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Omnibus Budget Reconciliation Act of 1989 (selected provisions)

**Pub. L. No. 101-239, Title I, Agricultural Reconciliation Act of
1989, 103 Stat. 2106 (1989)**

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Public Law 101-239
101st Congress

An Act

Dec. 19, 1989
[H.R. 3299]

To provide for reconciliation pursuant to section 5 of the concurrent resolution on the budget for the fiscal year 1990.

Omnibus Budget
Reconciliation
Act of 1989.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Omnibus Budget Reconciliation Act of 1989".

SEC. 2. TABLE OF CONTENTS.

Title I—Agriculture and related programs.

Title II—Student loan and pension fiduciary amendments.

Title III—Regulatory agency fees.

Title IV—Civil service and postal service programs.

Title V—Veterans programs.

Title VI—Medicare, medicaid, maternal and child health, and other health provisions.

Title VII—Revenue provisions.

Title VIII—Human resource and income security provisions.

Title IX—Offshore oil pollution compensation fund.

Title X—Miscellaneous and technical Social Security Act amendments.

Title XI—Miscellaneous.

Agricultural
Reconciliation
Act of 1989.

**TITLE I—AGRICULTURE AND RELATED
PROGRAMS**

SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This title may be cited as the "Agricultural Reconciliation Act of 1989".

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

Sec. 1001. Short title; table of contents.

Sec. 1002. Soybean, sunflower, and safflower planting program; feed grain acreage limitation program.

Sec. 1003. Reduction of deficiency payments for 1990 crops.

Sec. 1004. Repayment of advance deficiency payments.

Sec. 1005. Reduction of expenditures under the export enhancement program and for targeted export assistance.

Sec. 1006. Purchases of Financial Assistance Corporation stock by Farm Credit System institutions.

Sec. 1007. Adjustments in dairy price support program.

SEC. 1002. SOYBEAN, SUNFLOWER, AND SAFFLOWER PLANTING PROGRAM; FEED GRAIN ACREAGE LIMITATION PROGRAM.

(a) **PLANTING OF SOYBEANS, SUNFLOWERS, AND SAFFLOWERS ON PERMITTED ACREAGE.**—Effective only for the 1990 crops, subsection (e) of section 504 of the Agricultural Act of 1949 (7 U.S.C. 1464(e)) is amended to read as follows:

"(e) Notwithstanding any other provision of this Act—

“(1) Effective for the 1990 crops, the Secretary shall, subject to paragraph (2), permit producers on a farm to plant soybeans, sunflowers, or safflowers on a portion specified by the producer (but in any event not more than 25 percent) of the producers’ 1990 wheat, feed grain, upland cotton, extra long staple cotton, and rice permitted acreage, as determined by the Secretary.

“(2)(A) The Secretary shall establish a sign-up period during which the producers on a farm, participating in the 1990 crop wheat, feed grain, upland cotton, extra long staple cotton, or rice price support and production adjustment program, must state their intentions regarding use of the increased planting provision under paragraph (1).

“(B) After termination of the sign-up period under subparagraph (A), the Secretary shall estimate whether, based on the anticipated additional soybean, sunflower, and safflower plantings for the crop, the average market price for the 1990 crop of soybeans will be below 110 percent of the loan rate established for the 1989 crop of soybeans.

“(C) If the Secretary estimates that the average market price for the 1990 crop of soybeans will be below 110 percent of such loan rate, the Secretary shall reduce the percentage of permitted acreage on the farm that may be planted to soybeans, sunflowers, and safflowers to a level, or prohibit such plantings, as necessary to ensure that the average soybean market price does not fall below 110 percent of such loan rate.

“(D) The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a statement setting forth the reasons for any reduction in the permitted planting percentage, or prohibition on such plantings, under this paragraph.

“(3)(A) For the purposes of determining the farm acreage base or the crop acreage bases for the farm, any acreage on the farm on which soybeans, sunflowers, or safflowers are planted under this subsection shall be considered to be planted to the program crop for which soybeans, sunflowers, or safflowers are substituted.

“(B) The Secretary may not make program benefits other than soybean or sunflower seed price support loans and purchases available to producers with respect to acreage planted to soybeans, sunflowers, or safflowers under this subsection and shall ensure that the crop acreage bases established for the farm and the farm acreage base are not increased due to such plantings.”.

(b) **FEED GRAIN ACREAGE LIMITATION PROGRAM.**—Effective only for the 1990 crop of feed grains, section 105C(f)(1)(C) of such Act (7 U.S.C. 1444e(f)(1)(C)) is amended—

(1) by striking “(C)”, “1990”, “(i)”, and “(ii)” and inserting “(C)(i)”, “1989”, “(I)”, and “(II)”, respectively; and

(2) by adding at the end the following new clause:

“(ii) In the case of the 1990 crop of feed grains, if the Secretary estimates, not later than September 30, 1989, that the quantity of corn on hand in the United States on the first day of the marketing year for that crop (not including any quantity of corn of that crop) will be—

“(I) more than 2,000,000,000 bushels, the Secretary shall provide for an acreage limitation program (as described in para-

graph (2)) under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not less than 12½ percent nor more than 20 percent;

“(II) less than 2,000,000,000 bushels but more than 1,800,000,000 bushels, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not less than 10 percent nor more than 12½ percent; or

“(III) 1,800,000,000 bushels or less, the Secretary may provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not more than 10 percent.”.

SEC. 1003. REDUCTION OF DEFICIENCY PAYMENTS FOR 1990 CROPS.

(a) **IN GENERAL.**—Effective only for the 1990 crops, title IV of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is amended by adding at the end the following new section:

7 USC 1433d.

“SEC. 425. REDUCTION OF DEFICIENCY PAYMENTS FOR 1990 CROPS.

“(a) **IN GENERAL.**—Notwithstanding any other provision of law, the amount of deficiency payments made available to producers of the 1990 crops of wheat, feed grains, upland cotton, and rice under sections 107D(c), 105C(c), 103A(c), and 101A(c), respectively, shall be reduced by—

“(1) in the case of wheat, 2.33 cents per bushel;

“(2) in the case of corn, 2.33 cents per bushel (and a comparable amount for other feed grains, as determined by the Secretary);

“(3) in the case of upland cotton, .515 cents per pound; and

“(4) in the case of rice, 5.15 cents per hundredweight.

“(b) **APPLICATION TO ADVANCE DEFICIENCY PAYMENTS.**—To the extent practicable, the Secretary shall apply the reduction required under subsection (a) to any advance deficiency payment made available to producers of the 1990 crops under section 107C.”.

(b) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) Effective only for the 1990 crops of wheat, feed grains, upland cotton, and rice, section 107C(a)(2)(G) of such Act (7 U.S.C. 1445b-2(a)(2)(G)) is amended—

(A) by inserting after “subsection” the following: “(taking into consideration any reduction in the payment made under section 425)”; and

(B) by striking “finally” and inserting “finally”.

(2) Effective only for the 1986 through 1990 crops of feed grains, section 105C(c)(1)(D)(i) of such Act (7 U.S.C. 1444e(c)(1)(D)(i)) is amended by striking “subsection (a)(4)” and inserting “subsection (a)(3)”.

SEC. 1004. REPAYMENT OF ADVANCE DEFICIENCY PAYMENTS.

(a) **DELAY IN REFUND.**—Paragraph (4) of section 201(b) of the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note) (as amended by section 602 of the Disaster Assistance Act of 1989 (Public Law 101-82; 103 Stat. 587)) is amended to read as follows:

Disaster
assistance.

“(4) Effective only for the 1988 crops of wheat, feed grains, upland cotton, and rice, if the Secretary determines that any portion of the advance deficiency payment made to producers for the crop under section 107C of such Act must be refunded, such refund shall not be required—

“(A) prior to December 31, 1989, if such producers suffered losses of 1988 or 1989 crops due to a natural disaster in 1988 or 1989; or

“(B) prior to July 31, 1990, for that portion of the crop for which a disaster payment is made under subsection (a).”.

(b) RATIONALE.—For purposes of section 202 of Public Law 100-119 (2 U.S.C. 909), the amendment made by subsection (a) is a necessary (but secondary) result of a significant policy change.

SEC. 1005. REDUCTION OF EXPENDITURES UNDER THE EXPORT ENHANCEMENT PROGRAM AND FOR TARGETED EXPORT ASSISTANCE.

(a) EXPORT ENHANCEMENT PROGRAM.—During fiscal year 1990, the Commodity Credit Corporation shall not, except to the extent provided for under section 4301 of the Agricultural Competitiveness and Trade Act of 1988 (Public Law 100-418; 7 U.S.C. 1446 note), make available to exporters, processors, or foreign importers under the authority of section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)) more than \$566,000,000 in commodities of the Commodity Credit Corporation to enhance the export of United States commodities by making the price of such commodities competitive in the world market.

(b) TARGETED EXPORT ASSISTANCE.—Section 1124(a) of the Food Security Act of 1985 (7 U.S.C. 1736s(a)) is amended—

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

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

“(3) for the fiscal year 1989, the Secretary shall use under this section not less than \$325,000,000 of the funds of, or commodities owned by, the Corporation; and

“(4) for the fiscal year 1990, the Secretary shall use under this section not less than \$200,000,000 of the funds of, or commodities owned by, the Corporation.”.

SEC. 1006. PURCHASES OF FINANCIAL ASSISTANCE CORPORATION STOCK BY FARM CREDIT SYSTEM INSTITUTIONS.

12 USC 2278b-9
note.

(a) DELAYED EFFECTIVE DATE FOR STOCK PURCHASE REQUIREMENT.—Notwithstanding any other provision of law, the amendments to section 6.29 of the Farm Credit Act of 1971 (12 U.S.C. 2278b-9) made by section 646 of the Rural Development, Agriculture, and Related Agencies Appropriations Act, 1989 (Public Law 100-460; 102 Stat. 2266) shall be effective on October 1, 1992.

(b) PAYMENTS.—

(1) FOUR ANNUAL PAYMENTS.—Notwithstanding any other provision of law, the Financial Assistance Corporation shall pay, out of the Financial Assistance Corporation Trust Fund (hereinafter in this section referred to as the “Trust Fund”) established under section 6.25(b) of the Farm Credit Act of 1971 (12 U.S.C. 2278b-5(b)), to each of the institutions of the Farm Credit System that purchased stock in the Financial Assistance Corporation under section 6.29 of the Farm Credit Act of 1971, four annual payments as provided in this subsection.

(2) **TIMING OF PAYMENTS.**—The annual payments provided for by this subsection shall be made available as soon as practicable after October 1 of each of the calendar years 1989 through 1992.

(3) **CALCULATION OF FIRST PAYMENT.**—The first annual payment made available under this subsection shall be in an amount equal to—

(A) a percentage equal to 1.5 times the average rate of interest received by the Financial Assistance Corporation on assets of the Trust Fund from March 30, 1988, through September 30, 1989; times

(B) the difference between \$177,000,000 and 4.4 percent of the cumulative amount of the bonds issued by the Financial Assistance Corporation through September 30, 1989.

(4) **CALCULATION OF REMAINING PAYMENTS.**—The second, third, and fourth annual payments made available under this subsection shall be in an amount equal to—

(A) a percentage equal to the average rate of interest received by the Financial Assistance Corporation on assets of the Trust Fund during each of the fiscal years 1990 through 1992; times

(B) the difference between \$177,000,000 and 4.4 percent of the cumulative amount of the bonds issued by the Financial Assistance Corporation through September 30 of each of such fiscal years.

(5) **DISTRIBUTION OF ANNUAL PAYMENTS.**—Annual payments due under this subsection shall be made available to each institution described in paragraph (1) in an amount equal to the total amount of annual payments to be made available times the ratio of the amount of stock each institution purchased divided by \$177,000,000.

SEC. 1007. ADJUSTMENTS IN DAIRY PRICE SUPPORT PROGRAM.

Effective only for calendar year 1990, section 201(d)(1) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(1)) is amended—

(1) in subparagraph (C)—

(A) in clause (ii), by inserting after “Except as provided in” the following: “clause (iii) and”; and

(B) by adding at the end the following new clause:

“(iii) In carrying out this paragraph during calendar year 1990, the Secretary shall offer to purchase butter for not more than \$1.10 per pound, except that the Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in such other manner as the Secretary determines will result in the lowest level of expenditures by the Commodity Credit Corporation and shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of such determination.”; and

(2) in subparagraph (D)(i)—

(A) by striking “each of the calendar years 1988 and 1990” and inserting “calendar year 1990”; and

(B) by striking “shall reduce by” and inserting “may reduce by not more than”.