:

“SEC. 1241. FUNDING.

“(a) MANDATORY EXPENSES.—For each of fiscal years 1996 through 2002, the Secretary shall use the funds of the Commodity Credit Corporation to carry out the programs authorized by—

“(1) subchapter B of chapter 1 of subtitle D (including contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 16 U.S.C. 3831 note)); and

“(2) subchapter C of chapter 1 of subtitle D.

“(B) AUTHORIZATION OF APPROPRIATIONS FOR LIVESTOCK ENVIRONMENTAL ASSISTANCE PROGRAM.—There are authorized to be appropriated to the Secretary for each of the fiscal years 1996 through 2002, \$100,000,000 for providing technical assistance, cost-sharing payments, and incentive payments for practices relating to livestock production under the livestock environmental assistance program under chapter 4 of subtitle D.”.

12. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE LIVINGSTON OF LOUISIANA, OR A DESIGNEE, DEBATABLE FOR 40 MINUTES

On page 131, strike line 21 and all that follows through line 11 on page 135 and insert the following new section:

SEC. 502. COLLECTION AND USE OF AGRICULTURAL QUARANTINE AND INSPECTION FEES.

Subsection (a) of section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136a) is amended to read as follows:

“(a) QUARANTINE AND INSPECTION FEES.—

“(1) FEES AUTHORIZED.—The Secretary of Agriculture may prescribe fees sufficient—

“(A) to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port in the customs territory of the United States, or the preclearance or preinspection at a site outside the customs territory of the United States, of an international passenger, commercial vessel, commercial aircraft, commercial truck, or railroad car;

“(B) to cover the cost of administering this subsection; and

“(C) through fiscal year 2002, to maintain a reasonable balance in the Agricultural Quarantine Inspection User Fee Account established under paragraph (6).

“(2) LIMITATION.—In setting the fees under paragraph (1), the Secretary shall ensure that the amount of the fees are commensurate with the costs of agricultural quarantine and inspection services with respect to the class of persons or entities

paying the fees. The costs of such services with respect to passengers as a class includes the costs of related inspections of the aircraft or other vehicle.

“(3) STATUS OF FEES.—Fees collected under this subsection by any person on behalf of the Secretary are held in trust for the United States and shall be remitted to the Secretary in such manner and at such times as the Secretary may prescribe.

“(4) LATE PAYMENT PENALTIES.—If a person subject to a fee under this subsection fails to pay the fee when due, the Secretary shall assess a late payment penalty, and the overdue fees shall accrue interest, as required by section 3717 of title 31, United States Code.

“(5) COLLECTION OF FEES.—Fees collected under this subsection shall be collected only to amounts as provided in advance in appropriations Acts.

“(6) AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.—

“(A) ESTABLISHMENT.—There is established in the Treasury of the United States a no-year fund, to be known as the ‘Agricultural Quarantine Inspection User Fee Account’, which shall contain all of the fees collected under this subsection and late payment penalties and interest charges collected under paragraph (4).

“(B) USE OF ACCOUNT.—For each of the fiscal years 1996 and thereafter, funds in the Agricultural Quarantine Inspection User Fee Account shall be available, in such amounts as are provided in advance in appropriations Acts, to cover the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. Amounts made available under this subparagraph shall be available until expended.

“(7) STAFF YEARS.—The number of full-time equivalent positions in the Department of Agriculture attributable to the provision of agricultural quarantine and inspection services and the administration of this subsection shall not be counted toward the limitation on the total number of full-time equivalent positions in all agencies specified in section 5(b) of the Federal Workforce Restructuring Act of 1994 (Public Law 103-226; U.S.C. 3101 note) or other limitation on the total number of full-time equivalent positions.”.

13. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE DOOLEY OF CALIFORNIA, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title V (page 139, after line 17), add the following new section:

SEC. 507. COMPETITIVE RESEARCH GRANTS TO PROMOTE AGRICULTURAL COMPETITIVENESS INITIATIVES.

(a) PURPOSES.—The competitive research grant program established by this section has the following purposes:

(1) Enhancement of the competitiveness of the United States agriculture industry in an increasingly competitive world environment.

(2) Increasing the long-term productivity of the United States agriculture and food industry while protecting the natural resource base on which rural America and the United States agricultural economy depend.

(3) Development of new uses and new products for agricultural commodities, such as alternative fuels, and development of new crops.

(4) Supporting agricultural research and extension to promote economic opportunity in rural communities and to meet the increasing demand for information and technology transfer throughout the United States agriculture industry.

(5) Improvement of risk management in the United States agriculture industry.

(6) Improvement in the safe production and processing of, and adding of value to, United States food and fiber resources using methods that are environmentally sound.

(7) Supporting higher education in agriculture to give the next generation of Americans the knowledge, technology, and applications necessary to enhance the competitiveness of United States agriculture.

(8) Maintaining an adequate, nutritious, and safe supply of food to meet human nutritional needs and requirements.

(b) AGRICULTURAL COMPETITIVENESS GRANTS.—The Secretary of Agriculture shall award grants to eligible grantees to promote one or more of the purposes of the program.

(c) ELIGIBLE GRANTEE.—The Secretary may make a grant under subsection (b) to—

- (1) a college or university;
- (2) a State agricultural experiment station;
- (3) a State Cooperative Extension Service;
- (4) a research institution or organization;
- (5) a private organization or person; or
- (6) a Federal agency.

(d) USE OF GRANT.—A grant made under subsection (b) may be used by a grantee for one or more of the following uses:

- (1) Research ranging from discovery to principles for application.
- (2) Extension and related private-sector activities.
- (3) Education.

(e) PRIORITY.—

(1) IN GENERAL.—In administering this program, the Secretary shall—

(A) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States;

(B) seek and accept proposals for grants;

(C) determine the relevance and merit of proposals through a system of peer review; and

(D) award grants on the basis of merit and quality.

(2) PARTICIPATION BY SCIENTIFIC COMMUNITY.—In carrying out subparagraphs (B) and (C) of paragraph (1), the Secretary shall seek wide participation by qualified scientists and extension and education specialists from colleges and universities, State agricultural experiment stations and State Cooperative

Extension Services, the private sector, and the Federal Government.

(f) ADMINISTRATION.—

(1) COMPETITIVE GRANT.—A grant under subsection (b) shall be awarded on a competitive basis.

(2) TERM.—A grant under subsection (b) shall have a term that does not exceed 5 years.

(3) ADVISORY COMMITTEES.—The Secretary may use an advisory committee established independently of this program to assist the Secretary in determining funding priorities under this program.

(4) MATCHING FUNDS.—

(A) IN GENERAL.—The Secretary shall encourage the funding of a grant under subsection (b) with equal matching funds from a non-Federal source.

(B) MANDATORY.—The Secretary shall require the funding of a grant under subsection (b) with equal matching funds from a non-Federal source if the grant is—

(i) for applied research that is commodity-specific; and

(ii) not of national scope.

(5) ADMINISTRATIVE COSTS.—The Secretary may use not more than 4 percent of the funds made available under subsection (h) for administrative costs incurred by the Secretary in carrying out this program.

(6) CONSTRUCTION COSTS.—None of the funds made available under subsection (h) may be used for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees).

(g) REGULATIONS.—The Secretary shall issue such regulations as are necessary to carry out this program.

(h) AVAILABILITY OF FUNDS FOR GRANTS.—

(1) SOURCE OF FUNDS.—Of the amount made available under section 102 of the Agricultural Act of 1949, as added by section 1102 of this Act, for payments under market transition contracts for the fiscal years through 2002, \$1,920,000,000 shall be used by the Secretary to make grants under this section. The amounts specified in subsection (e) of such section 102 shall be reduced by the Secretary by the amount made available in this subsection.

(2) FISCAL YEAR AMOUNTS.—Of the total amount specified in subsection (a) for grants under this section, the Secretary shall use \$200,000,000 for fiscal year 1996, \$220,000,000 for fiscal year 1997, \$250,000,000 for fiscal year 1998, \$250,000,000 for fiscal year 1999, \$300,000,000 for fiscal year 2000, \$300,000,000 for fiscal year 2001, and \$400,000,000 for fiscal year 2002.

(3) LIMITATIONS.—The Secretary may use less than the amount provided under subsection (b) for a fiscal year if the Secretary determines that the full funding level is not necessary to fund all qualifying applications for agriculture com-

petitiveness grants that satisfy the priority criteria established under subsection (e).

14. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE FOLEY OF FLORIDA, OR A DESIGNEE, DEBATABLE FOR 20 MINUTES

At the end of title V (page 139, after line 17) add the following new section:

SEC. 507. EVERGLADES AGRICULTURAL AREA.

(a) IN GENERAL.—On July 1, 1996, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide \$210,000,000 to the Secretary of the Interior to carry out this section.

(b) ENTITLEMENT.—The Secretary of the Interior—

(1) shall accept the funds made available under subsection

(a):

(2) shall be entitled to receive the funds; and

(3) shall use the funds to conduct restoration activities in the Everglades ecosystem, which may include acquiring private acreage in the Everglades Agricultural Area including approximately 52,000 acres that is commonly known as the "Talisman tract".

(c) TRANSFERRING FUNDS.—The Secretary of the Interior may transfer funds to the Army Corps of Engineers, the State of Florida, or the South Florida Water Management District to carry out subsection (b)(3).

(d) DEADLINE.—Not later than December 31, 1999, the Secretary of the Interior shall utilize the funds for restoration activities referred to in subsection (b)(3).

15. AMENDMENT TO BE OFFERED BY REPRESENTATIVE TRAFICANT OF OHIO, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title V, add the following new section:

SEC. 507. WEATHER INFORMATION COLLECTION AND DISTRIBUTION TO AGRICULTURAL PRODUCERS THROUGH THE NATIONAL WEATHER SERVICE.

(a) COLLECTION AND DISTRIBUTION.—Section 1638 of the National Agricultural Weather Information System Act of 1990 (7 U.S.C. 5852) is amended by adding at the end the following new subsection:

“(e) COLLECTION AND DISTRIBUTION OF INFORMATION TO PRODUCERS.—

“(1) COOPERATIVE PROJECT.—As one of the cooperative projects authorized by subsection (b)(1), the Secretary of Agriculture shall enter into an agreement with the Secretary of Commerce to use Weather Service Offices and Weather Service Forecast Offices to collect, organize, and distribute information aimed at meeting the short-term and long-term weather and climate information needs of agricultural producers.

“(2) INFORMATION COLLECTION.—the Secretaries shall develop a system for the collection by the National Weather Service of weather and climate information that is relevant to agri-

cultural producers and available through the Agricultural Weather Office and other Federal agencies, State agricultural weather information systems and other State programs, colleges and universities, and the private weather consulting sector.

“(3) METHODS OF DISTRIBUTION.—Weather and climate information collected under this subsection shall be distributed to agricultural producers through the use of—

“(A) weekly publications containing weather forecasts and other information regarding anticipated temperatures and precipitation levels;

“(B) toll-free and local telephone numbers that agricultural producers can call to obtain immediate information to assist with specific day-to-day production activities; and

“(C) such other methods as the Secretaries consider to be appropriate to distribute such weather and climate information to agricultural producers in a timely manner.”.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture and the Secretary of Commerce shall jointly submit a report to the Congress analyzing the effectiveness of the cooperative project required by section 1638(e) of the National Agricultural Weather Information System Act of 1990, as added by subsection (a), in providing relevant weather and climate information to agricultural producers. The report shall include a description of the number of agricultural producers who obtained weather information through the project and an estimate of whether the project improved farm profitability for participating producers.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out section 1638(e) of the National Agricultural Weather Information System Act of 1990, as added by subsection (a), \$2,000,000 for fiscal year 1997.

16. THE AMENDMENTS NUMBERED 3, 4 AND 5, PRINTED IN THE CONGRESSIONAL RECORD OF FEBRUARY 27, 1996, BY REPRESENTATIVE DE LA GARZA OF TEXAS, ONLY IF OFFERED EN BLOC BY REPRESENTATIVE DE LA GARZA OR HIS DESIGNEE, DEBATABLE FOR 1 HOUR.