

The National Agricultural
Law Center



University of Arkansas
NatAgLaw@uark.edu • (479) 575-7646
www.NationalAgLawCenter.org

**Conference Report to Accompany
Agricultural Act of 1970
H.R. Rep. No. 91-1594 (1970)**

The digitization of this Report was performed by the National Agricultural Law Center under Specific Cooperative Agreement No. 58-8201-6-140 with the United States Department of Agriculture, National Agricultural Library.

AGRICULTURAL ACT OF 1970

OCTOBER 9, 1970.—Ordered to be printed

Mr. POAGE, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 18546]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Agricultural Act of 1970".

TITLE I—PAYMENT LIMITATION

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodity shall not exceed \$55,000.

(2) The term "payments" as used in this section includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm

or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(4) The Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following: "(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions, shall be made in the order for the allocation of bases under this clause (f)—

"(i) for the alleviation of hardship and inequity among producers; and

"(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during any part of the representative period and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient

marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

“(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

“(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

“(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall within ninety days be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they are delivering milk under the order on the same basis as producers under the order on the effective date of order provisions authorized under this clause (f): Provided, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order.”

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but

such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

(e) The provisions of this section shall not be effective after December 31, 1973 except with respect to orders providing for Class I base plans issued prior to such date, but in no event shall any order so issued extend or be effective beyond December 31, 1976.

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

SEC. 202. Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, 1973" both places it appears therein.

DAIRY INDEMNITY PROGRAM

SEC. 204. (a) Section 3 of the Act of August 13, 1968 (Public Law 90-484; 82 Stat. 750), is amended by striking out the word "June 30, 1970," and inserting in lieu thereof the word "June 30, 1973."

(b) The first sentence of section 1 of said Act is amended by inserting, "and manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products," after "milk", and the second sentence is revised to read: "Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets."

TITLE III—WOOL

SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "1973".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "Provided further, That the" and substitute "The", designate the third sentence

as subsection "(b)", change the period at the end thereof to a colon and add the following: "Provided, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for shorn wool shall be 72 cents per pound, grease basis."

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "Provided, That for the three marketing years beginning January 1, 1971, and ending December 31, 1973, the support price for mohair shall be 80.2 cents per pound, grease basis."

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "(e)".

TITLE IV—WHEAT

SEC. 401. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 107 of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 107. Notwithstanding any other provision of law—

"(a) Loans and purchases on each crop of wheat shall be made available at such level as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains: Provided, That in no event shall such level be in excess of the parity price for wheat or less than \$1.25 per bushel.

"(b) If a set-aside program is in effect for any crop of wheat under section 379b(c) of the Agricultural Adjustment Act of 1938, as amended, certificates, loans and purchases shall be made available on such crop only to producers who comply with the provisions of such program."

SEC. 402. Effective only with respect to the 1971, 1972, and 1973 crops of wheat sections 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, are further amended to read as follows:

"SEC. 379b. (a) The Secretary shall provide for the issuance of wheat marketing certificates for the purpose of enabling producers on any farm for which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the face value of such certificates. The face value per bushel of domestic marketing certificates for the 1971, 1972, and 1973 crops of wheat shall be in such amount as, together with the national average market price received by farmers during the first five months of the marketing year for such crop, the Secretary determines will be equal to the parity price for wheat as of the beginning of the marketing year for the crop.

"(b) The domestic wheat marketing certificates shall be made available for a farm on the number of bushels determined by multiplying the domestic allotment for the farm for the crop to which such certificates relate by the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.

"(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and certificates on wheat, the producers on a farm must set aside and devote to approved conservation uses an

acreage of cropland equal to (i) such percentage of the domestic wheat allotment for the farm as may be specified by the Secretary and will be estimated by the Secretary to result in a set-aside not in excess of 13.3 million acres in the case of the 1971 crop, or 15 million acres in the case of the 1972 or 1973 crop, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971, 1972, and 1973 crops to limit the acreage planted to wheat on the farm to such percentage of the domestic wheat allotment as he determines necessary to provide an orderly transition to the program provided for under this section. Grazing shall not be permitted during any of the five principal months of the normal growing season as determined by the county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, and subject to this limitation (1) the Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and (2) the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the certificates authorized in subsection (b), available to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The wheat program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this subsection (c), he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on wheat, marketing certificates, and payments under this section shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so

provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of certificates issued and of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section preclude the issuance of certificates and the making of loans, purchases, and payments, the Secretary may, nevertheless, issue such certificates and make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(f) The Secretary shall advance to producers, as soon as practicable after July 1 of the year in which the crop is harvested, an amount equal to 75 per centum of the Secretary's estimate of the face value of certificates to be issued with respect to such crop and such advance shall be repaid through the withholding of certificates for such crop having a face value equal to such advance. If the face value of the certificates as finally determined is less than the advance, the difference shall not be required to be repaid.

"(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"(h) Marketing certificates issued under this Act and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"SEC. 379c. (a)(1) The farm domestic allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim a national domestic allotment for the 1972 and 1973 crops of wheat not later than April 15 of each calendar year for the crop harvested in the next succeeding calendar year. The national domestic allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the estimated national yield will result in marketing certificates being issued to producers participating in the program in an amount equal to the amount of wheat which he estimates will be used for food products for consumption in the United States during the marketing year for the crop (not less than 535 million bushels). The national domestic allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national domestic allotment for the preceding crop adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(2) The State domestic acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the domestic wheat allotment for the preceding crop, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable

apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm domestic allotments, and other relevant factors.

"(3) The farm domestic allotment for each crop of wheat shall be determined by apportioning the county domestic wheat allotment among farms in the county which had a domestic wheat allotment for the preceding crop on the basis of such allotment, adjusted to reflect established crop-rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. The farm domestic allotment for the 1971 crop of wheat shall be determined by multiplying the farm acreage allotment established for the 1971 crop by a national allocation percentage established in the same manner as for the 1970 crop, but which will result in the allotment of a total of not less than 19.7 million acres and will be based on a wheat marketing allocation of not less than 535 million bushels. Notwithstanding any other provision of this subsection, the farm domestic allotment shall be adjusted downward to the extent required by subsection (b).

"(4) Not to exceed 1 per centum of the State domestic allotment for any crop may be apportioned to farms for which there was no domestic allotment for the preceding crop on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm domestic allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"(5) The planting on a farm of wheat of any crop for which no farm domestic allotment was established shall not make the farm eligible for a domestic allotment under subsection (a)(3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a)(4).

"(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"(b)(1) If for any crop the total acreage of wheat planted on a farm is less than the farm domestic allotment, the farm domestic allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm domestic allotment, but such reduction shall not exceed 20 per centum of the farm domestic allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has a domestic allotment, such farm shall lose its domestic allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the domestic allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to wheat because of drought, flood, or other natural disaster or a condition beyond the control of the producer shall be considered to

be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans or to feed grains for which there is a set-aside program in effect considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

“(2) Notwithstanding the provisions of subsection (b)(1), no farm domestic allotment shall be reduced or lost through failure to plant the farm domestic allotment, if the producer elects not to receive certificates for the portion of the farm domestic allotment not planted, to which he would otherwise be entitled under the provisions of this Act.”

SEC. 403. Effective only with respect to the marketing years beginning July 1, 1971, July 1, 1972, and July 1, 1973, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) by deleting in the first sentence of section 379d(b) the words “During any marketing year for which a wheat marketing allocation program is in effect,” and substituting “During each marketing year,”;

(2) by adding at the end of section 379d(b) the following: “Notwithstanding the foregoing, the Secretary is authorized, to temporarily suspend the requirement for export marketing certificates for the period beginning July 1, 1971, and ending June 30, 1974.”

(3) by adding at the end of section 379e the following: “Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1971, 1972, and 1973 crops of wheat to persons engaged in the processing of food products but in determining the cost to processors the face value shall be 75 cents per bushel.”

SEC. 404. Effective only with respect to the 1971, 1972, and 1973 crops, the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) sections 331, 332, 335, 336, 338, and 339 shall not be applicable to the 1971, 1972, and 1973 crops of wheat;

(2) sections 333 and 334 shall not be applicable to the 1972 and 1973 crops of wheat;

(3) by adding in section 378 a new subsection (e) to read as follows:

“(e) The term ‘allotment’ as used in this section includes the domestic allotment for wheat.”

(4) by adding at the end of section 379 the following sentence: “The term ‘acreage allotments’ as used in this section includes the domestic allotment for wheat.” and

(5) by adding in the first sentence of section 385 after the words “parity payment,” the words “payments (including certificates) under the wheat and feed grain set-aside programs,”.

SEC. 405. Effective only with respect to the 1971, 1972, and 1973 crops of wheat, section 706, Public Law 89-321 (79 Stat. 1210), is amended as follows:

(1) by adding in the first sentence after the words “the Soil Conservation and Domestic Allotment Act, as amended,” the words “or the Agricultural Act of 1949, as amended,”; and

(2) by adding at the end thereof the following sentence: “The term ‘acreage allotments’ as used in this section includes the domestic allotment for wheat.”

SEC. 406. Public Law 74, Seventy-seventh Congress (68 Stat. 905), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1971, 1972, and 1973.

SEC. 407. The amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop of wheat may be reduced by the amount by which the actual total production of the 1971, 1972, or 1973 crop on the farm is less than the number of bushels determined by multiplying three times the domestic allotment for such crop on the farm by the yield established for the farm for the purpose of issuance of domestic marketing certificates. The provisions of such section shall continue to apply to the wheat so stored to the extent not inconsistent therewith.

SEC. 408. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity the Agricultural Act of 1949 as amended is further amended by adding in section 408 a new subsection (k) as follows:

“REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

“(k) References made in sections 402, 403, 406, and 416 to the terms ‘support price,’ ‘level of support,’ and ‘level of price support’ shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms ‘price support,’ ‘price support operations,’ and ‘price support program’ in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act.”

SEC. 409. Section 407 of the Agricultural Act of 1949, as amended, is further amended effective only with respect to the marketing years for the 1971, 1972, and 1973 crops of the commodity as follows:

(1) by deleting in the third sentence the language following the third colon and substituting the following: “Provided, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges.”

(2) by deleting in the fifth sentence “current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)” and substituting “current basic county loan rate (or a comparable price if there is no current basic county loan rate)”, and

(3) by deleting in the seventh sentence “, but in no event shall the purchase price exceed the then current support price for such commodities.” and substituting “or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation’s minimum sales price for such commodities for unrestricted use.”

SEC. 410. Notwithstanding any other provision of law, for the 1971, 1972, and 1973 crops of wheat, feed grains and cotton, if in any year at least 55 per centum of the cropland acreage on an established summer fallow farm is devoted to a summer fallow use, no further acreage shall be required to be set aside under the wheat, feed grain and cotton programs for such year.

TITLE V—FEED GRAINS

SEC. 501. *Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:*

"SEC. 105. Notwithstanding any other provision of law—

"(a)(1) *The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not less than \$1.00 per bushel nor in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.*

"(2) *The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.*

"(b)(1) *In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley. The payment rate for corn shall be at such rate as, together with the national average market price received by farmers for corn during the first five months of the marketing year for the crop, the Secretary determines will not be less than (A) \$1.35 per bushel, or (B) 70 per centum of the parity price of corn as of the beginning of the marketing year, whichever is the greater. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn. Notwithstanding the foregoing, the rate of payment for the 1973 crop shall not be such as will result in a total amount of payments which the Secretary estimates will be made pursuant to this subsection with respect to the 1973 crop of feed grains above the total amount of payments made pursuant to this subsection with respect to the 1972 crop of feed grains by reason of the level specified in clause (B) being fixed above 68 per centum of the parity price for corn.*

"(2) *The payments with respect to a farm shall be made available on 50 per centum of the feed grain base for the farm and shall be computed on the basis of the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield.*

"(3) *If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the portion of the feed grain base for the farm on which payments are available under this subsection, the feed grain base for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than such portion of the feed grain base for the farm, but such reduction shall not exceed 20 per centum of the feed grain base. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain base, such farm shall lose its feed grain base: Provided, That no farm feed grain base shall be reduced*

or lost through failure to plant, if the producer elects not to receive payment for such portion of the farm feed grain base not planted, to which he would otherwise be entitled under the provisions of this Act. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e) (2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the portion of the feed grain base on which payments are made available shall be considered to have planted an acreage equal to 100 per centum of such portion. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans or to wheat considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.

“(c)(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of feed grains or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain base for the farm as may be specified by the Secretary, plus (ii) the acreage of cropland on the farm devoted in preceding years to soil-conserving uses, as determined by the Secretary. The Secretary is authorized for the 1971, 1972, and 1973 crops to limit the acreage planted to feed grains on the farm to such percentage of the feed grain base as he determines necessary to provide an orderly transition to the program provided for under this section. If for any crop, the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term ‘feed grains’ shall include oats and rye, and barley, if not designated by the Secretary as provided above. Such section 328 shall be effective in 1971, 1972, 1973 to the same extent as it would be if a diversion program were in effect for feed grains during each of such years. Grazing shall not be permitted during any of the five principal months of the normal growing season as determined by the county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, and subject to this limitation (1) the Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and (2) the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

"(2) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (b), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (c)(1). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

"(3) The feed grain program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on feed grains included in the set-aside program and payments under this section shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (c)(4) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(d) The Secretary shall provide for the sharing of payments under this section among producers on the farm on a fair and equitable basis.

"(e)(1) For the purpose of this section, the feed grain base shall be the average acreage devoted on the farm to corn, grain sorghums and, if designated by the Secretary, barley in 1959 and 1960.

"(2) The Secretary may make such adjustments in acreage under this section as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm. The Secretary shall, upon the request of a majority of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county in order to establish fair and equitable feed grain bases for farms within such State or county: Provided, That except for acreage provided

for in subsection (b)(3), adjustments made pursuant to this sentence shall not increase the total State feed grain acreage. The Secretary is authorized to draw upon the acreage pool provided for in subsection (b)(3) in making such adjustments. Notwithstanding any other provision of this subsection, the feed grain base for the farm shall be adjusted downward to the extent required by subsection (b)(3).

“(3) Notwithstanding any other provision of this subsection not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: suitability of the land for the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. No part of such reserve shall be allocated to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for feed grains. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this section.

“(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

“(g) The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 32 cents per bushel for corn, with comparable rates for grain sorghums and, if designated by the Secretary, barley, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment. If the set-aside in effect under subsection (c) is less than 20 per centum of the feed grain base, the preliminary payment rate under this subsection shall be reduced proportionately.

“(h) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this section.

“(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.”

TITLE VI—COTTON

SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended effective beginning with the 1971 crop of upland cotton as follows:

(1) Sections 342, 343, 344, 345, 346, and 377 of the Act shall not be applicable to upland cotton of the 1971, 1972, and 1973 crops.

(2) A new section 342a is added to read as follows:

“SEC. 342a. The Secretary shall, not later than November 15, of the calendar years 1970, 1971, and 1972, proclaim a national cotton pro-

duction goal for the 1971 and subsequent crops of upland cotton. The national cotton production goal for any year shall be the number of bales of upland cotton (standard bales of four hundred and eighty pounds net weight) equal to the estimated domestic consumption and estimated exports for the marketing year beginning in the calendar year for which such national cotton production goal is proclaimed, plus an allowance of not less than 5 per centum of such estimated consumption and estimated exports for market expansion except that the Secretary shall make such adjustments in the amount of such production goal as he determines necessary after taking into consideration the estimated stocks of upland cotton in the United States (including the qualities of such stocks) and stocks in foreign countries, which would be available for the marketing year, to assure the maintenance of adequate but not excessive carryover stocks in the United States (not less than 50 per centum of the average offtake for the three preceding marketing years) to provide a continuous and stable supply of the different qualities of upland cotton needed in the United States and in foreign cotton consuming countries and, in addition, to provide an adequate reserve for purposes of national security."

(3) Effective only with respect to the 1971, 1972, and 1973 crops, section 344a is amended as follows:

(1) subsection (a) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the Secretary shall (1) permit the owner and operator of any farm for which a farm base acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm for which a farm base acreage allotment is established (other than pursuant to section 350(e)(1)(A)) for transfer to such farm; and (2) permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: Provided, That any temporary transfer of farm acreage allotment by lease or by owner approved by the county committee to take effect during the period 1966 through 1970 for a term extending beyond 1970 shall be approved pro rata on the basis of the farm base acreage allotment for the farm from which the transfer is made, but no temporary transfer by lease entered into after March 15, 1970, shall be approved for 1974 and subsequent crops."

(2) subdivisions (ii), (iv), (v), and (vi) of subsection (b), the last sentence of subsection (b) and subsections (e) and (h) shall not be applicable to the 1971, 1972, and 1973 crops: Provided, That no farm allotment may be sold or leased for transfer to a farm in another county unless the Agricultural Stabilization and Conservation Committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for the county from which such transfers are being made (1) finds that a demand for such acreage allotments no longer exists in such county and (2) approves any transfers of allotments to farms outside such county.

(4) Section 350 of the Act is amended to read as follows:

"SEC. 350. (a) The Secretary shall establish for each of the 1971, 1972, and 1973 crops of upland cotton a national base acreage allotment. Such national base acreage allotment shall be announced not later than November 15 of the calendar year preceding the year for which the national base

acreage allotment is to be effective. The national base acreage allotment for any crop of cotton shall be the number of acres which the Secretary determines on the basis of the expected national yield will produce an amount of cotton equal to the estimated domestic consumption of cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced, plus not to exceed 25 per centum thereof if the Secretary, taking into consideration other actions he may take under the Agricultural Act of 1970, determines that such additional amount is necessary to provide for a production which will equal the national cotton production goal, except that such national base acreage allotment shall be eleven million five hundred thousand acres for the 1971 crop and in the case of the 1972 and 1973 crops shall be in such amount as the Secretary determines necessary to maintain adequate supplies.

“(b) The national base acreage allotment for each crop of upland cotton shall be apportioned by the Secretary to the States on the basis of the acreage planted (including acreage regarded as having been planted) to upland cotton within the farm acreage allotment or the farm base acreage allotment, whichever is in effect, during the five calendar years immediately preceding the calendar year in which the national cotton production goal is proclaimed, with adjustments for abnormal weather conditions or other natural disaster during such period.

“(c) The State base acreage allotment for each crop of upland cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsection (b): Provided, That the State committee may reserve not to exceed 2 per centum of its State acreage allotment which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardships.

“(d) The Secretary shall adjust the apportionment base for each county as may be necessary because of transfers of allotments across county lines.

“(e)(1) The county base acreage allotment for the 1971 crop shall be apportioned to old cotton farms in the county on the basis of the domestic acreage allotment established for the farm for the 1970 crop. For the 1972 and each subsequent crop of upland cotton the county base acreage allotment shall be apportioned to old cotton farms in the county on the basis of the farm base acreage allotment established for such farm for the preceding year. The county committee may reserve not in excess of 10 per centum of the county allotment which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm allotments established under this paragraph so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm allotments to correct inequities and to prevent hardships. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the Agricultural Act of 1970.

"(2) If for any crop the total acreage of cotton planted on a farm is less than the farm base acreage allotment, the farm base acreage allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm base acreage allotment, but such reduction shall not exceed 20 per centum of the farm base acreage allotment for the preceding crop. If not less than 90 per centum of the base acreage allotment for the farm is planted to cotton, the farm shall be considered to have an acreage planted to cotton equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton. For the purpose of this paragraph, the Secretary shall, in the event producers of wheat or feed grains are permitted to do so, permit producers of cotton to have acreage devoted to soybeans, wheat, or feed grains considered as devoted to the production of cotton to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the cotton or soybean program.

"(3) If no acreage is planted to cotton for any three consecutive crop years on any farm which had a farm base acreage allotment for such years, such farm shall lose its base acreage allotment.

"(f) Effective for the 1971, 1972, and 1973 crops, any part of any farm base acreage allotment on which upland cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the farm base acreage allotment for such farm and may be reapportioned by the county committee to other farms in the same county receiving farm base acreage allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of upland cotton, land, labor, equipment available for the production of upland cotton, crop rotation practices, and soil and other physical facilities affecting the production of upland cotton. If all of the acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used to make adjustments in farm base acreage allotments for other farms in the State adversely affected by abnormal conditions affecting plantings or to correct inequities or to prevent hardship. Any farm base acreage allotment released under this provision shall be regarded for the purpose of establishing future farm base acreage allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred: Provided, That, notwithstanding any other provision of law, any part of any farm base acreage allotment for any crop year may be permanently released in writing to the county committee by the owner and operator of the farm and reapportioned as provided herein. Acreage released under this subsection shall be credited to the State in determining future allotments.

"(g) Any farm receiving any base acreage allotment through release and reapportionment or sale, lease, or transfer shall, as a condition to the right to receive such allotment, comply with the set-aside requirements of section 103(e)(4) of the Agricultural Act of 1949, as amended, applicable to such acreage as determined by the Secretary.

"(h) Notwithstanding any other provision of this Act, if the Secretary determines for any year that because of drought, flood, other natural disaster, or a condition beyond the control of the producer a portion of the

farm base acreage allotment in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of such cotton acreage for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of upland cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm base acreage allotment transferred under this subsection shall be regarded as planted to upland cotton on the farm and in the county and State from which transfer is made for purposes of establishing future farm, county and State allotments."

SEC. 602. Effective beginning with the 1971 crop of upland cotton, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (e) reading as follows:

"(e)(1) The Secretary shall upon presentation of warehouse receipts reflecting accrued storage charges of not more than 60 days make available for the 1971, 1972, and 1973 crops of upland cotton to cooperators non-recourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States 90 per centum of the average world price for such cotton for the two-year period ending July 31 in the year in which the loan level is announced, except that to prevent the establishment of such a loan level as would adversely affect the competitive position of United States upland cotton, following one or more years of excessively high prices, the Secretary shall make such adjustments as are necessary to keep United States upland cotton competitive and to retain an adequate share of the world market for such cotton. The average world price for such cotton for such preceding two-year period shall be determined by the Secretary annually pursuant to a published regulation which shall specify the procedures and the factors to be used by the Secretary in making the world price determination. The loan level for any crop of upland cotton shall be determined and announced not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective. Notwithstanding the foregoing, if the carryover of upland cotton as of the beginning of the marketing year for the 1972 or 1973 crop exceeds 7.2 million bales, producers on any farm harvesting cotton of such crop from an acreage in excess of the base acreage allotment for such farm shall be entitled to loans and purchases only on an amount of the cotton of such crop produced on such farm determined by multiplying the yield used in computing payments for such farm by the base acreage allotment for such farm.

"(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972, and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the national average market price for Middling one-inch upland cotton (micronaire 3.5 through 4.9) in the designated spot markets during the first five months of the marketing year for the crop, the Secretary determines will be equal to the greater of (i) 35 cents, or (ii) 65 per centum of the parity price for upland cotton as of the beginning of the marketing year, except that the rate of payment so determined for the 1972 crop and the 1973 crop, respectively, shall be adjusted by multiplying the amount thereof by the ratio of (i) the national base acreage allotment for the 1971 crop to (ii) the national base

acreage allotment for the crop for which the rate is being determined: Provided, That the payment rate with respect to any producer who (i) is on a small farm (that is, a farm on which the base acreage allotment is ten acres or less, or on which the yield used in making payments times the farm base acreage allotment is five thousand pounds or less, and for which the base acreage allotment has not been reduced under section 350(f)), (ii) resides on such farm, and (iii) derives his principal income from cotton produced on such farm, shall be increased by 30 per centum; but, notwithstanding paragraph (3), such increase shall be made only with respect to his share of cotton actually harvested on such farm within the quantity specified in paragraph (3). The Secretary shall make a preliminary payment to producers, as soon as practicable after July 1 of the year in which the crop is harvested, at a rate equal to 15 cents per pound, and the payment so made shall not be reduced if the rate as finally determined is less than the rate of the preliminary payment.

"(3) Such payments shall be made available for a farm on the quantity of upland cotton determined by multiplying the acreage planted within the farm base acreage allotment for the farm for the crop by the average yield established for the farm: Provided, That payments shall be made on any farm planting not less than 90 per centum of the farm base acreage allotment on the basis of the entire amount of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to cotton because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be considered to be an acreage planted to cotton. The average yield for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years, except that the 1970 farm projected yield shall be substituted in lieu of the actual yields for the years 1968 and 1969: Provided, That the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster: Provided further, That the average yield established for the farm for any year shall not be less than the yield used in making payments for the preceding year if the total cotton production on the farm in such preceding year is not less than the yield used in making payments for the farm for such preceding year times the farm base acreage allotment for such preceding year (for the 1970 crop, the farm domestic allotment).

"(4)(A) The Secretary shall provide for a set aside of cropland if he determines that the total supply of agricultural commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 28 per centum of the farm base acreage allotment), plus (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. If the Secretary determines prior to the planting season for such crop that the carryover of upland cotton as of the beginning of the marketing year for the 1972 or 1973 crop will exceed 7.2 million bales, the Secretary is authorized for such crop to limit the acreage planted to upland cotton on the farm in excess of the farm base acreage allotment to such percentage of

the farm base acreage allotment as he determines necessary to reduce the total supply to a reasonable level. Grazing shall not be permitted during any of the five principal months of the normal growing season as determined by the county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, and subject to this limitation (1) the Secretary shall permit producers to plant and graze on the set-aside acreage sweet sorghum, and (2) the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

“(B) To assist in adjusting the acreage of commodities to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in subsection (e)(2), to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be so devoted under subsection (e)(4)(A). The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

“(5) The upland cotton program formulated under this section shall require the producer to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

“(6) If the operator of the farm desires to participate in the program formulated under this section, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Loans and purchases on upland cotton and payments under this section shall be made available to the producers on such farm only if producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection (e)(6) if he determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities.”

“(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis, in payments under this section.

"(8) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(9) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this Title.

"(10) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection."

SEC. 603. Effective only with respect to the period beginning August 1, 1971, and ending July 31, 1974, the tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by deleting all of that sentence from the beginning to and including the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate for Middling one inch upland cotton (micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges and (2)".

SEC. 604. Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting a colon in lieu of the period at the end of the first sentence and adding the following: "And provided, That for the 1971, 1972, and 1973 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e)."

SEC. 605. Effective only with respect to the 1971, 1972, and 1973 crops the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By adding in section 378 a new subsection (d) to read as follows:

"(d) The term 'allotment' as used in this section includes the farm base acreage allotment for upland cotton."

(2) By adding at the end of section 379 the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

(3) By adding in the first sentence of section 385 after the words "parity payment," the words "payments under the cotton set-aside program,".

SEC. 606. Effective only with respect to the 1971, 1972, and 1973 crops, section 706, Public Law 89-321 (79 Stat. 1210) is amended by adding at the end thereof the following sentence: "The term 'acreage allotments' as used in this section includes the farm base acreage allotments for upland cotton."

SEC. 607. Effective only with respect to the 1971, 1972, and 1973 crops of the commodity, the Agricultural Act of 1949, as amended, is further amended by adding in section 408 a new subsection (l) as follows:

REFERENCE TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(l) References made in sections 402, 403, 406, and 416 to the terms 'support price,' 'level of support,' and 'level of price support' shall be

considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support,' 'price support operations,' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act."

SEC. 608. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1971, 1972, and 1973 crops.

SEC. 609. The Secretary shall file annually with the President for transmission to the Congress a complete report of the programs carried out under this title. Such report shall include the amount of funds spent, the purposes for which such funds were spent, the basis for participation in such programs in the various States, and an appraisal of the effectiveness of the programs.

SEC. 610. The Commodity Credit Corporation, in furtherance of its powers and duties under subsections (e) and (f) of section 5 of the Commodity Credit Corporation Charter Act, shall, through the Cotton Board established under the Cotton Research and Promotion Act, and upon approval of the Secretary, enter into agreements with the contracting organization specified pursuant to section 7(g) of that Act for the conduct, in domestic and foreign markets, of market development, research or sales promotion programs and programs to aid in the development of new and additional markets, marketing facilities and uses for cotton and cotton products, including programs to facilitate the utilization and commercial application of research findings. Each year the amount available for such agreements shall be that portion of the funds (not exceeding \$10,000,000) authorized to be made available to cooperators under the cotton program for such year but which is not paid to producers because of a statutory limitation on the amounts of such funds payable to any producer. The Secretary is authorized to deduct from funds available for payments to producers under section 103 of the Agricultural Act of 1949, as amended, on each of the 1972 and 1973 crops of upland cotton such additional sums for use as specified above (not exceeding \$10,000,000 for each such crop) as he determines desirable; and the final rate of payment provided in section 103 if higher than the rate of the preliminary payment provided in such section shall be reduced to the extent necessary to defray such costs. No funds made available under this section shall be used for the purpose of influencing legislative action or general farm policy with respect to cotton.

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83-480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973."

SEC. 702. Section 104 of such Act is amended by inserting before the comma at the end of paragraph (1) of the first proviso following subsection (k) the following: ", and in the case of currencies to be used for the purposes specified in paragraph (2) of subsection (b) the Appropriation Act may specifically authorize the use of such currencies and shall not require the appropriation of dollars for the purchase of such currencies".

TITLE VIII—GENERAL AND MISCELLANEOUS

LONG-TERM LAND RETIREMENT

SEC. 801. Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended—

(1) By inserting "(A)" after "Sec. 16(e)(1)".

(2) By inserting in the first sentence after "For the purpose of promoting the conservation and economic use of land" the following: ", and of assisting farmers who because of advanced age, poor health, or other reasons, desire to retire from farming but wish to continue living on their farms,".

(3) By inserting in the first sentence after "is authorized to enter into agreements," the following: "during the calendar years 1971, 1972, and 1973,".

(4) By striking out the proviso at the end of paragraph (1) and inserting in lieu thereof the following: "Provided, That any agreements entered into under this section after July 1, 1970, shall prohibit grazing of such acreage,".

(5) By inserting a new subparagraph (B) at the end of paragraph (1) to read as follows:

"(B) Such acreage may be devoted to approved wildlife food plots or fish and wildlife habitat which are established in conformity with standards developed by the Secretary in consultation with the Secretary of the Interior, and the Secretary may compensate producers for such practices. The Secretary may also provide for payment in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit access, without other compensation, to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary after consultation with the Secretary of the Interior shall appoint an Advisory Board consisting of citizens knowledgeable in the fields of agriculture and wildlife with whom he may consult on the wildlife practice phase of programs under this subsection, and the Secretary may compensate members of the Board and reimburse them for per diem and traveling expenses. The Secretary shall invite the several States to participate in wildlife phases of programs under this subsection by assisting the Department of Agriculture in developing guidelines for (a) providing technical assistance for wildlife and habitat improvement practices, (b) reviewing applications of farmers for the public land use option and selecting eligible areas based on desirability of wildlife habitat, (c) determining accessibility, (d) evaluating effects on surrounding areas, (e) considering esthetic values, (f) checking compliance by cooperators, and (g) carrying out programs of wildlife stocking and management on the acreage set aside. The Secretary shall consult with the Secretary of the Interior regarding regulations to govern the administration of those aspects of this subparagraph (B) that pertain to wildlife. Funds are authorized to be appropriated to the Secretary of the Interior for use in assisting the State wildlife agencies to carry out the provisions of this subparagraph and in administering such assistance."

(6) By adding at the end of paragraph (2) the following: "The foregoing provision shall not prevent a producer from placing a farm in the program if the farm was acquired by the producer to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain."

(7) By adding at the end of paragraph (4) the following: "Any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest."

(8) By adding at the end of paragraph (5) the following: "The Secretary may if he determines that such action will contribute to the effective and equitable administration of the program use an advertising-and-bid procedure in determining the lands in any area to be covered by agreements. The total acreage placed under agreements in any county or local community shall be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired as compared to the average productivity of eligible acreage in the county or local community."

(9) By adding a new paragraph (6) to read as follows:

"(6) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in rural areas in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purpose of the program will be accomplished by such action. The Secretary also is authorized to share the cost with State and local governmental agencies and other Federal agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action. No appropriation shall be made for any agreement under this paragraph (6) involving an estimated total Federal payment in excess of \$250,000 unless such agreement has been approved by resolution adopted by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate."

(10) By striking out the last sentence of paragraph (7) and substituting the following: "In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1971, through June 30, 1973, or during the period June 30, 1973, to December 31, 1973, (A) enter into agreements with producers which would require payments to producers in any calendar year under such agreements in excess of \$10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years, or (B) enter into agreements with States or local agencies under paragraph (6) which would require payments to such State, or local government agencies in any calendar year under such agreements in excess of \$10,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such years. For purposes of applying the foregoing limitations, the annual payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made."

(11) By striking out "June 30, 1963" in paragraph (7) and substituting "June 30, 1972".

(12) By inserting "farming opportunities and" preceding the words "interests of tenants and sharecroppers in paragraph (3)".

MARKETING QUOTA EXEMPTION FOR BOILED PEANUTS

SEC. 802. The last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows: "This amendment shall be effective for the 1957 and subsequent crops of peanuts."

VOLUNTARY RELINQUISHMENT OF ALLOTMENTS

SEC. 803. Notwithstanding any other provision of law, the Secretary may provide for the reduction or cancellation of any allotment or base when the owner of the farm states in writing that he has no further use of such allotment or base.

INDEMNIFICATION FOR BEEKEEPERS

SEC. 804. (a) The Secretary of Agriculture is authorized to make indemnity payments to beekeepers who through no fault of their own have suffered losses of honey bees after January 1, 1967, as a result of utilization of economic poisons near or adjacent to the property on which the beehives of such beekeepers were located.

(b) The amount of the indemnity payment in the case of any beekeeper shall be determined on the basis of the net loss sustained by such beekeeper as a result of the loss of his honey bees.

(c) Indemnity payments shall be made only in cases in which the loss occurred as a result of the use of economic poisons which had been registered and approved for use by the Federal Government.

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(e) The Secretary is authorized to issue such regulations as he deems necessary to carry out the purposes of this section.

(f) The provisions of this section shall not be in effect after December 31, 1973.

SEC. 805. (a) Notwithstanding any other provision of law, the Secretary shall permit any producer who is participating in the wheat program under title IV of this Act, in the feed grain program under title V of this Act, or in the cotton program under title VI of this Act, in any year in which an acreage diversion or set-aside program is in effect, under any such program in which such producer is participating, subject to the conditions prescribed in subsection (b) of this section, to plant and harvest hay from 25 per centum of the acreage on the farm diverted from production under such programs or twenty-five acres, whichever is greater.

(b) Any producer who elects to plant and harvest hay on diverted or set aside acreage pursuant to this section shall first agree not to use any such hay harvested from such acreage unless authorized to do so by the Secretary.

(c) When any diverted or set aside acreage has been planted and harvested under authority of this section, the hay harvested therefrom shall be baled and stored in sealed storage on the farm in accordance with such

regulations as the Secretary may prescribe and shall be available only for use during periods of emergency declared by the Secretary. In order to avoid deterioration of such hay stored on the farm for emergency purposes pursuant to this section, the Secretary may permit such hay to be removed and used or sold from time to time so long as an amount of hay equal to the amount removed is previously placed in storage and sealed.

(d) Any farmer who has hay stored on his farm for emergency purposes pursuant to this section may remove such hay from storage and use it whenever the Secretary has (1) designated as an emergency area the area in which such farm is located, and (2) specifically authorized the use of emergency hay by farmers in the area.

(e) The Secretary of Agriculture is authorized to make or guarantee loans to farmers, both tenants and landowners, to assist such farmers in the construction of storage facilities on the farm for the storage of emergency hay pursuant to the provisions of this section if such farmers are unable to obtain loans from commercial sources at reasonable rates and on reasonable terms and conditions. Loans made by the Secretary under this subsection shall be made at the current rate of interest for periods not exceeding ten years, and on such other terms and conditions as the Secretary may prescribe.

SEC. 806. (a) Section 306 of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926), is amended by adding at the end thereof a new subsection as follows:

“(d) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year.”

(b) Subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1921–1929), is amended by adding at the end thereof a new section as follows:

“SEC. 310. Funds appropriated for the purpose of making direct real estate loans to farmers and ranchers under this subtitle shall remain available until expended.”

TITLE IX—RURAL DEVELOPMENT

COMMITMENT OF CONGRESS

SEC. 901(a) The Congress commits itself to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.

LOCATION OF FEDERAL FACILITIES

(b) Congress hereby directs the heads of all executive departments and agencies of the Government to establish and maintain, insofar as practicable, departmental policies and procedures with respect to the location of new offices and other facilities in areas or communities of lower population density in preference to areas or communities of high population densities. The President is hereby requested to submit to the Congress not later than September 1 of each fiscal year a report reflecting the efforts during the immediately preceding fiscal year of all executive departments and agencies in carrying out the provisions of this section, citing the location of all new facilities, and including a statement covering the basic reasons for the selection of all new locations.

PLANNING ASSISTANCE

(c) *The Secretary of the Department of Housing and Urban Development and the Secretary of Agriculture shall submit to the Congress a joint progress report as to their efforts during the immediately preceding fiscal year to provide assistance to States planning for the development of rural multicounty areas not included in economically depressed areas under authority of the Housing and Urban Development Act of 1968. The first such annual report shall be submitted not later than December 1, 1970, and shall cover the period beginning August 1, 1968, the date of enactment of the Housing and Urban Development Act of 1968, and ending June 30, 1970.*

INFORMATION AND TECHNICAL ASSISTANCE

(d) *The Secretary of Agriculture shall submit to the Congress a report not later than September 1 of each fiscal year reflecting the efforts of the Department of Agriculture to provide information and technical assistance to small communities and less populated areas in regard to rural development during the immediately preceding fiscal year. The first such annual report shall be submitted not later than December 1, 1970, covering the period beginning July 1, 1969, and ending June 30, 1970. The Secretary shall include in such reports to what extent technical assistance has been provided through land-grant colleges and universities, through the Extension Service, and other programs of the Department of Agriculture.*

GOVERNMENT SERVICES

(e) *The President shall submit to the Congress a report not later than September 1 of each fiscal year stating the availability of telephone, electrical, water, sewer, medical, educational, and other government or government assisted services to rural areas and outlining efforts of the executive branch to improve these services during the immediately preceding fiscal year. The President is requested to submit the first such annual report, covering the fiscal year ending June 30, 1970, on or before December 1, 1970.*

FINANCIAL ASSISTANCE

(f) *The President shall report to Congress on the possible utilization of the Farm Credit Administration and agencies in the Department of Agriculture to fulfill rural financial assistance requirements not filled by other agencies. The President is requested to submit the report requested by this section on or before July 1, 1971, together with such recommendations for legislation as he deems appropriate.*

And the Senate agree to the same.

W. R. POAGE,
THOMAS G. ABERNETHY,
GRAHAM PURCELL,
B. F. SISK,
PAGE BELCHER,
CATHERINE MAY,
WILLIAM C. WAMPLER,

Managers on the Part of the House.

SPESSARD L. HOLLAND,
JAMES O. EASTLAND
GEORGE D. AIKEN,
JACK MILLER,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill, H.R. 18546, to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The Senate struck out all after the enacting clause of H.R. 18546 and substituted a Senate amendment which, while dealing with the same subject matter, differed from it in a number of major respects. The amendment herewith reported embodies the agreement of the conferees on the various points of difference in the House bill and the Senate amendment and was agreed to by the conferees as a substitute for the Senate amendment.

The conference substitute follows the structure of the House bill as to the order and arrangement of titles.

Following is a discussion of the substitute amendment as agreed to by the conferees:

TITLE I—PAYMENT LIMITATION

Section 101 of the conference substitute is identical to the House bill. The conferees, however, intend that the application of the payment limitation exemption for "lands owned by States, political subdivisions, or agencies thereof" to apply only to these governmental entities and not to other persons who may lease or rent State or local government-owned lands. In other words, it is the intent of the conferees that the payment limitation in this bill should apply to all persons who rent or lease land owned by States, political subdivisions, or agencies thereof.

It is also the conferees intent that in applying the payment limitation to the wheat program any savings that result will accrue to the Government and will not be redistributed to other wheat growers in the form of domestic marketing certificates. In other words, the provision requiring the allotment to be such as will result in certificates being issued for the full amount of the wheat used for domestic food consumption does not mean that the allotment would be increased to the extent necessary to provide for issuance to other producers of the certificates which may be denied some producers as a result of the payment limitation in title I of the bill.

TITLE II—DAIRY

This title of the conference substitute contains four sections dealing with different aspects of the dairy program.

Section 201 deals with the amendments to the statutory authority for Federal milk marketing orders and is substantially the same as the provision included in the House bill. The differences are as follows:

1. There is a language clarification which was included in the Senate amendment relative to adjustments under clause (d) of section

8c(5)(B) of the Agricultural Marketing Agreement Act of 1937, as amended. Clause (d) is designed to specifically retain and separately state existing authority for seasonal base-excess plans.

2. Under clause (f) which extends the authority for the Class I Base plan, the conference substitute corrects a clerical error in clause (ii) and clarifies the intent of the House language in clause (v) that dairy farmers outside a Class I Base plan market shall within 90 days be entitled to competitive access and be treated the same as dairy farmers already within the scope of the order. Clause (v) also contains a clarification concerning the production facilities currently being used to determine the Class I Base allocation of such producers.

3. The conference substitute also retains the House language relative to producer-handlers. It is the clear and specific intent of the conferees that the Secretary shall maintain the same policy with respect to the exemption of producer-handlers from the provisions of marketing orders that was maintained prior to the enactment of H.R. 18546, the "Agricultural Act of 1970."

4. Section 201(e) of the House bill which provided that the provisions of this section shall expire on December 31, 1973, is retained but it is amended to provide that during the three-year life of this section orders providing for Class I Base plans issued prior to December 31, 1973, may extend until December 31, 1976. In other words any area which qualifies to use the Class I Base plan authority must do so by December 31, 1973, and if the order is issued prior to that date, it could extend into the future as far as December 31, 1976.

Nothing in this amendment is intended to alter the authority in the law for either producers or the Secretary to terminate or amend any Class I plan prior to its termination as otherwise provided.

Sections 202 and 203 of the conference substitute deal with the suspension of butterfat price supports and the military and veterans hospital dairy program and are unchanged from the House bill.

Section 204 of the conference substitute deals with dairy indemnity payments and contains the Senate provision making dairy processors also eligible for relief under the Act of August 13, 1968. The conferees, however, have included language in this provision intended to make its application in respect to dairy processors prospective and applicable only to claims originating subsequent to the enactment of H.R. 18546. Producer indemnity payments have been authorized for six years, and it is the conferees intent that any producer claims arising during the period beginning with the expiration of the Act of August 13, 1968, and the date of enactment of this bill will also be entertained and adjudicated by the Secretary.

In addition, the conferees wish to make it clear that the absence of a specific reference in H.R. 18546 to the Secretary's authority to issue manufacturing milk marketing orders under the 1937 Act is not intended to be construed as their belief that such authority does not exist. On the contrary, the conferees feel that such authority exists and it is unnecessary to include it in this bill.

TITLE III—WOOL

Section 301 of the conference substitute which amends and extends the National Wool Act for three years is identical to the House bill.

TITLE IV—WHEAT

The conference substitute incorporates most of the language of title IV of the House bill. The following major Senate amendments as modified by the Conferees are included:

1. A floor on the loan of \$1.25 during each of the next three years.
2. A limit on the number of acres that the Secretary may set aside without making diversion payments to wheat farmers to 13.3 million acres in 1971 and 15 million acres during each of the following two years.
3. A special provision for summer fallow farms providing that no further set-aside need be made after 55 percent of cropland on the farm has been devoted to summer fallow practices.
4. Standby authority for the Secretary to impose acreage restrictions on the 1973 crop of wheat. The House bill provided such authority for the first two years, 1971 and 1972.

The main Senate amendments not included in the conference substitute are:

1. Extension of the wheat provisions of the Food and Agriculture Act of 1965 to the 1971 wheat crop.
2. The conduct of a referendum under which wheat farmers would choose for 1972 and 1973 between a continuation of the wheat program under the 1965 Act or the set-aside program provided in the House bill.
3. A small farm wheat certificate bonus of 30 percent for producers on farms of not more than 160 acres who annually had off-farm earned income of not more than \$2,000 and sales of farm products of not more than \$5,000.
4. Mandatory advance payments within 60 days of sign up.
5. Authority for the Secretary to extend the 1973 wheat program to the 1974 crop if Congress had not acted on new wheat legislation in the fall of 1973.

Sections 402 and 501 of the Senate amendment provided for mandatory loans on farm-stored wheat and feed grains and required, to the maximum extent practicable, the renewal of loans on these grains. The conference substitute deletes these provisions because there is ample authority in existing law for the issuance of price support loans on grains stored on the farm where produced and for renewal of loans. The conferees note that farm storage and resale of grain has been a Department practice for a number of years, and the Department has assured the conferees that it intends to continue this policy.

The Senate amendment also contained a provision which would have required persons processing flour second clears, gluten, or other products or by-products of wheat for which domestic marketing certificates have not been obtained to do so if these materials were in the commercial production of food products.

The conference substitute deletes this provision.

The conferees were advised by the Department of Agriculture that the Senate amendment would be difficult to administer and would create international difficulties while failing to go to the heart of the problem.

The following letter from the Department of the Treasury to Senator Miller explains the Bureau of Customs action in regard to this matter:

DEPARTMENT OF THE TREASURY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, D.C., November 25, 1969.

DEAR SENATOR MILLER: Secretary of the Treasury Kennedy has asked that I reply to your inquiry of November 7, 1969, in which you expressed your interest and views on the Bureau of Customs' proposed reclassification of imported second clear wheat flour.

Second clear wheat flour has been imported for many years ex quota and, until 1967, it was classified for tariff purposes under the provision for animal feeds and ingredients therefor because it was chiefly used for that purpose. However, after conducting a study of the uses being made of this product, the Bureau concluded in 1967 that it was no longer chiefly used for animal feed purposes. Accordingly, the Bureau adopted measures involving a change in the tariff treatment of this product. In connection with these measures, several notices of intent to change the classification of imported second clear wheat flour were published in the Federal Register, the latest being February 28, 1969 (34 F.R. 3635).

In the above-mentioned notice, the Bureau stated its tentative conclusion that second clear wheat flour is classifiable under the provision for other non-enumerated products in item 799.00, Tariff Schedules of the United States, with duty at the rate of 8 percent ad valorem. Interested parties were requested to submit written views on this tentative conclusion. The Bureau received numerous representations and statements in response to the notice, and these are currently under review. You may be assured that your views, as well as those of all interested parties, will be carefully considered in arriving at a final conclusion.

The notice referred to above stated a tentative conclusion and is subject to review before a final order may be issued. Several alternative classifications for this product are also being considered. When this matter has been reviewed and a final conclusion reached, you will be informed of such action as is taken at that time.

If we can provide any additional information or be of further assistance, please feel free to call on us.

Sincerely yours,

EUGENE T. ROSSIDES.

It is the opinion of the conferees that any imported product which is used primarily in food processing should be classified for tariff purposes as a food product in the appropriate category.

The conferees therefore recommend that the Bureau of the Customs take appropriate action to classify imported second clear flour in its proper classification consistent with current usage.

TITLE V—FEED GRAINS

The conference substitute contains most of the language of title V of the House bill.

The following provisions included in the Senate amendment are, however, included in the conference substitute:

1. A floor of \$1.00 per bushel on corn for each of the next three years. The House bill contained no such provision.

2. A floor expressed in terms of parity on the target price guarantee for corn. Under the House bill this floor was set at \$1.35 per bushel. The conference substitute retains the House provision, but adds a 70 percent of parity guarantee as well.

The conference substitute also contains specific language which is designed to apply in the event 70 percent of parity exceeds \$1.35 in 1973. This provision represents a compromise between those Members of the Conference favoring 68 percent of parity and those Members favoring 70 percent or more. If, for the 1973 crop of corn, use of the 70 percent of parity figure would result in an increase in total payments under the feed grain program over the total payments made in 1972 by reason of the level being fixed above 68 percent of parity, such increase will not be effective. It is recognized that factors other than the parity differential could result in an increase in total payments for 1973 over the total for 1972. If 70 percent of the parity price for any marketing year exceeds \$1.35, the Secretary shall make every effort to maintain the market price for corn at such level as will not require a payment in excess of 32 cents per bushel.

3. Standby authority for the Secretary to impose acreage restrictions on the 1973 crop of feed grains. The House bill provided for such authority for the first two years, 1971 and 1972.

4. A requirement for the Secretary to proportionately reduce the level of feed grain preliminary payments if the feed grain set-aside is less than 20 percent. There was no comparable provision in the House bill.

5. A provision which preserves history on feed grain bases not planted by a farmer who forgoes payments to which he would otherwise be entitled. There was no comparable provision in the feed grain section of the House bill, but a similar measure was included in the wheat title of the House bill.

The main Senate amendments not included in the conference substitute are:

1. The mandatory inclusion of barley as a feed grain under the program.

2. A small farm feed grain bonus of 30 percent for producers on farms of not more than 160 acres who annually had off-farm earned income of not more than \$2,000 and sales of farm products of not more than \$5,000.

3. Mandatory advance payments within 60 days of sign-up.

4. An exemption under the feed grain program for malting barley.

TITLE VI—COTTON

Title VI of the conference substitute contains most of the language of the House bill, but the conferees made the following main changes:

1. A provision requiring that payments, when added to the national average market price during the first five months of the marketing year, shall equal 35 cents or 65 percent of parity, whichever is greater. The House bill did not contain a parity guarantee, and the Senate amendment calculated these payments as the difference between the loan and the higher of 35 cents or 65 percent of parity.

2. A small cotton farm payment bonus of 30 percent to producers having allotments of 10 acres or less or producing 5,000 pounds or less. The House bill did not contain a small farm bonus provision.

3. Establishment of the loan level at 90 percent of the average world price for the preceding two years. The House bill required a loan equal to 90 percent of the world price as estimated by the Secretary of Agriculture.

4. Anniversary-type loan program. The House bill contained no comparable provision.

5. A limitation on eligibility for loans on cotton produced beyond the base acreage in 1972 or 1973 if the carryover at the start of either year exceeds 7.2 million bales. The House bill contained no comparable provision.

6. Discretion for the Secretary to restrict cotton production in excess of the base acreage allotment if the carryover at the start of either 1972 or 1973 exceeds 7.2 million bales. The House bill contained no comparable provision.

7. A cotton set-aside equal to not more than 28 percent of the base acreage. The House bill established a set-aside of not more than 33½ percent.

8. A new cotton research program. The House bill contained no comparable provision.

It is the intent of the Conferees that under section 610 of the conference substitute the Commodity Credit Corporation shall divert to the Cotton Board not more than \$10,000,000 annually in 1971, 1972, and 1973 from those sums which would otherwise be paid to cotton producers, but for the operation of payment limitations, in order to develop and expand both domestic and foreign markets for upland cotton. The only discretion intended for the Secretary in this regard is over the approval or disapproval of various research and promotion projects, as is the case under the Cotton Research and Promotion Act.

It is the conferees intent that the Secretary be given discretion to use an additional \$10,000,000 annually during 1972 and 1973 for the same purposes.

TITLE VII—PUBLIC LAW 480

Section 701 of the conference substitute extends titles I and II of Public Law 480 for an additional three years and is identical to the House bill.

Section 702 of the conference substitute is an amended version of section 703 of the Senate amendment dealing with the educational and cultural exchange program conducted pursuant to the Act.

The conference substitute deletes the Senate provision which would have increased the level of funds required to be available for this program from 2 percent to 5 percent of new foreign currency agreements. It rewrites section 703(b) of the Senate amendment so as to allow appropriation acts to specifically authorize the use of foreign currencies without requiring the appropriation of dollars for the purchase of those same foreign currencies.

Section 702 of the Senate amendment dealt with Public Law 480 market promotion activities concerning alcoholic beverages and is not included in the conference substitute.

TITLE VIII—GENERAL AND MISCELLANEOUS

Long-term land retirement

Section 801 of the conference substitute deals with long-term land retirement. The conference substitute makes the following changes in the House bill:

1. A provision which restricts acreage in the program to such an amount as will not adversely affect a county or local community.
2. A provision allowing cost sharing with other Federal agencies.
3. Authority to use CCC funds to finance the program until June 30, 1972.

The main Senate provision not included in the conference substitute was the amendment calling for the annual retirement of up to six million acres during each of the next three years. The authorized level of expenditures as provided in the House bill (\$20 million plus carryover) is unchanged in the conference substitute.

Marketing quota exemption for boiled peanuts

Section 802 of the conference substitute provides for a permanent extension of the boiled peanut marketing quota exemption as was provided in the Senate amendment. The House bill provided for a three-year extension of this provision.

Voluntary relinquishment of allotments

Section 803 of the conference substitute deals with the voluntary relinquishment of allotments or bases and is identical to the House bill.

Indemnification of beekeepers

Section 804 of the conference substitute establishes a beekeeper indemnity program and is identical to the House bill.

Baled hay storage

Section 805 of the conference substitute incorporates a baled hay storage provision into the wheat, feed grain, and cotton set-aside program.

It permits producers to plant, harvest, and bale hay grown on wheat, feed grain, and cotton set-aside acres and store for future emergency periods declared by the Secretary. The Secretary could also make loans for baled hay storage facilities. There was no comparable provision in the House bill.

FHA loans

Section 806 of the conference substitute amends the Consolidated Farmers Home Administration Act of 1961 to provide that funds appropriated for section 306 (association loans and grants) and for direct real estate loans to farmers and ranchers shall remain available until expended. Also provides that unused authorizations for appropriations shall carry over from year to year. There was no comparable provision in the House bill.

CONDITION BEYOND THE CONTROL OF THE PRODUCER

The phrase "Condition beyond the control of the producer" which appears in the history preservation provisions of the wheat, feed grain, and cotton sections of the bill was carefully considered by the conferees.

It is the intent of the conferees that this phrase include such contingencies as a quarantine imposed by a local, State, or Federal Government agency and any payment limitation which is included in this or subsequent legislation.

As originally pointed out in the House report on H.R. 18546, one of the main objectives of this legislation is to give farmers greater latitude in making choices as to how to operate their farms. Therefore the conferees do not intend to reduce the acreage history of any farmer because he does not plant and harvest that part of his farm allotment of wheat, feed grains or cotton on which he is denied payments by reason of a payment limitation.

TITLE IX—RURAL DEVELOPMENT

Section 901 commits Congress to a sound rural-urban balance and provides for various reports on planning assistance, technical assistance, government services and utilities, and financial assistance. This title also requires a Federal policy that new offices and facilities be located, insofar as practicable, in communities of lower population density. There was no comparable provision in the House bill.

A BRIEF SUMMARY

There follows a brief summary of the principal provisions of the conference substitute:

TITLE I—PAYMENT LIMITATION

1. Establishes an annual ceiling of \$55,000 per crop on payments to producers of upland cotton, wheat, and feed grains.

2. The limitation imposed considers all payments made for price support, set-aside, diversion, and public access, as well as marketing certificates.

3. The Secretary is authorized to adjust set-aside acreage and is directed to issue regulations necessary to insure fair and reasonable application of this title.

TITLE II—DAIRY

1. Amends and extends the authority for the Dairymen's Class I Base Plan in Federal milk market order areas and provides that any area covered by the program during the next three years could continue to have it in effect up to December 31, 1976.

2. Suspends the operation of the mandatory butterfat price support program for farm-separated cream and permits the Secretary to set lower support prices on butter.

3. Extends the Secretary's authority to donate dairy products owned by CCC to the Armed Services and Veterans Hospitals.

4. Provides authority to make indemnity payments to dairy farmers and dairy processors who, through no fault of their own, have their milk or dairy products contaminated by and condemned because of the presence of pesticides and residues.

TITLE III—WOOL

1. Extends the National Wool Act of 1954, as amended, through December 31, 1973.

2. Continues the present incentive price of 72 cents per pound for shorn wool and 80.2 cents per pound for mohair for each year of the extension.

TITLE IV—WHEAT

1. Suspends marketing quotas and acreage allotments for 1971, 1972, and 1973.

2. Provides domestic marketing certificates for farmers participating in the set-aside program in an amount equal to U.S. food consumption (not less than 535 million bushels annually).

3. Sets the face value of these domestic certificates at the difference between the wheat parity price (currently \$2.85 per bushel) and the average price received by farmers during the first five months of the wheat marketing year (which starts on July 1).

4. Provides for a "preliminary" payment to participating farmers as soon as possible after July 1. This payment would be the amount estimated by the Secretary to be 75 percent of the value of the domestic certificate. The balance of the payment (if any) would be paid after December 1. If the Secretary's estimate were too high, no refunds by farmers would be required.

5. Continues the cost of certificates to wheat processors at 75 cents per bushel.

6. Authorizes the Secretary to set non-recourse loans to participating farmers from \$1.25 per bushel to 100 percent of the parity price for wheat.

7. Establishes a set-aside program under which wheat farmers, in order to be eligible for loans, certificates, and payments under the program, must set aside or divert from the production of wheat and other crops an acreage determined by the Secretary. The 1971 set-aside would be 13.3 million acres. The 1972 and 1973 set-aside could not exceed 15 million acres.

8. Authorizes additional set-aside and public recreational access payments.

TITLE V—FEED GRAINS

1. Establishes a voluntary feed grain (i.e. corn, grain sorghum, and barley) program for 1971, 1972, and 1973.

2. Provides that price support payments to participating farmers on one-half of their feed grain base will be the difference between the higher of (a) \$1.35 per bushel or (b) 70 percent of the parity price (for corn) and the average market price for the first five months of the marketing year (which starts on October 1 on corn and grain sorghum and July 1 on barley). In no event, however, would these payments be less than 32 cents per bushel for corn (with corresponding rates on grain sorghum and barley).

3. Authorizes the Secretary to set the non-recourse loan level for corn from \$1.00 per bushel to 90 percent of parity.

4. Authorizes additional set-aside and public recreational access payments.

5. Establishes a set-aside program under which participating farmers would be required to set aside or divert feed grain or other cropland in order to become eligible for feed grain loans and payments.

6. Provides for a preliminary payment of 32 cents per bushel on corn to participating farmers as soon as possible after July 1. If the difference between the average market price and \$1.35 were more than 32 cents during the first five months of the marketing year, an additional payment would be made. In no event would refunds by farmers be required.

TITLE VI—COTTON

1. Provides payments on the estimated production from 11.5 million acres for the 1971 crop. In 1972 and 1973 the base acreage allotment would be set by the Secretary, and total payments would be adjusted accordingly.

2. Provides participating cotton farmers with loans and payments. The loan would be 90 percent of the average world price for two previous years. The payment would be the difference between the higher of 65 percent of parity or 35 cents and the average market price for the first five months following the beginning of the marketing year (which begins August 1), but in no event less than 15 cents per pound. No refunds by farmers would be required. Small farms would be eligible for 30 percent bonus payments.

3. Authorizes payments to participating farmers on acreage made available to the public for recreational purposes or on additional voluntary set-aside acreage.

4. Provides for a set-aside of cropland (not to exceed 28 percent of the cotton allotment) as a condition of eligibility for benefits under the program.

5. Establishes a voluntary program under which marketing quotas, and penalties would be suspended for three years.

6. Requires participating farmers to plant cotton to receive payments, with two exceptions: (a) if unable to do so because of natural disaster or other condition beyond producers' control; (b) if not less than 90 percent of allotment is planted.

7. Provides for cotton research and promotion program.

8. Allows the sale of cotton allotments within a State, permits the lease of allotments within a State, and provides for the release and reapportionment of allotments during the 3-year life of this legislation.

9. Authorizes anniversary-type loan program under which the Secretary shall, after being presented with warehouse receipts reflecting accrued storage charges of not more than 60 days, make non-recourse loans for a term of 10 months from the first day of the month the loan is made.

TITLE VII—PUBLIC LAW 480

1. Extends the provisions of P.L. 480 (the "Food for Peace" program) which authorizes donations and long-term dollar credit and foreign currency sales of U.S. farm commodities to underdeveloped nations.

TITLE VIII—GENERAL AND MISCELLANEOUS

1. Continues the "Cropland Conversion" and "Greenspan" (long-term land retirement programs) at an authorized appropriation level of \$10 million annually for each program.

2. Extends permanently the exemption from marketing quotas for boiled peanuts.

3. Permits farmers or other land owners who do not desire to hold an allotment on any crop under a government program to voluntarily relinquish it. (This would be a permanent provision.)

4. Establishes an indemnity program to reimburse beekeepers for losses caused by pesticide residues.

5. Permits producers to plant, harvest, and bale hay grown on wheat, feed grain, and cotton set-aside or diverted acres and store such hay for future emergency periods declared by the Secretary. The Secretary could also make loans for baled hay storage facilities.

6. Amends the Consolidated Farmers Home Administration Act of 1961 to provide that funds appropriated for section 306 (association loans and grants) and for direct real estate loans to farmers and ranchers shall remain available until expended. Also provides that unused authorizations for appropriations shall carry over from year to year.

TITLE IX—RURAL DEVELOPMENT

1. Commits Congress to a sound rural-urban balance and provides for various reports on planning assistance, technical assistance, government services and utilities, and financial assistance. Also requires a Federal policy that new offices and facilities be located, insofar as practicable, in communities of lower population density.

W. R. POAGE,
THOMAS G. ABERNETHY,
GRAHAM PURCELL,
B. F. SISK,
PAGE BELCHER,
CATHERINE MAY,
WILLIAM C. WAMPLER,

Managers on the Part of the House

