



Agricultural and Food Act of 1981
Pub. L. No. 97-98, 95 Stat. 1213

Part 1 of 2
Pages 1213-1280

*The digitization of this Act was performed by the University of Arkansas's
National Agricultural Law Center under Cooperative
Agreement No. 58-8201-4-197 with the United States Department of
Agriculture, National Agricultural Library.*

Public Law 97-98
97th Congress

An Act

To provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes.

Dec. 22, 1981
[S. 884]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Agriculture and Food Act of 1981".

Agriculture and
Food Act of 1981.
7 USC 1281 note.

TABLE OF CONTENTS

TITLE I—DAIRY

- Sec. 101. Federal milk marketing orders.
- Sec. 102. Legal status of producer handlers.
- Sec. 103. Milk price support.
- Sec. 104. Transfer of dairy products to veterans hospitals and the military.
- Sec. 105. Dairy indemnity program.
- Sec. 106. Reduction of dairy product inventories.
- Sec. 107. Dairy program operation report.

TITLE II—WOOL AND MOHAIR

- Sec. 201. Extension of support program; support price.

TITLE III—WHEAT

- Sec. 301. Loan rates, target prices, disaster payments, wheat acreage reduction and set-aside program, and land diversion for the 1982 through 1985 crops of wheat.
- Sec. 302. Nonapplicability of certificate requirements.
- Sec. 303. Suspension of marketing quotas and producer certificate provisions.
- Sec. 304. Suspension of quota provisions.
- Sec. 305. Nonapplicability of section 107 of the Agricultural Act of 1949 to the 1982 through 1985 crops of wheat.

TITLE IV—FEED GRAINS

- Sec. 401. Loan rates, target prices, disaster payments, feed grain acreage reduction and set-aside program, and land diversion for the 1982 through 1985 crops of feed grains.
- Sec. 402. Nonapplicability of section 105 of the Agricultural Act of 1949 to the 1982 through 1985 crops of feed grains.

TITLE V—COTTON

- Sec. 501. Suspension of base acreage allotments, marketing quotas and related provisions.
- Sec. 502. Loan rates and target prices, disaster payments, cotton acreage reduction program, and land diversion for the 1982 through 1985 crops of upland cotton.
- Sec. 503. Commodity Credit Corporation sales price restrictions.
- Sec. 504. Miscellaneous cotton provisions.
- Sec. 505. Skiprow practices.
- Sec. 506. Preliminary allotments for 1986 crop of upland cotton.
- Sec. 507. Upland cotton loan differentials.
- Sec. 508. Extra long staple cotton price support.

TITLE VI—RICE

- Sec. 601. Repeal of provisions relating to national acreage allotments, allocations, apportionment, marketing quotas, and penalties.
- Sec. 602. Loan rates, target prices, disaster payments, rice acreage reduction program, and land diversion for the 1982 through 1985 crops of rice.
- Sec. 603. Report on trading of rice futures.

TITLE VII—PEANUTS

- Sec. 701. Suspension of marketing quotas and acreage allotments.
- Sec. 702. National poundage quota and farm poundage quota.
- Sec. 703. Sale, lease, or transfer of farm poundage quota.
- Sec. 704. Marketing penalties; disposition of additional peanuts.
- Sec. 705. Price support program.
- Sec. 706. Reports and records.
- Sec. 707. Suspension of certain price support provisions.

TITLE VIII—SOYBEANS

- Sec. 801. Soybean price support.

TITLE IX—SUGAR

- Sec. 901. Sugar price support.

TITLE X—GRAIN RESERVES AND NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD

Subtitle A—Grain Reserves

- Sec. 1001. Producer reserve program for wheat and feed grains.
- Sec. 1002. Forgiveness of violations.
- Sec. 1003. Disaster reserve.
- Sec. 1004. Conforming amendment.

Subtitle B—National Agricultural Cost of Production Standards Review Board

- Sec. 1005. Establishment of Board.
- Sec. 1006. Membership of Board.
- Sec. 1007. Functions of Board.
- Sec. 1008. Board meetings.
- Sec. 1009. Recommendations to Secretary.
- Sec. 1010. Reports.
- Sec. 1011. Support services.
- Sec. 1012. Compensation.
- Sec. 1013. Authorization for appropriations.
- Sec. 1014. Termination.

TITLE XI—MISCELLANEOUS

Subtitle A—Miscellaneous Commodity Provisions

- Sec. 1101. Payment limitations for wheat, feed grains, upland cotton, and rice.
- Sec. 1102. Finality of determinations.
- Sec. 1103. Commodity Credit Corporation sales price restrictions for wheat and feed grains.
- Sec. 1104. Application of terms in the Agricultural Act of 1949.
- Sec. 1105. Supplemental set-aside and acreage limitation authority.
- Sec. 1106. Normally planted acreage and target prices.
- Sec. 1107. Normal supply.
- Sec. 1108. Nonquota tobacco subject to quota.
- Sec. 1109. Tobacco program cost.

Subtitle B—General Provisions

- Sec. 1110. Special grazing and hay program.
- Sec. 1111. Emergency feed program.
- Sec. 1112. Farm income protection insurance program study.
- Sec. 1113. State agency authority for grain inspections at export port locations.

- Sec. 1114. Distribution of surplus commodities; special nutrition projects.
- Sec. 1115. Perishable agricultural commodities.
- Sec. 1116. Department of Agriculture advisory committees.
- Sec. 1117. Cost of production study.
- Sec. 1118. Unlawful to offer for sale or advertise protected seed when not certified by a State agency.
- Sec. 1119. Protection against the introduction and dissemination of plant pests.
- Sec. 1120. Authority to release bee germ plasm.
- Sec. 1121. User fees for reports and publications.
- Sec. 1122. Inspection and other standards for imported meat products.

TITLE XII—AGRICULTURAL EXPORTS AND PUBLIC LAW 480

Subtitle A—General Export Provisions

- Sec. 1201. Agricultural Export Credit Revolving Fund.
- Sec. 1202. Congressional consultation on bilateral commodity supply agreements.
- Sec. 1203. Special standby export subsidy program.
- Sec. 1204. Agricultural embargo protection.
- Sec. 1205. Development of plans to alleviate adverse impact of export embargoes on agricultural commodities.
- Sec. 1206. Consultation on grain marketing.
- Sec. 1207. Expansion of international markets for United States agricultural commodities and products thereof.
- Sec. 1208. Increased usage of protein byproducts derived from alcohol fuel production.
- Sec. 1209. Exemption for protein byproducts.

Subtitle B—Public Law 480

- Sec. 1210. Self-help measures to increase agricultural production; verification of self-help provisions.
- Sec. 1211. Requirement for invitations for bids on title I purchases.
- Sec. 1212. Title II authorization ceiling.
- Sec. 1213. Overseas market development.
- Sec. 1214. Valuation of commodities.
- Sec. 1215. Annual report.
- Sec. 1216. Extension of program.

TITLE XIII—FOOD STAMP AND COMMODITY DISTRIBUTION AMENDMENTS OF 1981

- Sec. 1301. Short title.
- Sec. 1302. Household definition.
- Sec. 1303. Alaska's thrifty food plan.
- Sec. 1304. Adjustment of the thrifty food plan.
- Sec. 1305. Reimbursement exclusion.
- Sec. 1306. Energy assistance payments; excluded payments of other programs.
- Sec. 1307. Disallowance of deductions for expenses paid by vendor payments.
- Sec. 1308. Attribution of income and resources to sponsored aliens.
- Sec. 1309. Resources.
- Sec. 1310. Annualization of work registration.
- Sec. 1311. Work requirements.
- Sec. 1312. State issuance liability.
- Sec. 1313. Access of Comptroller General to information.
- Sec. 1314. Reporting of abuses by the public.
- Sec. 1315. Retail redemption.
- Sec. 1316. Sixty-day transfer of certification.
- Sec. 1317. Notice of verification.
- Sec. 1318. Recertification notice.
- Sec. 1319. Disclosure of information to Comptroller General, law enforcement officials.
- Sec. 1320. Restoration of lost benefits.
- Sec. 1321. Information.
- Sec. 1322. Nutrition education program.
- Sec. 1323. Alaskan fee agents.
- Sec. 1324. Minimum mandatory court sentence for criminal offenses; work restitution program.
- Sec. 1325. Staffing.
- Sec. 1326. Incentives for error reduction efforts and corrective action plans.
- Sec. 1327. Social Security account numbers.

- Sec. 1328. Extending and amending cash-out pilot projects.
- Sec. 1329. Nutritional monitoring.
- Sec. 1330. Pilot projects to simplify the processing of applications for certain AFDC, SSI, and Medicaid recipients.
- Sec. 1331. Food stamp funding and program extension.
- Sec. 1332. Incentives, sanctions, and claims.
- Sec. 1333. Workfare.
- Sec. 1334. Extension of authorities, penalties for fraud, and miscellaneous provisions.
- Sec. 1335. Commodity supplemental food program—pilot projects for the elderly and administrative costs.
- Sec. 1336. Food distribution program for certain Indian households.
- Sec. 1337. Authority of Office of Inspector General.
- Sec. 1338. Effective date.

TITLE XIV—NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND
TEACHING POLICY ACT AMENDMENTS OF 1981

- Sec. 1401. Short title.
- Sec. 1402. Findings.
- Sec. 1403. Purposes.
- Sec. 1404. Definitions.
- Sec. 1405. Responsibilities of the Secretary and coordinating role of the Department of Agriculture.
- Sec. 1406. Subcommittee on Food, Agricultural, and Forestry Research.
- Sec. 1407. Joint Council on Food and Agricultural Sciences.
- Sec. 1408. National Agricultural Research and Extension Users Advisory Board.
- Sec. 1409. Existing research programs.
- Sec. 1410. Federal-State partnership.
- Sec. 1411. Secretary's report.
- Sec. 1412. Libraries and information network.
- Sec. 1413. Staff support for the Joint Council and the Advisory Board.
- Sec. 1414. General provisions; additional Assistant Secretary of Agriculture.
- Sec. 1415. Program for competitive, special, and facilities grants for agricultural research.
- Sec. 1416. Amendments to the Research Facilities Act of 1963.
- Sec. 1417. Apportionment of funds appropriated for schools of veterinary medicine.
- Sec. 1418. Federal support of higher education in the food and agricultural sciences.
- Sec. 1419. Transfer of functions under the Second Morrill Act.
- Sec. 1420. National Agricultural Science Award.
- Sec. 1421. Redesignation of instruction funding.
- Sec. 1422. Alcohol and industrial hydrocarbons.
- Sec. 1423. Nutrition education program.
- Sec. 1424. Repeal of section 1426 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.
- Sec. 1425. Human nutrition research and information management system.
- Sec. 1426. Conforming amendment.
- Sec. 1427. Eligible institutions for animal health and disease research funds.
- Sec. 1428. Animal Health Science Research Advisory Board.
- Sec. 1429. Appropriations for animal health and disease research programs at eligible institutions.
- Sec. 1430. Appropriations for research on specific national or regional animal health or disease problems.
- Sec. 1431. Extension at 1890 land-grant colleges, including Tuskegee Institute.
- Sec. 1432. Agriculture research in 1890 land-grant colleges, including Tuskegee Institute.
- Sec. 1433. Authority to award grants to upgrade 1890 land-grant college research facilities.
- Sec. 1434. Authorization for appropriations for solar energy model farms and demonstration projects.
- Sec. 1435. Solar energy definition.
- Sec. 1436. International agricultural research and extension.
- Sec. 1437. Authorization for appropriations for existing and certain new agricultural research programs.
- Sec. 1438. Authorization for appropriations for extension programs.
- Sec. 1439. Miscellaneous provisions.
- Sec. 1440. Aquaculture and rangeland research.
- Sec. 1441. Cooperative State forestry.
- Sec. 1442. Prohibition against reduction of State funds upon increase in Federal allotment.
- Sec. 1443. Excess Federal property.
- Sec. 1444. Rural development and small farm research and extension.

- Sec. 1445. Increased emphasis on marketing education programs for small and medium size family farming operations.
- Sec. 1446. Soybean Research Advisory Institute.
- Sec. 1447. Administrative jurisdiction over lands

TITLE XV--RESOURCE CONSERVATION

Subtitle A--Soil and Water Conservation

- Sec. 1501. Policy.

Subtitle B--Special Areas Conservation Program

- Sec. 1502. Findings.
- Sec. 1503. Formulation and implementation of special areas conservation program.
- Sec. 1504. Program to be directed at specific problems
- Sec. 1505. Contract limitations.
- Sec. 1506. Notification of Congress and approval of designations.
- Sec. 1507. Utilization of services and facilities.
- Sec. 1508. Improvement of technology.
- Sec. 1509. Authorization for appropriations.
- Sec. 1510. Report to Congress.
- Sec. 1511. Protection of participants.

Subtitle C--Amendments to the Small Watershed Program and to the Bankhead-Jones Farm Tenant Act

- Sec. 1512. Amendments to small watershed program.
- Sec. 1513. Amendment to the Bankhead-Jones Farm Tenant Act.

Subtitle D--Matching Grants for Conservation Activities

- Sec. 1514. Grants program.
- Sec. 1515. Program implementation and review.
- Sec. 1516. Plans.
- Sec. 1517. Matching funds.
- Sec. 1518. Records.
- Sec. 1519. Authorization for appropriations.

Subtitle E--Conservation Loan Program

- Sec. 1520. Conservation loans.

Subtitle F--Reservoir Sedimentation Reduction Program

- Sec. 1521. Formulation of program.
- Sec. 1522. Plans.
- Sec. 1523. Approval of plans.
- Sec. 1524. Authorization for appropriations.
- Sec. 1525. Report.

Subtitle G--Volunteers for Department of Agriculture Programs

- Sec. 1526. Establishment of program.
- Sec. 1527. Authorization for appropriations.

Subtitle H--Resource Conservation and Development Program

- Sec. 1528. Purpose.
- Sec. 1529. Definitions.
- Sec. 1530. Resource conservation and development program.
- Sec. 1531. Selection of new designated areas.
- Sec. 1532. Authority of the Secretary.
- Sec. 1533. Agreements; terms and conditions.
- Sec. 1534. Resource Conservation and Development Policy Board.
- Sec. 1535. Evaluation of program.
- Sec. 1536. Limitation on provision of assistance.
- Sec. 1537. Supplemental authority of the Secretary.
- Sec. 1538. Authorization for appropriations.

Subtitle I—Farmland Protection Policy Act

- Sec. 1539. Short title.
- Sec. 1540. Findings, purpose, and definitions.
- Sec. 1541. Farmland protection policy.
- Sec. 1542. Existing policies and procedures.
- Sec. 1543. Technical assistance.
- Sec. 1544. Farmland resource information.
- Sec. 1545. Grants; contracts.
- Sec. 1546. Report.
- Sec. 1547. Statement of limitation.
- Sec. 1548. Prohibition.
- Sec. 1549. Effective date.

Subtitle J—Miscellaneous Provisions

- Sec. 1550. Local search and rescue operations.
- Sec. 1551. Reclamation.
- Sec. 1552. Payments for land removed from production for conservation purposes.
- Sec. 1553. Conservation tillage.
- Sec. 1554. Regulations.

TITLE XVI—CREDIT, RURAL DEVELOPMENT, AND FAMILY FARMS

- Sec. 1601. Farmers Home Administration real estate and operating loans to cooperatives.
- Sec. 1602. Equalizing access to credit for widows and other single parents.
- Sec. 1603. Lease of facilities.
- Sec. 1604. Borrower's net worth.
- Sec. 1605. Extension of the Emergency Agricultural Credit Adjustment Act of 1978.
- Sec. 1606. Farm storage facility loan program.
- Sec. 1607. Rural telephone bank amendment.
- Sec. 1608. United States policy on family farms.

TITLE XVII—FLORAL RESEARCH AND CONSUMER INFORMATION

- Sec. 1701. Short title.
- Sec. 1702. Congressional findings and declaration of policy.
- Sec. 1703. Definitions.
- Sec. 1704. Floral research and promotion orders.
- Sec. 1705. Notice and hearing.
- Sec. 1706. Finding and issuance of an order.
- Sec. 1707. Required terms in orders.
- Sec. 1708. Permissive terms in orders.
- Sec. 1709. Requirement of referendum.
- Sec. 1710. Suspension and termination of orders.
- Sec. 1711. Provisions applicable to amendments.
- Sec. 1712. Exemptions.
- Sec. 1713. Producer or importer refund.
- Sec. 1714. Petition and review.
- Sec. 1715. Enforcement.
- Sec. 1716. Certification of organizations.
- Sec. 1717. Regulations.
- Sec. 1718. Investigations; power to subpoena and take oaths and affirmations; aid of courts.
- Sec. 1719. Separability.
- Sec. 1720. Authorization.

TITLE XVIII—EFFECTIVE DATE

- Sec. 1801. Effective date.

TITLE I—DAIRY

FEDERAL MILK MARKETING ORDERS

SEC. 101. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is further amended by—

(1) striking out 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, and (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.”;

7 USC 608c.

(2) striking out the period at the end of subsection 8c(17) and adding in lieu thereof the following: “: *Provided further*, That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing if the proposed amendment is one that may legally be made to such order. Subsection (12) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced the decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same.”; and

(3) inserting after the phrase “pure and wholesome milk” in section 8c(18) the phrase “to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs”.

(b) The provisions of subsection (a) shall become effective January 1, 1982, and shall terminate December 31, 1985.

Effective date.
7 USC 608c note.

LEGAL STATUS OF PRODUCER HANDLERS

SEC. 102. 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, shall be the same subsequent to the adoption of the amendment made by the Agriculture and Food Act of 1981 as it was prior thereto.

7 USC 608c note
7 USC 601 note.

MILK PRICE SUPPORT

SEC. 103. Section 201 of the Agricultural Act of 1949, as amended by section 150 of the Omnibus Budget Reconciliation Act of 1981, is amended by—

Ante, p. 369.

(1) striking out everything in subsection (c) after the first sentence and inserting in lieu thereof the following: “Notwithstanding the foregoing, (1) effective for the period beginning with the date of enactment of this sentence and ending September 30, 1982, the price of milk shall be supported at such level as determined by the Secretary, but not less than \$13.10 per hundredweight for milk containing 3.67 per centum milk fat; and (2) effective for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985, the price of

milk shall be supported at such level as determined by the Secretary, but not less than \$13.25, \$14.00, and \$14.60, respectively, per hundredweight for milk containing 3.67 per centum milk fat: *Provided*, That, for each fiscal year during the period beginning October 1, 1982, and ending September 30, 1985, if the Secretary estimates as of the beginning of any such fiscal year that the net cost of Government price support purchases of milk or the products of milk will be less than \$1,000,000,000 during the fiscal year, the price of milk shall be supported at such level as determined by the Secretary, but not less than 70 per centum of the parity price therefor as of the beginning of the relevant fiscal year: *Provided further*, That if the Secretary estimates that net Government price support purchases of milk or the products of milk will be less than 4.0 billion pounds (milk equivalent) in fiscal year 1983; 3.5 billion pounds (milk equivalent) in fiscal year 1984; and 2.69 billion pounds (milk equivalent) in fiscal year 1985, the price of milk shall be supported at such level as determined by the Secretary, but not less than 75 per centum of the parity price therefor as of the beginning of the relevant fiscal year. Such price support shall be provided through the purchase of milk and the products of milk.”; and

(2) repealing subsection (d).

TRANSFER OF DAIRY PRODUCTS TO VETERANS HOSPITALS AND THE MILITARY

7 USC 1446a. SEC. 104. Section 202 of the Agricultural Act of 1949 is amended by striking out “1981” in subsections (a) and (b) and inserting in lieu thereof “1985”.

DAIRY INDEMNITY PROGRAM

7 USC 450L. SEC. 105. Section 3 of the Act of August 13, 1968 (7 U.S.C. 450l), is amended by striking out “1981” and inserting in lieu thereof “1985”.

REDUCTION OF DAIRY PRODUCT INVENTORIES

7 USC 1446c-1. SEC. 106. The Secretary of Agriculture shall utilize, to the fullest extent practicable, the authorities under the Commodity Credit Corporation Charter Act (including exportation of dairy products at not less than prevailing world market prices), the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), and other authorities available to the Secretary to reduce inventories of dairy products held by the Commodity Credit Corporation so as to reduce net Commodity Credit Corporation expenditures to the estimated outlays for the milk price support program used in developing budget outlays under the Congressional Budget Act of 1974 for the appropriate fiscal year.

15 USC 714 note.

7 USC 1691 note.

31 USC 1301 note.

DAIRY PROGRAM OPERATION REPORT

7 USC 1446c-1 note. SEC. 107. Not later than December 31, 1982, the Secretary of Agriculture shall submit to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry a report describing the strengths and weaknesses of existing Federal programs, and the consequences of possible new programs, for controlling or minimizing surpluses of fluid milk and the products thereof. The report shall include, but need not be limited to, an assessment, on

a region by region basis, of the effect of existing and proposed pricing mechanisms on supply and demand conditions, including the impact on farm income and consumer costs. The report shall also describe the social costs and benefits associated with such programs.

TITLE II—WOOL AND MOHAIR

EXTENSION OF SUPPORT PROGRAM; SUPPORT PRICE

SEC. 201. Section 703 of the National Wool Act of 1954 is amended by— 7 USC 1782.

(1) striking out “1981” in subsection (a) and inserting in lieu thereof “1985”; and

(2) striking out all that follows the comma in subsection (b) after the word “*Provided*” and inserting in lieu thereof the following: “That for the marketing years beginning January 1, 1982, and ending December 31, 1985, the support price for shorn wool shall be 77.5 per centum (rounded to the nearest full cent) of the amount calculated according to the foregoing formula.”.

TITLE III—WHEAT

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, WHEAT ACREAGE REDUCTION AND SET-ASIDE PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 301. Effective only for the 1982 through 1985 crops of wheat, the Agricultural Act of 1949 is amended by adding after section 107A a new section as follows:

“SEC. 107B. Notwithstanding any other provision of law—

7 USC 1445b-1.

“(a) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of wheat at such level, not less than \$3.55 per bushel, as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat: *Provided*, That if the Secretary determines that the average price of wheat received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for wheat for such marketing year, the Secretary may reduce the level of loans and purchases for wheat for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for grain, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below \$3 per bushel.

“(b)(1)(A) In addition, the Secretary shall make available to producers payments for each of the 1982 through 1985 crops of wheat in an amount computed as provided in this subsection. Payments for any such crop of wheat shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat.

“(B) The payment rate for wheat shall be the amount by which the higher of—

“(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

“(ii) the loan level determined under subsection (a) of this section for such crop is less than the established price per bushel.

“(C) The established price for wheat shall be not less than \$4.05 per bushel for the 1982 crop, \$4.30 per bushel for the 1983 crop, \$4.45 per bushel for the 1984 crop, and \$4.65 per bushel for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

“(D) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for wheat in accordance with the proviso in subsection (a) of this section, the Secretary shall provide emergency compensation by increasing the established price payments for wheat by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made: *Provided*, That any payments under this subparagraph shall not be included in the payments subject to limitations under the provisions of section 1101 of the Agriculture and Food Act of 1981.

Post, p. 1263.

“(E) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

“(2)(A) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to $33\frac{1}{3}$ per centum of the established price for the crop.

“(B) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to

the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

“(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their wheat acreage.

7 USC 1501.

“(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

“(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting wheat or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

“(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

“(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

“(c)(1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of wheat. The proclamation shall be made not later than August 15 of each calendar year for the crop harvested in the next succeeding calendar year, except that in the case of the 1982 crop, the proclamation shall be made as soon as practicable after enactment of the Agriculture and Food Act of 1981. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for wheat shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

“(2) The Secretary shall determine a program allocation factor for each crop of wheat. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any

crop of wheat be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of wheat planted for harvest on the farm from the acreage base established for the farm under subsection (e)(2) of this section by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than the acreage base established for the farm under subsection (e)(2), but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for wheat, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) The farm program payment yield for each crop of wheat shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for wheat was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(e)(1) Notwithstanding any other provision of this section, the Secretary may provide for any crop either for a program under which the acreage planted to wheat would be limited as described in paragraph (2) or a set-aside program as described in paragraph (3) of this subsection if the Secretary determines that the total supply of wheat, in the absence of such a program, will 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. The Secretary shall announce any such wheat acreage limitation program or set-aside program not later than August 15 prior to the calendar year in which the crop is harvested, except that in the case of the 1982 crop, the Secretary shall announce such program as soon as practicable after enactment of the Agriculture and Food Act of 1981.

"(2) If a wheat acreage limitation program is announced under paragraph (1) of this subsection, such limitation shall be achieved by applying a uniform percentage reduction to the acreage base for each wheat-producing farm. Producers who knowingly produce wheat in excess of the permitted wheat acreage for the farm shall be ineligible

for wheat loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation under this paragraph shall be the acreage planted on the farm to wheat for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to wheat for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to wheat for harvest shall include any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (A) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres actually planted to such commodity, by (B) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. If an acreage limitation program is announced under paragraph (1) of this subsection for a crop of wheat, subsection (c) of this section shall not be applicable to such crop, including any prior announcement which may have been made under such subsection with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to wheat for harvest within the permitted wheat acreage for the farm as established under this paragraph.

"(3) If a set-aside program is announced under paragraph (1) of this subsection, then as a condition of eligibility for loans, purchases, and payments authorized by this section, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of wheat planted for harvest for the crop for which the set-aside is in effect. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. If a set-aside program is established, the Secretary may limit the acreage planted to wheat. Such limitation shall be applied on a uniform basis to all wheat-producing farms. The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary 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, topography, and such other factors as the Secretary deems necessary.

"(4) The regulations issued by the Secretary under paragraphs (2) and (3) of this subsection with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such

production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely. In determining the amount of land to be devoted to conservation uses under an acreage limitation or set-aside program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

“(5) The Secretary may make land diversion payments to producers of wheat, whether or not an acreage limitation or set-aside program for wheat is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be 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 affect adversely the economy of the county or local community.

“(6) Any reduced acreage, set-aside acreage, and additional diverted 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 pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. 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.

“(7) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

“(f) If the failure of a producer to comply fully with the terms and conditions of the program conducted 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 the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

“(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

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

“(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section. 16 USC 590h.

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

“(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section if an acreage limitation program is established under subsection (e)(2) of this section, but may be required if a set-aside program is established under subsection (e)(3) of this section.”.

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

SEC. 302. Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1982, through May 31, 1986. 7 USC 1379d note.
7 USC 1379d-1379j.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

SEC. 303. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of wheat. 7 USC 1331 note.
7 USC 1331-1336, 1338, 1339, 1379b, 1379c.

SUSPENSION OF QUOTA PROVISIONS

SEC. 304. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1982 through 1985. 7 USC 1330 note.
7 USC 1330, 1340.

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 305. Section 107 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of wheat. 7 USC 1445a note.
7 USC 1445a.

TITLE IV—FEED GRAINS

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, FEED GRAIN ACREAGE REDUCTION AND SET-ASIDE PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

SEC. 401. Effective only for the 1982 through 1985 crops of feed grains, the Agricultural Act of 1949 is amended by adding after section 105A a new section as follows:

“SEC. 105B. Notwithstanding any other provision of law—

“(a)(1) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of corn at such level, not less than \$2.55 per bushel, as the Secretary determines will encourage the exportation of feed grains and not result in excessive

7 USC 1444d.

total stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn: *Provided*, That if the Secretary determines that the average price of corn received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for corn for such marketing year, the Secretary may reduce the level of loans and purchases for corn for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for grain, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below \$2 per bushel.

“(2) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of grain sorghums, 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 other factors specified in section 401(b) of this Act.

7 USC 1421.

“(b)(1)(A) The Secretary shall make available to producers payments for each of the 1982 through 1985 crops of corn, grain sorghums, oats, and, if designated by the Secretary, barley, in an amount computed as provided in this subsection. Payments for any such crop of feed grains shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to such feed grains.

“(B) The payment rate for corn shall be the amount by which the higher of—

“(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

“(ii) the loan level determined under subsection (a) of this section for such crop

is less than the established price per bushel.

“(C) The established price for corn shall be not less than \$2.70 per bushel for the 1982 crop, \$2.86 per bushel for the 1983 crop, \$3.03 per bushel for the 1984 crop, and \$3.18 per bushel for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

“(D) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for corn in accordance with the proviso in subsection (a)(1) of this section, the Secretary shall provide emergency compensation by increasing the established price payments for corn by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been

made: *Provided*, That any such payments under this subparagraph shall not be included in the payments subject to limitations under the provisions of section 1101 of the Agriculture and Food Act of 1981.

Post, p. 1263.

“(E) The payment rate for grain sorghums, oats, 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.

“(F) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

“(2)(A) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33½ per centum of the established price for the crop.

“(B) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

“(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their feed grain acreage.

7 USC 1501.

“(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

“(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

“(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

“(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

“(c)(1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of feed grains. The proclamation shall be made not later than November 15 of each calendar year for the crop harvested in the next succeeding calendar year, except that in the case of the 1982 crop, the proclamation shall be made as soon as practicable after enactment of the Agriculture and Food Act of 1981. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for feed grains shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of feed grains are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

“(2) The Secretary shall determine a program allocation factor for each crop of feed grains. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of feed grains be more than 100 per centum nor less than 80 per centum.

“(3) The individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the acreage base established for the farm under subsection (e)(2) of this section by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than the acreage base established for the farm under subsection (e)(2), but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for feed grains, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

“(d) The farm program payment yield for each crop of feed grains shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no

payment yield for feed grains was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State or county program payment yields.

“(e)(1) Notwithstanding any other provision of this section, the Secretary may provide for any crop either for a program under which the acreage planted to feed grains would be limited as described in paragraph (2) or a set-aside program as described in paragraph (3) of this subsection if the Secretary determines that the total supply of feed grains, in the absence of such a program, will 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. The Secretary shall announce any such feed grain acreage limitation program or set-aside program not later than November 15 prior to the calendar year in which the crop is harvested, except that in the case of the 1982 crop, the Secretary shall announce such program as soon as practicable after enactment of the Agriculture and Food Act of 1981.

“(2) If a feed grain acreage limitation program is announced under paragraph (1) of this subsection, such limitation shall be achieved by applying a uniform percentage reduction to the acreage base for each feed grain-producing farm. Producers who knowingly produce feed grains in excess of the permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm. The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain loans, purchases, and payments to comply with any acreage limitation under this paragraph if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, and meets such other conditions as the Secretary may prescribe. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation under this paragraph shall be the acreage planted on the farm to feed grains for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to feed grains for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to feed grains for harvest shall include any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of

acres on the farm determined by dividing (A) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres actually planted to such commodity, by (B) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. If an acreage limitation program is announced under paragraph (1) of this subsection for a crop of feed grains, subsection (c) of this section shall not be applicable to such crop, including any prior announcement which may have been made under such subsection with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest within the permitted feed grain acreage for the farm as established under this paragraph.

"(3) If a set-aside program is announced under paragraph (1) of this subsection, then as a condition of eligibility for loans, purchases, and payments authorized by this section, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of feed grains planted for harvest for the crop for which the set-aside is in effect. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. If a set-aside program is established, the Secretary may limit the acreage planted to feed grains. Such limitation shall be applied on a uniform basis to all feed grain-producing farms. The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary 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, topography, and such other factors as the Secretary deems necessary.

"(4) The regulations issued by the Secretary under paragraphs (2) and (3) of this subsection with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(5) The Secretary may make land diversion payments to producers of feed grains, whether or not an acreage limitation or set-aside program for feed grains is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or such other means as the Secretary determines appropriate. In determin-

ing the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be 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 affect adversely the economy of the county or local community.

“(6) Any reduced acreage, set-aside acreage, and additional diverted 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 pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. 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.

“(7) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

“(f) If the failure of a producer to comply fully with the terms and conditions of the program conducted 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 the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

16 USC 590h.

“(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

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

“(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section.

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

“(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section if an acreage limitation program is established under subsection (e)(2) of this section, but may be required if a set-aside program is established under subsection (e)(3) of this section.”.

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949
TO THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

7 USC 1444b
note.
7 USC 1444b.

SEC. 402. Section 105 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of feed grains.

TITLE V—COTTON

SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS AND
RELATED PROVISIONS

7 USC 1342 note.
7 USC
1342-1346, 1377.

SEC. 501. Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 shall not be applicable to upland cotton of the 1982 through 1985 crops.

LOAN RATES AND TARGET PRICES, DISASTER PAYMENTS, COTTON ACRE-
AGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982
THROUGH 1985 CROPS OF UPLAND COTTON

7 USC 1444.

SEC. 502. Effective only for the 1982 through 1985 crops of upland cotton, section 103 of the Agricultural Act of 1949 is amended by adding at the end thereof a new subsection as follows:

“(g)(1) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available for the 1982 through 1985 crops of upland cotton to producers nonrecourse 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 Strict Low Middling one-and-one-sixteenth-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (A) 85 per centum of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during three years of the five-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, or (B) 90 per centum of the average, for the fifteen-week period beginning July 1 of the year in which the loan level is announced, of the five lowest-priced growths of the growths quoted for Middling one-and-three-thirty-seconds-inch cotton C.I.F. northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9)). In no event shall such loan level be less than 55 cents per pound. If for any crop the average northern European price determined under clause (B) of the first sentence of this paragraph is less than the average United States spot market price determined under clause (A) of the first sentence of this paragraph, the Secretary may, notwithstanding the foregoing provisions of this paragraph, increase the loan level to such level as the Secretary may deem appropriate, not in excess of the average United States spot market price determined under clause (A) of the first sentence of this paragraph. The loan level for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, except that in the case of the 1982 crop such determination and announcement shall be made as soon as

practicable after enactment of the Agriculture and Food Act of 1981, and such level shall not thereafter be changed. Nonrecourse loans provided for in this subsection shall, upon request of the producer during the tenth month of the loan period for the cotton, be made available for an additional term of eight months, except that such request to extend the loan period shall not be approved in a month when the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six-month period.

“(2) Whenever the Secretary determines that the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

“(A) The amount of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available.

“(B) If a special quota has been established under this paragraph during the preceding twelve months, the amount of the quota next established hereunder shall be the smaller of twenty-one days of domestic mill consumption calculated as set forth in subparagraph (A) of this paragraph or the amount required to increase the supply to 130 per centum of the demand.

“(C) As used in subparagraph (B) of this paragraph, the term ‘supply’ means, using the latest official data of the Bureau of the Census, the United States Department of Agriculture, and the United States Department of the Treasury, the carryover of upland cotton at the beginning of the marketing year (adjusted to four-hundred-and-eighty-pound bales) in which the special quota is established, plus production of the current crop, plus imports to the latest date available during the marketing year, and the term ‘demand’ means the average seasonally adjusted annual rate of domestic mill consumption in the most recent three months for which data are available, plus the larger of average exports of upland cotton during the preceding six marketing years or cumulative exports of upland cotton, plus outstanding export sales for the marketing year in which the special quota is established.

“(D) When a special quota is established under the provisions of this paragraph, a ninety-day period from the effective date of the proclamation shall be allowed for entering cotton under such quota.

Notwithstanding the foregoing provisions of this paragraph, a special quota period shall not be established that overlaps an existing quota period.

“(3)(A) In addition, payments shall be made for each of the 1982 through 1985 crops of upland cotton to the producers on each farm at a rate equal to the amount by which the higher of—

“(i) the average market price received by farmers for upland cotton during the calendar year which includes the first five months of the marketing year for such crop, as determined by the Secretary, or

“(ii) the loan level determined under paragraph (1) of this subsection for such crop, is less than the established price per pound times in each case the farm program acreage for cotton (determined in accordance with paragraph (7) paragraph (9)(A) of this subsection, but in no event on a greater acreage than the acreage actually planted to cotton for harvest), multiplied by the farm program payment yield for cotton (determined in accordance with paragraph (8) of this subsection).

“(B) The established price for upland cotton shall not be less than the higher of (i) \$0.71 per pound for the 1982 crop, \$0.76 per pound for the 1983 crop, \$0.81 per pound for the 1984 crop, and \$0.86 per pound for the 1985 crop, plus any adjustment made for changes in production costs as provided in subparagraph (C) of this paragraph, or (ii) 120 per centum of the loan level determined for such crop under paragraph (1) of this subsection.

“(C) The prices referred to in clause (i) of the preceding subparagraph may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

“(D) The total quantity on which payments would otherwise be payable to a producer for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (4) of this subsection.

“(4)(A) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for cotton to cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to cotton for harvest (including any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

“(B) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of cotton which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ per centum of the established

price for the crop for the deficiency in production below 75 per centum for the crop.

“(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their cotton acreage.

7 USC 1501.

“(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

“(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting cotton or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

“(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

“(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

“(5) The Secretary shall establish for each of the 1982 through 1985 crops of upland cotton a national program acreage. Such national program acreage shall be announced by the Secretary not later than November 1 of the calendar year preceding the year for which such acreage is established, except that in the case of the 1982 crop, such announcement shall be made as soon as practicable after enactment of the Agriculture and Food Act of 1981. The Secretary may revise the national program acreage first announced for any crop year for the purpose of determining the allocation factor under paragraph (6) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall announce such revised national program acreage as soon as it has been made. The national program acreage shall be the number of harvested acres the Secretary determines (on the basis of the estimated weighted national average of the farm program yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. The national program acreage shall be subject to such adjustment as the Secretary determines necessary, taking into consideration the estimated carryover supply, so as to provide for an adequate but not excessive total supply of cotton for the marketing year for the crop for which such national program acreage is established. In no event shall the national program acreage be less than ten million acres.

“(6) The Secretary shall determine a program allocation factor for each crop of upland cotton. The allocation factor (not to exceed 100 per centum) shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop.

“(7) The individual farm program acreage for each crop of upland cotton shall be determined by multiplying the allocation factor by the acreage of cotton planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of cotton planted for harvest on the farm from the acreage base established for the farm under paragraph (9)(A) of this subsection by at least the percentage recommended by the Secretary in the announcement of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of cotton planted for harvest is less than the acreage base established for the farm under paragraph (9)(A) of this subsection, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for upland cotton, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

“(8) The farm program payment yield for each crop of upland cotton shall be determined on the basis of the actual yields per harvested acre on the farm for the preceding three years, except that the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster, or other condition beyond the control of the producers. In case farm yield data for one or more years are unavailable or there was no production, the Secretary shall provide for appraisals to be made on the basis of actual yields and program payment yields for similar farms in the area for which data are available. Notwithstanding the foregoing provisions of this paragraph, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this paragraph. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

“(9)(A) Notwithstanding any other provision of this subsection, the Secretary may establish a limitation on the acreage planted to upland cotton if the Secretary determines that the total supply of upland cotton, in the absence of such limitation, will 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. Such limitation shall be achieved by applying a uniform percentage reduction to the acreage base for each cotton-producing farm. Producers who knowingly produce cotton in excess of the permitted cotton acreage for the farm shall be ineligible for cotton loans and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as a result of a limitation under this subparagraph shall be the acreage planted on the farm to upland cotton for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to upland cotton for harvest in the two crop

years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to cotton for harvest shall include any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of upland cotton times the number of acres actually planted to such commodity, by (ii) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely. If an acreage limitation program is announced under this paragraph for a crop of upland cotton, paragraphs (5), (6), and (7) of this subsection shall not be applicable to such crop, including any prior announcement which may have been made under such paragraphs with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to upland cotton for harvest within the permitted upland cotton acreage for the farm as established under this paragraph.

"(B) The Secretary may make land diversion payments to producers of upland cotton, whether or not an acreage limitation for upland cotton is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be 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 affect adversely the economy of the county or local community.

"(C) The reduced acreage and the diverted 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 pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. 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.

"(10) An operator of a farm desiring to participate in the program conducted under paragraph (9) of this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

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

"(12) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(13) If the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(14) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

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

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

"(17) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans or payments under this subsection.

"(18) In order to encourage and assist producers in the orderly ginning and marketing of their cotton production, the Secretary shall make recourse loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act."

16 USC 590h.

15 USC 714 note.

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 503. Effective only with respect to the period beginning August 1, 1978, and ending July 31, 1986, the tenth sentence of section 407 of the Agricultural Act of 1949 is amended by striking out all of that sentence through 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

7 USC 1427.

cotton for export, in no event, however, at less than 115 per centum of the loan rate for Strict Low Middling one and one-sixteenth 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)".

MISCELLANEOUS COTTON PROVISIONS

SEC. 504. Sections 103(a) and 203 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops.

7 USC 1446d
note.
7 USC 1444,
1446d.

SKIPROW PRACTICES

SEC. 505. Section 374(a) of the Agricultural Adjustment Act of 1938 is amended by striking out "1981" and inserting in lieu thereof "1985".

7 USC 1374.

PRELIMINARY ALLOTMENTS FOR 1986 CROP OF UPLAND COTTON

SEC. 506. Notwithstanding any other provision of law, the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938, as amended, shall again become effective as preliminary allotments for the 1986 crop.

7 USC 1342 note.

7 USC 1379.

UPLAND COTTON LOAN DIFFERENTIALS

SEC. 507. Section 403 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Beginning with the 1982 crop, the quality differences (premiums and discounts for grade, staple, and micronaire) for the upland cotton loan program shall be established by the Secretary by giving equal weight to (1) loan differences for the preceding crop and (2) the market differences for such crop in the nine designated United States spot markets. The Secretary shall establish a study committee of ten members, eight of whom shall be representatives of cotton producers selected to equally represent each of the four major geographic regions which produce and market upland cotton, one of whom shall be a representative of cotton merchants, and one of whom shall be a representative of the textile manufacturers. The committee shall study alternative methods of establishing values of premiums and discounts for grade, staple, and micronaire for the upland cotton loan program that will accurately represent true relative market values and reflect actual market demand for upland cotton produced in the United States. The committee shall submit the results of such study to the Secretary at the earliest practicable date together with such recommendations as the committee considers appropriate. The Secretary may, prior to the announcement of loan rate differences for the 1982 crop of upland cotton, review the procedures and criteria, including the recommendations made by the study committee and the formula provided in the fifth sentence of this section for determining quality differences, including the loan differentials for grade, staple, and micronaire for the upland cotton loan program and, on the basis of such review, revise such procedures and criteria to accurately reflect the actual market value of upland cotton produced in the United States."

7 USC 1423.

Study
committee.

EXTRA LONG STAPLE COTTON PRICE SUPPORT

7 USC 1441. SEC. 508. Effective beginning with the 1982 crop of extra long staple cotton, section 101(f) of the Agricultural Act of 1949 is amended to read as follows:

7 USC 1347. “(f) The provisions of this Act relating to price support for cotton shall apply severally to (1) American upland cotton and (2) extra long staple cotton described in subsection (a) and ginned as required by subsection (e) of section 347 of the Agricultural Adjustment Act of 1938, as amended, except that, notwithstanding any other provision of this Act, price support shall be made available for the 1982 and each subsequent crop of extra long staple cotton through nonrecourse loans as provided in this subsection. If producers have not disapproved marketing quotas for any crop of extra long staple cotton, price support loans shall be made available to cooperators for such crop at a level which is not less than 75 per centum or more than 125 per centum in excess of the loan level established for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) of such crop at average location in the United States. If producers have disapproved marketing quotas for any crop of extra long staple cotton, price support loans shall be made available to cooperators for such crop at a level which shall be 50 per centum in excess of the loan level established for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) of such crop at average location in the United States. Nothing contained herein shall affect the authority of the Secretary to make price support available for extra long staple cotton in accordance with section 402 of this Act.”

7 USC 1422.

TITLE VI—RICE

REPEAL OF PROVISIONS RELATING TO NATIONAL ACREAGE ALLOTMENTS, ALLOCATIONS, APPORTIONMENT, MARKETING QUOTAS, AND PENALTIES

Repeals.
7 USC
1352-1356. SEC. 601. Effective beginning with the 1982 crop of rice, sections 352, 353, 354, 355, and 356 of the Agricultural Adjustment Act of 1938 are repealed.

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, RICE ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF RICE

7 USC 1441. SEC. 602. Effective only for the 1982 through 1985 crops of rice, section 101 of the Agricultural Act of 1949 is amended by adding at the end thereof a new subsection as follows:

“(i) Notwithstanding any other provision of law—

“(1) The Secretary shall make available to producers in the several States of the United States loans and purchases for each of the 1982 through 1985 crops of rice at such level as bears the same ratio to the loan level for the preceding year’s crop as the established price for each such crop bears to the established price for the preceding year’s crop. If the Secretary determines that loans and purchases at the foregoing level for any of the 1982 through 1985 crops would substantially discourage the exportation of rice and result in excessive stocks of rice in the United States, the Secretary may, notwithstanding the foregoing provisions of this paragraph, establish loans and purchases for any

such crop at such level, not less than \$8 per hundredweight, as the Secretary determines necessary to avoid such consequences: *Provided*, That the loan and purchase level for the succeeding crop shall be established on the basis of the loan and purchase level established for the preceding crop year before the application of this sentence. The loan and purchase level and the established price for each of the 1982 through 1985 crops of rice shall be announced not later than March 1 of each calendar year for the crop harvested in that calendar year.

"(2)(A) In addition, the Secretary shall make available to producers payments for each of the 1982 through 1985 crops of rice grown in the several States of the United States in an amount computed as provided in this paragraph. Payments for each such crop of rice shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the yield established for the farm. In no event shall payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to rice.

"(B) The payment rate for rice shall be the amount by which the established price for the crop of rice exceeds the higher of—

"(i) the national average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under paragraph (1) for such crop.

"(C) The established price for rice shall be not less than \$10.85 per hundredweight for the 1982 crop, \$11.40 per hundredweight for the 1983 crop, \$11.90 per hundredweight for the 1984 crop, and \$12.40 per hundredweight for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(D) The yield established for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years. The actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, other natural disaster, or other condition beyond the control of the producers. If no rice was produced on the farm during such period, the yield shall be determined taking into consideration the yield of comparable farms in the surrounding area and such other factors as the Secretary determines will produce a fair and equitable yield.

"(E) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (3) of this subsection.

"(3)(A) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for rice to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to rice for harvest (including any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the yield established for the farm times a payment rate equal to $33\frac{1}{3}$ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of rice which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the yield established for the farm for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to producers at a rate equal to $33\frac{1}{3}$ per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

"(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their rice acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting rice or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(4)(A) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of rice. The proclamation shall be made not later than January 31 of each calendar year for the crop harvested in that calendar year. The Secretary

may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under subparagraph (B) of this paragraph if the Secretary determines a revision necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for rice shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm established yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of rice are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(B) The Secretary shall determine a program allocation factor for each crop of rice. The allocation factor for rice shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop. In no event may the allocation factor for any crop of rice be more than 100 per centum nor less than 80 per centum.

"(C) The individual farm program acreage for each crop of rice shall be determined by multiplying the allocation factor by the acreage of rice planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of rice planted for harvest on the farm from the acreage base established for the farm under paragraph (5)(A) of this subsection by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of rice planted for harvest is less than the acreage base established for the farm under paragraph (5)(A) of this subsection, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for rice, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(5)(A) Notwithstanding any other provision of this subsection, the Secretary may establish a limitation on the acreage planted to rice if the Secretary determines that the total supply of rice, in the absence of such limitation, will 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. Any such limitation shall be announced by the Secretary not later than January 31 of the calendar year in which the crop for which the announcement is made is harvested. Such limitation shall be achieved by applying a uniform percentage reduction to the acreage base for each rice-producing farm. Producers who knowingly produce rice in excess of the permitted rice acreage for the farm shall be ineligible for rice loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any

reduction required to be made for any year as the result of a limitation under this subparagraph shall be the acreage planted on the farm to rice for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to rice for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to rice for harvest shall include any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of rice times the number of acres actually planted to rice, by (ii) the number of acres authorized to be planted to rice under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely. If an acreage limitation program is announced under this paragraph for a crop of rice, paragraph (4) of this subsection shall not be applicable to such crop, including any prior announcement which may have been made under such paragraph with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to rice for harvest within the permitted rice acreage for the farm as established under this paragraph.

“(B) The Secretary may make land diversion payments to producers of rice, whether or not an acreage limitation for rice is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be 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 affect adversely the economy of the county or local community.

“(C) The reduced acreage and the additional diverted 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 pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. 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.

“(D) An operator of a farm desiring to participate in the program conducted under this paragraph shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

“(6) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

“(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

“(8) If the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

16 USC 590h.

“(9) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

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

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

“(12) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this subsection.”.

REPORT ON TRADING OF RICE FUTURES

- 7 USC 1441 note. SEC. 603. The Secretary of Agriculture shall by July 31, 1983, submit a report to Congress evaluating the trading of rice futures on the commodity exchanges. The report shall contain an assessment as to whether the rice futures prices effectively reflect the market prices for rice except for certain factors such as carrying charges and storage costs. In addition, the Secretary shall include in such report an assessment of the feasibility of using the seasonal average price received by farmers for rough rice or the futures price for rice as a basis for calculating the support and loan rate for rice as provided for in the Agricultural Act of 1949. Such report shall contain any other recommendations of the Secretary as may relate to these matters.
- 7 USC 1421 note.

TITLE VII—PEANUTS

SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS

SEC. 701. The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of peanuts:

- 7 USC 1358 note. (1) Subsections (a) through (j) of section 358;
 7 USC 1358a note. (2) Subsections (a) through (h) of section 358a;
 7 USC 1359 note. (3) Subsections (a), (b), (d), and (e) of section 359;
 7 USC 1361 note. (4) Part I of subtitle C of title III; and
 7 USC 1371 note. (5) Section 371.

NATIONAL POUNDAGE QUOTA AND FARM POUNDAGE QUOTA

- 7 USC 1358. SEC. 702. Effective only for the 1982 through 1985 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections as follows:

"(k) The national poundage quota for peanuts for each marketing year shall be 1,200,000 tons for 1982; 1,167,300 tons for 1983; 1,134,700 tons for 1984; and 1,100,000 tons for 1985.

"(l)(1) The national poundage quota established under subsection (k) of this section shall be apportioned among the States so that the poundage quota allocated to each State shall be equal to the percentage of the national poundage quota allocated to farms in the State for 1981.

"(2) Notwithstanding any other provision of this section—

"(A) Beginning with the 1982 marketing year, the reduction in the poundage quota allocated to any State for any marketing year below the poundage quota allocated to such State for the immediately preceding marketing year (which poundage quota, for the 1981 marketing year, shall be deemed to be the total of the farm poundage quotas allocated to farms in the State for such marketing year) shall, insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, be accomplished by reducing the farm poundage quota for each farm in the State to the extent that the farm poundage quota has not been produced on such farm. For purposes of the foregoing sentence, the farm poundage quota shall be considered as not having been produced on a farm to the extent that (i) during any crop year immediately preceding the crop year for which the adjustment is being made, such quota was not actually produced on the farm because there was inadequate tillable cropland available on the farm to produce such quota; or (ii) during any

two of the three crop years immediately preceding the crop year for which the adjustment is made, (I) such quota was not actually produced for any other reason (other than natural disasters or such other reasons as the Secretary may prescribe), or (II) such quota was produced but by another operator on a farm to which the poundage quota (or the acreage allotment upon which such poundage quota was based) was transferred by lease. To achieve the reduction in the State poundage quota in any marketing year, the reductions in farm poundage quotas shall be made first under clause (i) of the preceding sentence and, if necessary, under clause (ii)(I) and then clause (ii)(II) thereof.

“(B) If application of the provisions of subparagraph (A) of this paragraph results in a total reduction of farm poundage quotas that exceeds the reduction in the State poundage quota for the marketing year, the reductions in the farm poundage quotas shall be adjusted upward by the Secretary so that the total reduction of farm poundage quotas equals the reduction in the State poundage quota.

“(C) If application of the provisions of subparagraph (A) of this paragraph results in a total reduction of farm poundage quotas that is less than the reduction in the State poundage quota for the marketing year, the balance of the reduction in the State poundage quota shall be accomplished by such further reduction in farm poundage quotas for farms in the State as the Secretary determines to be fair and equitable.

“(m) (1) A farm poundage quota shall be established for each farm which had an acreage allotment for the 1981 crop year. The farm poundage quota for any such farm for the 1982 through 1985 marketing years shall be the same as the farm poundage quota for such farm for the immediately preceding marketing year, as adjusted under subsection (l) of this section, but not including any increases for undermarketings from previous marketing years, except that if the farm poundage quota, or any part thereof, is permanently transferred in accordance with section 358a of this Act, the receiving farm shall be considered as possessing the farm poundage quota (or portion thereof) of the transferring farm for all subsequent marketing years.

7 USC 1358a.

“(2) The farm poundage quota so determined shall be increased by the number of pounds by which total marketings of quota peanuts from the farm during previous marketing years (excluding any marketing year before the marketing year for the 1980 crop) were less than the total amount of the applicable farm poundage quotas (disregarding adjustments for undermarketings from prior marketing years) for such marketing years. Increases in farm poundage quotas made under this paragraph shall not be counted against the national poundage quota for the marketing year involved.

“(3) Notwithstanding the foregoing provisions of this subsection, if the total of all increases in individual farm poundage quotas under paragraph (2) of this subsection exceeds 10 per centum of the national poundage quota for the marketing year in which such increases shall be applicable, the Secretary shall adjust such increases so that the total of all such increases does not exceed 10 per centum of the national poundage quota.

“(n) For each farm for which a farm poundage quota was established for the 1981 crop of peanuts, and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each farm. Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1973 through 1977. In the event

that peanuts were not produced on the farm in at least three years during such five-year period or there was a substantial change in the operation of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms which are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

Referendum.

“(o) Not later than December 15 of each calendar year (or in the case of the 1982 crop, as soon as practicable after enactment of the Agriculture and Food Act of 1981), the Secretary shall conduct a referendum of farmers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the four calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the farmers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the second, third, and fourth years of the period. The Secretary shall proclaim the result of the referendum within 30 days after the date on which it is held, and if more than one-third of the farmers voting in the referendum vote against quotas, the Secretary also shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held. For purposes of this subsection, if the referendum for the 1982 crop is held after December 31, 1981, it shall be deemed to have been held in calendar year 1981.

Definitions.
7 USC 1441.

“(p) For the purposes of this part and title I of the Agricultural Act of 1949—

“(1) ‘quota peanuts’ means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined in subsection (m) of this section, that are eligible for domestic edible use as determined by the Secretary, that are marketed or considered marketed from a farm, and that do not exceed the farm poundage quota of such farm for such year;

“(2) ‘additional peanuts’ means, for any marketing year (A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from such farm for such year, and (B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (m) of this section.

“(3) ‘crushing’ means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or processing into flakes or otherwise when authorized by the Secretary; and

“(4) ‘domestic edible use’ means use for milling to produce domestic food peanuts (other than those described in paragraph (3) of this subsection) and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c) of this Act, are unique strains, and are not commercially available.”.

7 USC 1359.

SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA

SEC. 703. Effective only for the 1982 through 1985 crops of peanuts, section 358a of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections as follows: 7 USC 1358a.

“(i) The owner, or the operator with permission of the owner, of any farm for which a farm poundage quota has been established under this Act may, subject to such terms, conditions or limitations as the Secretary may prescribe, sell or lease all or any part of such poundage quota to any other owner or operator of a farm within the same county for transfer to such farm. The owner or operator of a farm may transfer all or any part of such farm’s farm poundage quota to any other farm owned or controlled by such owner or operator that is in the same county or in a county contiguous to such county in the same State and that had a farm poundage quota for the 1981 crop. Notwithstanding the foregoing provisions of this subsection, in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the 1981 crop, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in one county to a farm in another county in the same State.

“(j) Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to the following conditions: (1) no transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders; (2) no transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota; (3) no transfer of the farm poundage quota shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section; and (4) such other terms and conditions that the Secretary may by regulation prescribe.”. 16 USC 590h.

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

SEC. 704. Effective only for the 1982 through 1985 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections as follows: 7 USC 1359.

“(f)(1) The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which such peanuts are produced shall be subject to penalty at a rate equal to 140 per centum of the support price for quota peanuts for the marketing year (August 1 through July 31) in which such marketing occurs. The marketing of any additional peanuts from a farm shall be subject to the same penalty unless such peanuts, in accordance with regulations established by the Secretary, are either (A) placed under loan at the additional loan rate in effect for such peanuts under section 108A of the Agricultural Act of 1949 and not redeemed by the producers, (B) marketed through an area marketing association designated pursuant to section 108A(3)(A) of the Agricultural Act of 1949, or (C) marketed under contracts between handlers and producers, pursuant to the provisions of subsection (j) of this section. Such penalty shall be paid by the person who buys or otherwise acquires the peanuts

Post, p. 1254.

from the producer, or if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent, and such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer. If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty. Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins. If any producer falsely identifies or fails to certify planted acres or fails to account for the disposition of any peanuts produced on such planted acres, an amount of peanuts equal to the farm's average yield, as determined under section 358(n) of this Act, times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts and the penalty in respect thereof shall be paid and remitted by the producer.

Ante, p. 1248.

Regulations.

16 USC 590h.

"(2) The Secretary shall authorize, under such regulations as the Secretary shall prescribe, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned. Errors in weight that do not exceed one-tenth of 1 per centum in the case of any one marketing document shall not be considered marketing violations except in cases of fraud or conspiracy.

7 USC 1359.

"(g) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts excluded under section 359(c), are unique strains, and are not commercially available. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (k) of this section. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(h) Upon a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 120 per centum of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(i) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108A(3)(A) of the Agricultural Act of 1949. Quota and additional

Post, p. 1254.

peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing. Failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 120 per centum of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

“(j) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchase of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval prior to April 15 of the year in which the crop is produced.

“(k) Subject to the provisions of section 407 of the Agricultural Act of 1949, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus (1) not less than 100 per centum of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season upon delivery by and with the written consent of the producer, (2) not less than 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer by not later than December 31 of the marketing year, or (3) not less than 107 per centum of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year. For the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which such additional peanuts were harvested, the area marketing association designated pursuant to section 108A(3)(A) of the Agricultural Act of 1949 shall have sole authority to accept or reject lot list bids when the sales price as determined under this section equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts, except that the area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by this sentence in order to facilitate the orderly marketing of additional peanuts.

7 USC 1427.

Post, p. 1254.

“(l)(1) The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to the rate of interest which was charged the Commodity Credit Corporation by the Treasury of the United States on the date such penalty became due.

“(2) The provisions of this section shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts produced on such farm do not share in the peanuts produced on any other farm.

“(3) Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for

payment of the penalty has an interest, shall be in effect in favor of the United States.

“(4) Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulations may prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. Nothing in this section shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether such determination was made in conformity with the applicable law and regulations. All penalties imposed under this section shall for all purposes be considered civil penalties.

“(5) Notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section if the Secretary finds that the violation upon which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.”.

PRICE SUPPORT PROGRAM

SEC. 705. Effective only for the 1982 through 1985 crops of peanuts, the Agricultural Act of 1949 is amended by adding a new section as follows:

“PRICE SUPPORT FOR 1982 THROUGH 1985 CROPS OF PEANUTS

7 USC 1445c-1.

“SEC. 108A. Notwithstanding any other provision of law—

“(1) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts for each of the 1982 through 1985 crops. The national average quota support rate for the 1982 crop of quota peanuts shall be the national average cost of production, including the cost of land on a current value basis, for such crop, as estimated by the Secretary, but in no event less than 27.5 cents per pound, farmers stock basis. The national average quota support rate for each of the 1983, 1984, and 1985 crops of quota peanuts shall be the national average quota support rate for such peanuts for the preceding crop, adjusted to reflect any increase, during the period January 1 and ending December 31 of the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any increase in the cost of land, except that in no event shall the national average quota support rate for any such crop exceed by more than 6 per centum the national average quota support rate for the preceding crop. The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage: *Provided*, That the Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 403 of this Act.

7 USC 1423.

“(2) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1982 through 1985 crops at such levels as

the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets: *Provided*, That the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of such peanuts. The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

“(3)(A) In carrying out paragraphs (1) and (2) of this section, the Secretary shall make warehouse storage loans available in each of the three producing areas (described in 7 CFR 1446.10 (1980 ed.)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting such loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and in section 359 of the Agricultural Adjustment Act of 1938. Such area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938. Loans made under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938.

7 USC 1359.

“(B) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by type, area, and segregation for quota peanuts handled under loan, for additional peanuts placed under loan, and for additional peanuts produced without a contract between a handler and a producer as described in section 359(j) of the Agricultural Adjustment Act of 1938. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of (i) for quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts and (ii) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (i) of this subparagraph. Notwithstanding any other provision of this section, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such producer.

Ante, p. 1251.

“(4) Notwithstanding the foregoing provisions of this section or any other provision of law, no price support shall be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358(o) of the Agricultural Adjustment Act of 1938.”.

Ante, p. 1248.

REPORTS AND RECORDS

SEC. 706. Effective only for the 1982 through 1985 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 is amended by inserting immediately before “all brokers and dealers in peanuts” the following: “all farmers engaged in the production of peanuts,”.

7 USC 1373.

SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS

SEC. 707. Section 101 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of peanuts.

7 USC 1441 note.
7 USC 1441.

TITLE VIII—SOYBEANS

SOYBEAN PRICE SUPPORT

SEC. 801. Effective only for the 1982 through 1985 crops of soybeans, section 201 of the Agricultural Act of 1949 is amended by—

7 USC 1446.

(1) inserting in the first sentence “soybeans,” after “tung nuts,”; and

(2) adding at the end thereof a new subsection as follows:

“(g)(1) The price of soybeans shall be supported through loans and purchases during each of the four marketing years beginning with the 1982 marketing year at a level equal to 75 per centum of the simple average price received by farmers for soybeans for each of the preceding five marketing years, excluding the high and low valued years, except that in no event shall the Secretary establish a support price of less than \$5.02 per bushel: *Provided*, That if the Secretary determines that the average price of soybeans received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for soybeans for such marketing year, the Secretary may reduce the level of loans and purchases for soybeans for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for soybeans, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below \$4.50 per bushel. For the purposes of this subsection, the soybean marketing year shall be the twelve-month period beginning on September 1 and ending August 31. The Secretary shall make a preliminary announcement of the level of price support not earlier than thirty days in advance of the beginning of the marketing year based upon the latest information and statistics available when such level of price support is announced, and shall make a final announcement of such level as soon as full information and statistics are available on prices for the five years preceding the beginning of the marketing year. In no event shall such final level of support be announced later than October 1 of the marketing year for which the announcement applies; nor shall the final level of support be less than the level of support set forth in the preliminary announcement.

“(2) Notwithstanding any other provision of law—

“(A) the Secretary shall not require participation in any production adjustment control program for soybeans or any other commodity as a condition of eligibility for price support for soybeans; and

“(B) soybeans shall not be considered an eligible commodity for any reserve program, and the Secretary shall not authorize payments to producers to cover the cost of storing soybeans.”.

TITLE IX—SUGAR

SUGAR PRICE SUPPORT

SEC. 901. Effective only for the 1982 through 1985 crops of sugar beets and sugarcane, section 201 of the Agricultural Act of 1949 is amended by— 7 USC 1446.

(1) striking out in the first sentence “honey, and milk” and inserting in lieu thereof “honey, milk, sugar beets, and sugarcane”; and

(2) adding at the end thereof a new subsection as follows:

“(h) The price of each of the 1982 through 1985 crops of sugar beets and sugarcane, respectively, shall be supported in the manner specified below:

“(1) Effective with respect to sugar processed from domestically grown sugar beets and sugarcane beginning with the date of enactment of this subsection through March 31, 1982, the Secretary shall, through purchases of the processed products thereof, support the price of sugarcane at such level as the Secretary determines appropriate to approximate a raw sugar price of 16.75 cents per pound, and the price of sugar beets at such level as the Secretary determines to be fair and reasonable in relation to the support level for sugarcane.

“(2) Effective October 1, 1982, the Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate but not less than 17 cents per pound for raw cane sugar for the 1982 crop, 17.5 cents per pound for the 1983 crop, 17.75 cents per pound for the 1984 crop, and 18 cents per pound for the 1985 crop. Effective October 1, 1982, the Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines to be fair and reasonable in relation to the level of loans for sugarcane. The Secretary shall announce the loan rate to be applicable during any fiscal year as far in advance of the beginning of that fiscal year as practicable consistent with the purposes of this subsection. Loans during any such fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature before the end of that fiscal year.”.

TITLE X—GRAIN RESERVES AND NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD

Subtitle A—Grain Reserves

PRODUCER RESERVE PROGRAM FOR WHEAT AND FEED GRAINS

SEC. 1001. Effective beginning with the 1982 crops, section 110 of the Agricultural Act of 1949 is amended to read as follows:

7 USC 1445e.

"PRODUCER RESERVE PROGRAM FOR WHEAT AND FEED GRAINS"

"SEC. 110. (a) The Secretary shall formulate and administer a program under which producers of wheat and feed grains will be able to store wheat and feed grains when such commodities are in abundant supply and extend the time period for their orderly marketing. The Secretary shall establish safeguards to assure that wheat and feed grains held under the program shall not be utilized in any manner to unduly depress, manipulate, or curtail the free market. The authority provided by this section shall be in addition to other authorities available to the Secretary for carrying out producer loan and storage operations.

"(b) In carrying out the producer storage program, the Secretary shall provide original or extended price support loans for wheat and feed grains under terms and conditions designed to encourage producers to store wheat and feed grains for extended periods of time in order to promote orderly marketing when wheat or feed grains are in abundant supply. Loans made under this section shall be made at such level of support as the Secretary determines appropriate, except that the loan rate shall not be less than the then current level of support under the wheat and feed grain programs established under this title. Among such other terms and conditions as the Secretary may prescribe by regulation, the program may provide for (1) repayment of such loans in not less than three years nor more than five years; (2) payments to producers for storage in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program; (3) a rate of interest as determined under subsection (c) of this section; (4) recovery of amounts paid for storage, and for the payment of additional interest or other charges if such loans are repaid by producers before the market price for wheat or feed grains has reached the price levels determined under clause (5) of this sentence; and (5) conditions designed to induce producers to redeem and market the wheat or feed grains securing such loans without regard to the maturity dates thereof whenever the Secretary determines that the market price for the commodity has attained a specified level, as determined by the Secretary.

"(c) The rate of interest charged participants in the program authorized by this section shall be not less than the rate of interest charged the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust such interest as the Secretary deems appropriate to effectuate the purposes of this section. The Secretary may increase the applicable rate of interest in such amounts and at such intervals as the Secretary determines is appropriate to encourage the orderly marketing of wheat and feed grains securing loans made under this section after the market price for the commodity has attained the level determined under clause (5) of the third sentence of subsection (b) of this section.

"(d) Notwithstanding any other provision of law, the Secretary may require producers to repay loans under this section plus accrued interest and such other charges as may be required by regulation prior to the maturity date thereof if the Secretary determines that emergency conditions exist which require that such commodity be made available in the market to meet urgent domestic or international needs and the Secretary reports such determination and the reasons therefor to the President, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Committee on Agricul-

Emergency
conditions.
Report to
President and
congressional
committees.

ture of the House of Representatives at least fourteen days before taking such action.

“(e) The Secretary shall announce the terms and conditions of the producer storage program as far in advance of making loans as practicable. In such announcement, the Secretary shall specify the quantity of wheat or feed grains to be stored under the program which the Secretary determines appropriate to promote the orderly marketing of such commodities. The Secretary may place an upper limit on the amount of wheat and feed grains placed in the reserve, but such upper limit may not be less than seven hundred million bushels for wheat and one billion bushels for feed grains.

“(f) Notwithstanding any other provision of law, except as otherwise provided under section 302 of the Food Security Wheat Reserve Act of 1980 and section 208 of the Agricultural Trade Suspension Adjustment Act of 1980, whenever the program authorized by this section is in effect, the Commodity Credit Corporation may not sell any of its stocks of wheat or feed grains at less than 110 per centum of the then current price level at which the Secretary may encourage repayment of producer storage loans with respect to the commodity prior to the maturity dates of such loans, as determined under clause (5) of the third sentence of subsection (b) of this section. The foregoing restriction shall not apply to—

7 USC 1736f-1.
7 USC 4001.

“(1) sales of such commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

“(2) sales or other disposals of such commodities under (A) the fifth and sixth sentences of section 407 of this Act; (B) the Act of September 21, 1959 (7 U.S.C. 1427 note); and (C) section 813 of the Agricultural Act of 1970; and

7 USC 1427.
7 USC 1427a.

“(3) sales of corn for use in the production of alcohol for motor fuel at facilities that—

“(A) began operation after January 4, 1980, and

“(B) whenever supplies of corn are not readily available, can produce alcohol from agricultural or forestry biomass feedstocks other than corn,

when sold at not less than the price at which producers may repay producer storage loans and redeem corn prior to the maturity dates of loans, as determined under clause (5) of the third sentence of subsection (b) of this section, or, whenever the fuel conversion price (as defined in section 212 of the Agricultural Trade Suspension Adjustment Act of 1980) for corn exceeds such price, at not less than the fuel conversion price.

7 USC 4005.

“(g) The Secretary may, with the concurrence of the owner of grain stored under the program authorized by this section, reconcentrate all such grain stored in commercial warehouses at such points as the Secretary deems to be in the public interest, taking into account such factors as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality under regulations which assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by the producer's or warehouseman's commitment.

“(h) Whenever grain is stored under the provisions of this section, the Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities of grain in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such commodities which the Commodity Credit Corporation owns or con-

trols. Such purchases to offset sales shall be made within two market days following the sales. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions.

“(i) The Secretary shall use the Commodity Credit Corporation, to the extent feasible, to fulfill the purposes of this section. To the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.”.

FORGIVENESS OF VIOLATIONS

SEC. 1002. The Agricultural Act of 1949 is amended by adding at the end thereof a new section as follows:

“FORGIVENESS OF VIOLATIONS

7 USC 1433a.

16 USC 590h.

“SEC. 422. Notwithstanding any other provision of law, whenever a producer samples, turns, moves, or replaces grain or any other commodity which is security for a Commodity Credit Corporation producer loan or is held under a producer reserve program, and does so in violation of law or regulation, the appropriate county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act may forgive some or all of the penalties and requirements that would normally be imposed on the producer by reason of the violation, if such committee determines that (1) the violation occurred inadvertently or accidentally, because of lack of knowledge or understanding of the law or regulation, or because the producer or the producer's agent acted to prevent spoilage of the commodity, and (2) the violation did not result in harm or damage to the rights or interests of any person. The county committee shall furnish a copy of its determination to the Administrator of the Agricultural Stabilization and Conservation Service and the appropriate State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act. The determination may be disapproved by either the Administrator or the State committee within sixty days after receipt of a copy of the determination. Any determination not disapproved by the Administrator or such State committee within such sixty-day period shall be considered approved.”.

DISASTER RESERVE

SEC. 1003. Section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) is amended by striking out “shall” wherever it appears in subsections (a) and (b) of that section and inserting in lieu thereof “may”.

CONFORMING AMENDMENT

7 USC 4001.

SEC. 1004. Section 208 of the Agricultural Trade Suspension Adjustment Act of 1980 is amended by—

(1) striking out “second” and inserting in lieu thereof “third” in subsection (c)(2)(A); and

(2) amending clause (i) of subsection (c)(2)(B) to read as follows:

“(i) if there is a producer storage program in effect for the commodity, at not less than 110 per centum of the then current price level at which the Secretary may encourage repayment of producer storage loans on the commodity prior to the maturity dates of the loans, as determined under

clause (5) of the third sentence of section 110(b) of the Agricultural Act of 1949, or”.

Ante, p. 1257.

**Subtitle B—National Agricultural Cost of Production
Standards Review Board**

ESTABLISHMENT OF BOARD

SEC. 1005. There is hereby established an advisory board to be known as the National Agricultural Cost of Production Standards Review Board (hereafter in this subtitle referred to as the “Board”). 7 USC 4101.

MEMBERSHIP OF BOARD

SEC. 1006. (a) The Board shall be composed of eleven members appointed by the Secretary of Agriculture (hereafter in this subtitle referred to as the “Secretary”) as follows: 7 USC 4102.

(1) seven members who are engaged in the commercial production of one or more of the various major agricultural commodities produced in the United States. The Secretary shall assure that the major geographical production areas of the major agricultural commodities are represented;

(2) three members who, by virtue of their education, training, or experience, have extensive knowledge of the costs associated with the production of the major agricultural commodities; these members may be drawn from the fields of agricultural economics, banking, finance, accounting, or related areas; and

(3) one member who is an employee of the Department of Agriculture (hereafter referred to in this subtitle as the “Department”), who shall serve at the pleasure of the Secretary, and who shall advise and inform the Board as to the methodology used by the Department in making its cost of production calculations.

(b) The terms of the initial Board members shall expire (as designated by the Secretary at the time of appointment) as follows: two at the end of the first year, two at the end of the second year, three at the end of the third year, and three at the end of the fourth year. Thereafter, the terms of all members, with the exception of the member provided for in subsection (a)(3) of this section, shall be four years, except that any person appointed to fill a vacancy on the Board shall be appointed only for the unexpired term of such person’s predecessor.

(c) With the exception of the member provided for in subsection (a)(3) of this section, no person may serve as a member of the Board for more than two terms.

(d) The Secretary shall designate one member of the Board to serve as Chairman and one member to serve as Vice Chairman, respectively, each of which shall serve as such until his or her respective term expires. The Board member provided for in subsection (a)(3) of this section may not serve as Chairman or Vice Chairman.

FUNCTIONS OF BOARD

SEC. 1007. The Board shall—

(1) review the adequacy, accuracy, and timeliness of the cost-of-production methodology used by the Department in determining specific cost of production estimates;

(2) advise the Secretary as to whether the cost of production methodology used by the Department in connection with the

7 USC 4103.

administration of its price support programs accurately and fairly represents the costs of production incurred by producers;

(3) review the adequacy of the parity formulae;

(4) advise the Secretary on such other matters dealing with the cost of production of agricultural commodities and price support operations as the Secretary may request; and

(5) make such recommendations to the Secretary as the Board deems appropriate, including ways in which the cost of production methodology and parity formulae can be improved.

BOARD MEETINGS

7 USC 4104. SEC. 1008. The Board shall meet twice annually, or more frequently, if necessary, for the purpose of carrying out its functions.

RECOMMENDATIONS TO SECRETARY

7 USC 4105. SEC. 1009. From time to time, as necessary, the Board shall make written findings and recommendations to the Secretary. The Secretary shall report to the Board on the disposition of these recommendations, including the Secretary's reasons for declining to accept the Board's recommendations, if such declinations are made. The Secretary shall make such reports no later than one hundred and twenty days after the written submission of such recommendations.

REPORTS

7 USC 4106. SEC. 1010. Within ninety days after the close of each calendar year and immediately prior to the Board's expiration, the Board shall submit a written report to the Secretary, the Senate Committee on Agriculture, Nutrition, and Forestry, and the House Committee on Agriculture. This report shall outline the activities undertaken by the Board since its inception or last annual report and shall include any findings and recommendations made to the Secretary during the reporting period.

SUPPORT SERVICES

7 USC 4107. SEC. 1011. The Secretary shall provide such staff personnel, clerical assistance, services, materials, and office space as are essential to assist the Board in carrying out its duties.

COMPENSATION

7 USC 4108. SEC. 1012. The members of the Board shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services for the Board, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5, United States Code.

AUTHORIZATION FOR APPROPRIATIONS

7 USC 4109. SEC. 1013. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TERMINATION

SEC. 1014. The Board established in this subtitle shall cease to exist on September 30, 1985. 7 USC 4110.

TITLE XI—MISCELLANEOUS

Subtitle A—Miscellaneous Commodity Provisions

PAYMENT LIMITATIONS FOR WHEAT, FEED GRAINS, UPLAND COTTON,
AND RICE

SEC. 1101. Notwithstanding any other provision of law—

7 USC 1308.

(1) The total amount of payments (excluding disaster payments) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, and rice shall not exceed \$50,000 for each of the 1982 through 1985 crops.

7 USC 1421 note.

(2) The total amount of disaster payments that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, and rice shall not exceed \$100,000 for each of the 1982 through 1985 crops.

(3) The term "payments" as used in this section shall not include loans or purchases, or any part of any payment that is determined by the Secretary of Agriculture to represent compensation for resource adjustment (excluding land diversion payments) or public access for recreation.

"Payments."

(4) If the Secretary determines that the total amount of payments that will be earned by any person under the program in effect for any crop will be reduced under this section, any acreage requirement established under a set-aside or acreage limitation program for the farm or farms on which such person will be sharing in payments earned under such program shall be adjusted 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.

(5) The Secretary shall issue regulations defining the term "person" and prescribing such rules as the Secretary determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this section that 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. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970, under section 101 of the Agricultural Act of 1970.

Regulations.

7 USC 1307.

FINALITY OF DETERMINATIONS

SEC. 1102. The first sentence of section 385 of the Agricultural Adjustment Act of 1938 is amended to read as follows: "The facts constituting the basis for any Soil Conservation Act payment, any payment under the wheat, feed grain, upland cotton, and rice programs authorized by the Agricultural Act of 1949 and this Act, any loan, or price support operation, or the amount thereof, when

7 USC 1385.

officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.”.

**COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR
WHEAT AND FEED GRAINS**

7 USC 1427. SEC. 1103. Effective only for the marketing years for the 1982 through 1985 crops, section 407 of the Agricultural Act of 1949 is amended by—

(1) striking out in the third sentence the language following the third colon and inserting in lieu thereof 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) striking out 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 inserting in lieu thereof the following: “current basic county loan rate (or a comparable price if there is no current basic county loan rate)”; and

(3) striking out in the seventh sentence “, but in no event shall the purchase price exceed the then current support price for such commodities” and inserting in lieu thereof the following: “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”.

APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949

7 USC 1428. SEC. 1104. Effective only for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, section 408(k) of the Agricultural Act of 1949 is amended to read as follows:

**“REFERENCES TO TERMS MADE APPLICABLE TO WHEAT, FEED GRAINS,
UPLAND COTTON, AND RICE**

7 USC 1422, 1423, 1426, 1427, 1431. “(k) Reference made in sections 402, 403, 406, 407, 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, feed grains, upland cotton, and rice 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, feed grains, upland cotton, and rice under this Act.”.

7 USC 1421.

SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY

7 USC 1445h. SEC. 1105. Effective for the 1982 through 1985 crops of wheat and feed grains, section 113 of the Agricultural Act of 1949 is amended to read as follows:

“SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY

“SEC. 113. Notwithstanding any other provision of law or prior announcement made by the Secretary to the contrary, the Secretary may announce and provide for a set-aside or acreage limitation program under section 105B(e) or 107B(e) of this title for one or more of the crops of wheat and feed grains if the Secretary determines that such action is in the public interest as a result of the imposition of restrictions on the export of any such commodity by the President or other member of the executive branch of Government. In order to carry out effectively a set-aside or acreage limitation program authorized under this section, the Secretary may make such modifications and adjustments in such program as the Secretary determines necessary because of any delay in instituting such program.”.

Ante, p. 1227,
1221.

NORMALLY PLANTED ACREAGE AND TARGET PRICES

SEC. 1106. Section 1001 of the Food and Agriculture Act of 1977 is amended to read as follows: 7 USC 1309.

“SEC. 1001. (a) Notwithstanding any other provision of law, whenever a set-aside program is in effect for one or more of the 1982 through 1985 crops of wheat and feed grains, the Secretary of Agriculture may require, as a condition of eligibility for loans, purchases, and payments for such crops under the Agricultural Act of 1949, that producers not exceed the acreage on the farm normally planted to crops designated by the Secretary, adjusted as deemed necessary by the Secretary to be fair and equitable among producers and reduced by any set-aside or diverted acreage. Such normal crop acreage for any crop year shall be determined as provided by the Secretary. The Secretary may require producers participating in the program to keep such records as the Secretary determines necessary to assist in making such determination.

7 USC 1421 note.

“(b) Notwithstanding any other provision of law—

“(1) Whenever the Secretary, for one or more of the 1982 through 1985 crops of wheat and feed grains, requires that producers not exceed the acreage on the farm normally planted to crops designated by the Secretary in accordance with subsection (a) of this section, the Secretary may increase the established price payments for any such commodity by such amount (or if there are no such payments in effect for such crop by providing for payments in such amount) as the Secretary determines appropriate to compensate producers for not exceeding the acreage on the farm normally planted to crops designated by the Secretary and participation in any required set-aside with respect to such commodity.

“(2) In determining the amount of any payments for any commodity under this subsection, the Secretary shall take into account changes in the costs of production resulting from not exceeding the acreage on the farm normally planted to crops designated by the Secretary and participation in any required set-aside with respect to such commodity.

“(3) If payments are provided for any commodity under this subsection, the Secretary may provide for payments for any other commodity in such amount as the Secretary determines necessary for effective operation of the program.

“(4) The Secretary shall adjust any payments under this subsection to reflect, in whole or in part, any land diversion

payments for the commodity for which an increase is determined.”.

NORMAL SUPPLY

7 USC 1310a.

SEC. 1107. Notwithstanding any other provision of law, if the Secretary of Agriculture determines that the supply of wheat, corn, upland cotton, or rice for the marketing year for any of the 1982 through 1985 crops of such commodity is not likely to be excessive and that program measures to reduce or control the planted acreage of the crop are not necessary, such a decision shall constitute a determination that the total supply of the commodity does not exceed the normal supply and no determination to the contrary shall be made by the Secretary with respect to such commodity for such marketing year.

NONQUOTA TOBACCO SUBJECT TO QUOTA

7 USC 1314f.

SEC. 1108. Effective beginning with the 1982 crop of tobacco, section 320 of the Agricultural Adjustment Act of 1938 is amended to read as follows:

“SEC. 320. (a) Notwithstanding any other provision of law, effective with respect to the 1982 and subsequent crops of tobacco, any kind of tobacco for which marketing quotas are not in effect that is produced in an area where marketing quotas are in effect for any kind of tobacco shall be subject to the quota for the kind of tobacco for which marketing quotas are in effect in that area. If marketing quotas are in effect in an area for more than one kind of quota tobacco, nonquota tobacco produced in the area shall be subject to the quota for the kind of quota tobacco produced in the area having the highest price support under the Agricultural Act of 1949.

7 USC 1421 note.

“(b) Subsection (a) of this section shall not apply to—

“(1) Maryland (type 32) tobacco when it is nonquota tobacco and produced in a quota area on a farm for which a marketing quota for Maryland (type 32) tobacco was established when marketing quotas for such kind of tobacco were last in effect;

“(2) cigar-filler (type 41) tobacco when it is nonquota tobacco and produced in Pennsylvania;

“(3) cigar-wrapper (type 61) tobacco when it is nonquota tobacco and produced in Connecticut and Massachusetts, and cigar-wrapper (type 62) tobacco when it is nonquota tobacco and produced in Georgia and Florida; and

“(4) tobacco produced in a quota area that is represented to be nonquota tobacco and that is readily and distinguishably different from all kinds of quota tobacco, as determined through the application of the standards issued by the Secretary for the inspection and identification of tobacco.”.

TOBACCO PROGRAM COST

7 USC 1445 note.

SEC. 1109. It is the intent of Congress that the tobacco price support and production adjustment program be carried out in such a manner as to result in no net cost to the taxpayers other than such administrative expense as is incidental to the implementation of any commodity program. To accomplish this objective, the Secretary of Agriculture shall promulgate such regulations and policies as are currently within the Secretary's existing authority by January 1982. The Secretary shall recommend to Congress by January 1982 any legislative changes the Secretary believes necessary and proper to achieve this objective.

Regulations.

Recommendation to Congress.

Subtitle B—General Provisions

SPECIAL GRAZING AND HAY PROGRAM

SEC. 1110. Section 109 of the Agricultural Act of 1949 is amended by— 7 USC 1445d.

- (1) striking out “1981” in the first sentence of subsection (a) and inserting in lieu thereof “1985”;
- (2) striking out “Under the special program” in the second sentence of subsection (a) and inserting in lieu thereof “If a special program is implemented”; and
- (3) inserting “, reduced acreage, or land diversion” in subsection (d) after “acreage set-aside”.

EMERGENCY FEED PROGRAM

SEC. 1111. (a) The fifth sentence of section 407 of the Agricultural Act of 1949 is amended by striking out “shall” wherever it appears and inserting in lieu thereof “may”. 7 USC 1427.

(b)(1) The first sentence of section 1105(a) of the Food and Agriculture Act of 1977 (7 U.S.C. 2267(a)) is amended by inserting “and poultry” after “maintenance of livestock”.

(2) Paragraphs (1) and (2) of section 1105(b) of the Food and Agriculture Act of 1977 (7 U.S.C. 2267(b)) are amended by inserting “or poultry” after “livestock” wherever it appears.

FARM INCOME PROTECTION INSURANCE PROGRAM STUDY

SEC. 1112. (a) It is the sense of Congress that the concept of farm income protection insurance should be studied in order to determine whether such a concept might provide the basis for an acceptable alternative to the commodity price support, income maintenance, and disaster assistance programs currently administered by the United States Department of Agriculture for the benefit of United States farmers. Toward this objective, the Secretary of Agriculture shall appoint a special task force to study and report on such concept. 7 USC 1421 note.

(b) The special task force appointed by the Secretary shall be composed of the following: a total of three representatives of agricultural commodity organizations and general farm organizations, three representatives of the private insurance industry (including stock companies, mutual companies, agents, or brokers), two full-time farmers, one official of the Federal Crop Insurance Corporation, one official of the Agricultural Stabilization and Conservation Service, two individuals from appropriate academic fields, and the designated representative of the Secretary of Agriculture. The designated representative of the Secretary shall serve as the chairman of the special task force.

(c) The study conducted by the special task force shall include, but not be limited to, an analysis of the following:

- (1) the characteristics of a farm income protection insurance program;
- (2) the feasibility of such a program as a substitute for the commodity price support, income maintenance, and disaster assistance programs administered by the Department of Agriculture for United States farmers;
- (3) the appropriate roles of the private insurance industry and the Federal Government in the development, implementation, and administration of such a program;

Transmittal to
congressional
committees.

- (4) alternate mechanisms for administering such a program;
- (5) the acceptability of such a program to farmers; and
- (6) the costs associated with the development and implementation of such a program.

(d) Not later than eighteen months following enactment of this Act, the special task force shall transmit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives copies of the report on farm income protection insurance and any legislative changes that the special task force recommends for purposes of establishing a farm income protection insurance program. Minority views, if submitted in a timely manner, shall be included in the report prepared and transmitted by the special task force.

(e) The Secretary of Agriculture shall provide such staff personnel, clerical assistance, services, materials, and office space as may be required to assist the special task force in carrying out its duties.

(f) In conducting its study and preparing its report and recommendations, the special task force may obtain the assistance of Department of Agriculture employees, and, to the maximum extent practicable, the assistance of employees of other Federal departments or agencies who may have relevant expertise in the areas of insurance, income maintenance, disaster assistance, agriculture, program management, and program evaluation.

(g) Members of the special task force shall serve without compensation, if not otherwise officers or employees of the United States, except that, while away from their homes or regular places of business in the performance of services under this section, they shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5, United States Code.

(h) The special task force shall be dissolved forty-five days after submission of the report required in subsection (d) of this section.

STATE AGENCY AUTHORITY FOR GRAIN INSPECTIONS AT EXPORT PORT LOCATIONS

SEC. 1113. (a) The first sentence of section 7(e)(2) of the United States Grain Standards Act (7 U.S.C. 79(e)(2)) is amended by striking out "If the Administrator determines" and all that follows down through "the criteria in subsection (f)(1)(A) of this section," and inserting in lieu thereof: "If the Administrator determines, pursuant to paragraph (3) of this subsection, that a State agency is qualified to perform official inspection, meets the criteria in subsection (f)(1)(A) of this section, and (A) was performing official inspection at an export port location under this Act on July 1, 1976, or (B)(i) performed official inspection at an export port location at any time prior to July 1, 1976, (ii) was designated under subsection (f) of this section on the date of enactment of the Agriculture and Food Act of 1981 to perform official inspections at locations other than export port locations, and (iii) operates in a State from which total annual exports of grain do not exceed, as determined by the Administrator, 5 per centum of the total amount of grain exported from the United States annually,".

(b) The provisions of this section shall become effective one hundred and eighty days after enactment of this Act.

Effective date.
7 USC 79 note.

DISTRIBUTION OF SURPLUS COMMODITIES; SPECIAL NUTRITION PROJECTS

SEC. 1114. (a) Notwithstanding any other provision of law, whenever Government stocks of commodities are acquired under the price support programs and are not likely to be sold by the Commodity Credit Corporation or otherwise used in programs of commodity sale or distribution, such commodities shall be made available without charge or credit to nutrition projects under the authority of the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), to child nutrition programs providing food service, and to food banks participating in the special nutrition projects established under section 211 of the Agricultural Act of 1980. Such distribution may include bulk distribution to congregate nutrition sites and to providers of home delivered meals under the Older Americans Act of 1965. The Commodity Credit Corporation is authorized to use available funds to operate the program under this subsection and to further process products to facilitate bonus commodity use. 7 USC 1431e.

(b) Section 211 of the Agricultural Act of 1980 (7 U.S.C. 4004) is amended by—

(1) striking out “demonstration projects” wherever that phrase occurs in subsections (a) and (b) and inserting in lieu thereof “special nutrition projects”;

(2) striking out “a report to Congress on October 1, 1982,” in subsection (d) and inserting in lieu thereof “to Congress a progress report on July 1, 1983, and a final report on January 1, 1984,”;

(3) striking out “demonstration projects” in subsection (d) and inserting in lieu thereof “special nutrition projects”;

(4) redesignating subsection (f) as subsection (g) and inserting after subsection (e) the following new subsection:

“(f) The Secretary shall minimize paperwork requirements placed on food banks which participate in the special nutrition projects established under this section and shall otherwise encourage food banks to participate in such projects.”; and

(5) striking out “to carry out this section \$356,000” in subsection (g), as redesignated by paragraph (4) of this subsection, and inserting in lieu thereof “such sums as may be necessary to carry out this section”.

(c) The heading for section 211 of the Agricultural Act of 1980 is amended to read as follows:

“DISTRIBUTION OF EXCESS AGRICULTURAL COMMODITIES THROUGH COMMUNITY FOOD BANKS”.

(d) Section 4(b) of the Food Stamp Act of 1977 shall not apply with respect to distribution of surplus commodities under section 211 of the Agricultural Act of 1980. 7 USC 4004a. 7 USC 2013.

PERISHABLE AGRICULTURAL COMMODITIES

SEC. 1115. (a) Paragraphs (6) and (7) of section 1 of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a (6) and (7)), are amended by striking out “\$200,000” and inserting in lieu thereof “\$230,000”.

(b) Section 3(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499c(b)), is amended by striking out “\$150”, “\$50”, and

“\$1,000”, and inserting in lieu thereof “\$300”, “\$150”, and “\$3,000”, respectively.

(c) Sections 6(c) and 6(d) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499f (c) and (d)), are amended by striking out “\$3,000” wherever it appears and inserting in lieu thereof “\$15,000”.

DEPARTMENT OF AGRICULTURE ADVISORY COMMITTEES

SEC. 1116. (a) Title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) is amended to read as follows:

“TITLE XVIII—DEPARTMENT OF AGRICULTURE ADVISORY COMMITTEES

“PURPOSES

7 USC 2281.

“SEC. 1801. The purposes of this title are to—

“(1) require strict financial and program accounting by advisory committees of the Department of Agriculture;

“(2) assure balance and objectivity in the membership of such advisory committees; and

“(3) prevent the formation or continuation of unnecessary advisory committees by the Department of Agriculture.

“DEFINITIONS

7 USC 2282.

“SEC. 1802. When used in this title—

“(1) the term ‘Secretary’ means the Secretary of Agriculture of the United States;

“(2) the term ‘Department of Agriculture’ means the United States Department of Agriculture; and

“(3) the term ‘advisory committee’ means any committee, board, commission, council, conference, panel, task force, or other similar group, or any subcommittee or other subgroup thereof that is established or used by the Department of Agriculture in the interest of obtaining advice or recommendations for the President or the Department of Agriculture, except that such term excludes any committee which (A) is composed wholly of full-time officers or employees of the Federal Government, (B) is established by statute or reorganization plan, or (C) is established by the President.

“MEMBERSHIP ON ADVISORY COMMITTEES

7 USC 2283.

“SEC. 1803. (a) No person other than an officer or employee of the Department of Agriculture may serve simultaneously on more than one advisory committee, unless authorized by the Secretary.

“(b) Not more than one officer or employee of any corporation or other non-Federal entity, including all subsidiaries and affiliates thereof, may serve on the same advisory committee at any one time, unless authorized by the Secretary.

“(c) No person other than an officer or employee of the Department of Agriculture may serve for more than six consecutive years on an advisory committee, unless authorized by the Secretary.

“ANNUAL REPORT

7 USC 2284.

“SEC. 1804. The Secretary shall annually transmit to the appropriate committees of Congress having legislative jurisdiction or over-

sight with respect to the agency within the Department of Agriculture that provides support services to an advisory committee, and to the Library of Congress—

“(1) a copy of the report concerning that advisory committee prepared in compliance with section 6(c) of the Federal Advisory Committee Act (5 U.S.C. App.);

“(2) a list of the members of that advisory committee which shall specify the principal place of residence, persons or companies by whom they are employed, and other major sources of income, as defined by the Secretary, of each member; and

“(3) a statement of the amount of expenses incurred in connection with advisory committee meetings by any member of an advisory committee for which reimbursement was received from any source other than the United States or the member's employer.

“BUDGET PROHIBITIONS

“SEC. 1805. No advisory committee may expend funds in excess of its estimated annual operating costs by more than 10 per centum or \$500, whichever is greater, until it provides the Secretary with an explanation of the need for the additional expenditure and the Secretary approves such additional expenditure. 7 USC 2285.

“TERMINATION OF ADVISORY COMMITTEES

“SEC. 1806. The Secretary shall terminate any advisory committee upon a finding that any such advisory committee— 7 USC 2286.

“(1) has expended funds in excess of its estimated annual operating costs by more than 10 per centum or \$500, whichever is greater, without the prior approval of the Secretary pursuant to the provisions of section 1805 of this title;

“(2) has failed to file all reports required under the provisions of the Federal Advisory Committee Act or this title;

“(3) has failed to meet for two consecutive years;

“(4) is responsible for functions that otherwise would be or should be performed by Federal employees; or

“(5) does not serve or has ceased to serve an essential public function.”. 5 USC app.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out the items relating to sections 1801 through 1809 and inserting in lieu thereof the following items:

“Sec. 1801. Purposes.

“Sec. 1802. Definitions.

“Sec. 1803. Membership on advisory committees.

“Sec. 1804. Annual report.

“Sec. 1805. Budget prohibitions.

“Sec. 1806. Termination of advisory committees.”.

COST OF PRODUCTION STUDY

SEC. 1117. Section 808 of the Agricultural Act of 1970 (7 U.S.C. 1441a) is amended by—

(1) adding after the phrase “all typical variable costs,” the following: “including interest costs”; and

(2) striking out “equal to the existing interest rates charged by the Federal Land Bank, and return for management comparable to the normal management fees charged by other comparable industries. These studies shall be based upon the size unit that

requires one man to farm on a full-time basis." and inserting in lieu thereof ", and a return for management."

**UNLAWFUL TO OFFER FOR SALE OR ADVERTISE PROTECTED SEED WHEN
NOT CERTIFIED BY A STATE AGENCY**

SEC. 1118. Section 501 of the Federal Seed Act (7 U.S.C. 1611) is amended to read as follows:

7 USC 2321 note. "SEC. 501. It shall be unlawful in the United States or in interstate or foreign commerce to sell or offer for sale or advertise, by variety name, seed not certified by an official seed certifying agency, when it is a variety for which a certificate of plant variety protection under the Plant Variety Protection Act specifies sale only as a class of certified seed: *Provided*, That seed from a certified lot may be labeled as to variety name when used in a mixture by, or with the approval of, the owners of the variety."

**PROTECTION AGAINST THE INTRODUCTION AND DISSEMINATION OF
PLANT PESTS**

SEC. 1119. The Federal Plant Pest Act (7 U.S.C. 150aa et seq.) is amended by—

7 USC 150dd. (1) redesignating subsections (b), (c), and (d) in section 105 as (c), (d), and (e), respectively, and adding a new subsection (b) as follows:

"(b)(1) Whereas, the existence of a plant pest new to or not theretofore known to be widely prevalent or distributed within and throughout the United States on any premises in the United States would constitute a threat to crops, other plant life, and plant products of the Nation and thereby seriously burden interstate or foreign commerce, whenever the Secretary determines that an extraordinary emergency exists because of the presence of such plant pest on any premises in the United States, and that the presence of such plant pest anywhere in the United States threatens the crops, other plant life, or plant products of the United States, the Secretary may (A) seize, quarantine, treat, apply other remedial measures to, destroy, or otherwise dispose of, in such manner as the Secretary deems appropriate, any product or article of any character whatsoever, or means of conveyance which the Secretary has reason to believe is infested or infected by or contains any such plant pest; (B) quarantine, treat, or apply other remedial measures to, in such manner as the Secretary deems appropriate, any premises, including articles on such premises which the Secretary has reason to believe are infested or infected by any such plant pest: *Provided*, That any action taken under clauses (A) and (B) shall be consistent with the provisions of the Federal Insecticide, Fungicide, and Rodenticide Act: *Provided further*, That such action may be taken under this subsection only if the Secretary finds after review of measures taken by the State or other jurisdiction and after consultation with the Governor that the measures being taken are inadequate. Before any action is taken in any State or other jurisdiction under this subsection, the Secretary shall notify the Governor of the State or other jurisdiction, shall issue a public announcement and shall file a statement for publication in the Federal Register of the action the Secretary intends to take together with the findings and reasons therefor: *Provided*, That if it is not possible to make such a filing with the Federal Register prior to taking action, the filing shall be made within a reasonable time, not to exceed five business days, after commencement of the action. If the

7 USC 136 note.

Publication in
Federal
Register.

Secretary wishes to change any action previously taken under this subsection, the Secretary shall follow the procedure set forth in the preceding sentence. The cost of any action taken by the Secretary under this subsection shall be at the expense of the United States.

“(2) The Secretary may pay compensation to producers and other persons for economic losses incurred by them as a result of the quarantine, destruction, or other action taken under the authority of paragraph (1) of this subsection. The determination by the Secretary of the amount of any compensation to be paid under this subsection shall be final.

Compensation.

“(3) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection.”; and

Appropriation authorization.

(2) adding after the second semicolon in section 107 the following: “to stop and inspect without a warrant any person or means of conveyance moving intrastate upon probable cause to believe that the person or conveyance is carrying any product or article subject to treatment or disposal under the provisions of this Act or the regulations issued thereunder;”.

7 USC 150ff.

AUTHORITY TO RELEASE BEE GERM PLASM

SEC. 1120. Section 103 of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 283) is amended by adding immediately before the period “and may release bee germ plasm to the public”.

USER FEES FOR REPORTS AND PUBLICATIONS

SEC. 1121. The Secretary of Agriculture may furnish upon request copies of pamphlets, reports, or other publications prepared in the Department of Agriculture in carrying out agricultural economic research and statistical reporting functions authorized by law, and charge such fees therefor as the Secretary may determine to be reasonable: *Provided*, That the imposition of such charges shall be consistent with the provision of title V of the Act of August 31, 1951 (31 U.S.C. 483a), except that all moneys received in payment for work or services performed or for documents, reports, or other publications provided shall be deposited in a separate account or accounts to be available until expended and may be used to pay directly the costs of such work, services, documents, reports, or publications, and to repay or make advances to appropriations or funds which do or will initially bear all or part of such costs.

7 USC 2242a.

INSPECTION AND OTHER STANDARDS FOR IMPORTED MEAT PRODUCTS

SEC. 1122. Section 20 of the Federal Meat Inspection Act (21 U.S.C. 620) is amended by adding at the end thereof a new subsection as follows:

“(f) Notwithstanding any other provision of law, all carcasses, parts of carcasses, meat, and meat food products of cattle, sheep, swine, goats, horses, mules, or other equines, capable of use as human food, offered for importation into the United States shall be subject to the inspection, sanitary, quality, species verification, and residue standards applied to products produced in the United States. Any such imported meat articles that do not meet such standards shall not be permitted entry into the United States. The Secretary shall enforce this provision through (1) the imposition of random inspections for such species verification and for residues, and (2) random sampling and testing of internal

Effective date. organs and fat of the carcasses for residues at the point of slaughter by the exporting country in accordance with methods approved by the Secretary. The provisions of this subsection shall become effective six months after enactment of the Agriculture and Food Act of 1981.”

TITLE XII—AGRICULTURAL EXPORTS AND PUBLIC LAW 480

Subtitle A—General Export Provisions

AGRICULTURAL EXPORT CREDIT REVOLVING FUND

7 USC 1707a. SEC. 1201. Section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707(a) is amended by adding at the end thereof a new subsection as follows:

Establishment. “(d)(1) There is hereby established in the Treasury a revolving fund to be known as the Agricultural Export Credit Revolving Fund, which shall be available without fiscal year limitation for use by the Commodity Credit Corporation (hereafter referred to in this subsection as the ‘Corporation’) for financing in accordance with this section and section 5(f) of the Commodity Credit Corporation Charter Act the following—

15 USC 714c.

“(A) commercial export sales of United States agricultural commodities out of private stocks or stocks owned or controlled by the Corporation on credit terms of not to exceed three years;

“(B) export sales of United States breeding animals (including, but not limited to, cattle, swine, sheep, and poultry), including the cost of freight from the United States to designated points of entry in other nations; and

“(C) the establishment of facilities in importing countries to improve the capacity of such countries for handling, marketing, processing, storing, or distributing fungible agricultural commodities produced in and exported from the United States (through the use of local currency generated from the sale of United States agricultural commodities).

“(2) The Corporation shall use the revolving fund only to extend credit for purposes of market development and expansion and only where there is substantial potential for developing or enhancing regular commercial markets for United States agricultural commodities.

“(3) The Secretary of Agriculture shall ensure that the revolving fund is used in such a manner as to involve equitable use of the funds to finance sales to the greatest feasible number of countries consistent with maximizing market opportunities. In carrying out this objective, the Secretary shall establish procedures under which—

“(A) not less than 85 per centum of the estimated amount in the revolving fund for any fiscal year shall be made available for the purposes provided in clause (A) of paragraph (1) of this subsection; and

“(B) not to exceed 25 per centum of the estimated amount in the revolving fund for any fiscal year shall be made available for the financing of credit sales to any one country for the purposes described in paragraph (1) of this subsection.

Appropriation authorization.

“(4) There are authorized to be appropriated to the Agricultural Export Credit Revolving Fund such sums as may be necessary to carry out the provisions of this subsection. All funds received by the Corporation in payment for credit extended by the Corporation using the revolving fund, including interest or other receipts on invest-

ments and credit obligations, in financing export sales of the types specified in paragraph (1) of this subsection shall be added to and become a part of such revolving fund.

“(5) The Secretary shall submit an annual report to Congress not later than December 1 of each year with respect to the use of the revolving fund in carrying out export credit sales by the Corporation in the previous fiscal year. Such report shall include, for the previous fiscal year, the names of the countries extended credit under this subsection, the total amount of such credit extended to each such country, the names of the United States exporters that received any such credit, the total amount of credit provided to each such exporter stated separately for each commodity for which the credit was extended, and a discussion and evaluation of the market development and expansion activities of the Corporation under this subsection during such fiscal year. The first such report shall be submitted to Congress not later than December 1, 1982.

Report to
Congress.

“(6) The revolving fund created by this subsection is abolished effective October 1, 1985, and all unobligated money in such fund on September 30, 1985, shall be transferred to and become part of the miscellaneous receipts account of the Treasury.

Fund
abolition.

“(7) The authority provided under this subsection shall be in addition to, and not in lieu of, any authority granted to the Secretary or the Corporation under any other provision of law.

“(8) The authority provided under this subsection to incur obligations to make loans shall be effective only to the extent that such obligations do not exceed annual limitations on new direct loan obligations which shall be provided in annual appropriations Acts.”.

CONGRESSIONAL CONSULTATION ON BILATERAL COMMODITY SUPPLY AGREEMENTS

SEC. 1202. As soon as practicable before the Government of the United States enters into any bilateral international agreement, other than a treaty, involving a commitment on the part of the United States to assure access by a foreign country or instrumentality thereof to United States agricultural commodities or products thereof on a commercial basis, the President is encouraged to notify and consult with the appropriate committees of Congress for the purpose of setting forth in detail the terms of and reasons for negotiating such agreement.

7 USC 1736h.

SPECIAL STANDBY EXPORT SUBSIDY PROGRAM

SEC. 1203. (a) In order to discourage foreign countries or instrumentalities thereof from using subsidies to promote the exportation of agricultural commodities, the Secretary of Agriculture shall formulate a special standby export subsidy program for agricultural commodities or products thereof produced in the United States. Such program shall be designed to neutralize the effects of export subsidy programs instituted by foreign countries or instrumentalities to encourage exports of their agricultural commodities to foreign markets other than the United States.

7 USC 1736i.

(b) The Secretary may implement the special standby export subsidy program formulated under subsection (a) of this section only after the President—

(1) makes a determination under section 301 of the Trade Act of 1974 (19 U.S.C. 2411) that action by the United States is

appropriate to obtain the elimination of an act, policy, or practice of a foreign country or instrumentality that results in—

(A) substantial displacement of United States exports of agricultural commodities to foreign markets, or

(B) prices for agricultural commodities in foreign markets materially below prices which suppliers of the same agricultural commodities produced in the United States must charge in order to supply such commodities to the same markets;

(2) makes a determination that such act, policy, or practice of the foreign country or instrumentality concerned involves the use of export subsidies to encourage exports of such country's or instrumentality's agricultural commodities to foreign markets other than the United States; and

(3) fails to reach a mutually acceptable resolution through consultation with the foreign country or instrumentality concerned.

(c) The Secretary shall use the Commodity Credit Corporation in carrying out the special standby export subsidy program authorized by this section.

(d) Notwithstanding any other provision of this section, the Secretary shall not implement the special standby export subsidy program for cotton.

(e) The authority provided under this section shall be in addition to, and not in lieu of, any authority granted to the Secretary or the Commodity Credit Corporation by any other provision of law.

AGRICULTURAL EMBARGO PROTECTION

7 USC 1736j.

SEC. 1204. Notwithstanding any other provision of law—

50 USC app. 2401
note.

(a) If the President or other member of the executive branch of the Federal Government causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted for reasons of national security or foreign policy under the Export Administration Act of 1979 or any other provision of law, and if such suspension or restriction of the export of such agricultural commodity is imposed other than in connection with a suspension or restriction of all exports from the United States to such country or area of the world, and if sales of such agricultural commodity for export from the United States to such country or area of the world during the year preceding the year in which the suspension or restriction is imposed exceed 3 per centum of the total sales of such commodity for export from the United States to all foreign countries during the year preceding the year in which the suspension or restriction is in effect, the Secretary of Agriculture shall compensate producers of the commodity involved by—

(1) making payments available to such producers, as provided in subsection (b) of this section;

7 USC 1421 note.

(2) on the date on which the suspension or restriction is imposed, establishing the loan level for such commodity under the Agricultural Act of 1949, if a loan program is in effect for the commodity, at 100 per centum of the parity price for the commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction; or

(3) undertaking any combination of the measures described in clauses (1) and (2) of this subsection.

(b) If the Secretary makes payments available to producers pursuant to clause (1) of subsection (a) of this section, the amount of such payment shall be determined by—

(1) in the case of an agricultural commodity for which payments are authorized to be made to producers under title I of the Agricultural Act of 1949, multiplying (A) the producer's farm program payment yield or the yield established for the farm for the commodity involved, times (B) the farm program acreage established for the commodity, times (C) the amount by which the average market price per unit of such commodity received by producers during the sixty-day period immediately following the date of the imposition of the suspension or restriction is less than 100 per centum of the parity price for such commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction; or

7 USC 1441.

(2) in the case of other agricultural commodities for which price support is authorized for producers under the Agricultural Act of 1949, multiplying the amount by which the average market price per unit of such commodity received by the producers during the sixty-day period immediately following the date of the imposition of the suspension or restriction is less than 100 per centum of the parity price for such commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction, by the quantity of such commodity sold by the producer during the period that the suspension or restriction is in effect.

7 USC 1421 note.

(c) The payments made pursuant to clause (1) of subsection (b) of this section shall be made for each marketing year or part thereof during which the suspension or restriction is in effect and shall be made in equal amounts at ninety-day intervals, beginning ninety days after the date of the imposition of the suspension or restriction.

(d)(1) Any loan level established pursuant to clause (2) of subsection (a) of this section shall remain in effect as long as the suspension or restriction described in subsection (a) remains in effect.

(2) Any commodity loan the level of which is increased by the Secretary pursuant to clause (2) of subsection (a) of this section shall be made available to producers of the commodity without interest.

(e) The Secretary may issue such regulations as are deemed necessary to carry out the provisions of this section.

(f) The Secretary shall use the Commodity Credit Corporation in carrying out the provisions of this section.

(g) The provisions of this section shall become effective with respect to any suspension or restriction of the export of any agricultural commodity, as described in subsection (a) of this section, implemented after the date of enactment of this Act.

Effective date.

DEVELOPMENT OF PLANS TO ALLEVIATE ADVERSE IMPACT OF EXPORT EMBARGOES ON AGRICULTURAL COMMODITIES

SEC. 1205. In order to alleviate, to the maximum extent possible, the adverse impact on farmers, elevator operators, common carriers, and exporters of agricultural commodities when the President or other member of the executive branch of the Federal Government causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted, the Secretary of Agriculture shall—

7 USC 1736k.

(1) develop a comprehensive contingency plan that includes—

(A) an assessment of existing farm programs with a view to determining whether such programs are sufficiently flexible to enable the Secretary to efficiently and effectively offset the adverse impact of such a suspension or restriction on farmers, elevator operators, common carriers, and exporters of commodities provided for under such programs;

(B) an evaluation of the kinds and availability of information needed to determine, on an emergency basis, the extent and severity of the impact of such a suspension or restriction on producers, elevator operators, common carriers, and exporters; and

(C) the development of criteria for determining the extent, if any, to which the impact of such a suspension or restriction should be offset in the case of each of the sectors referred to in clause (1)(B) of this section;

(2) for any suspension or restriction for which compensation is not provided under section 1204 of this title, develop and submit to Congress such recommendations for changes in existing agricultural programs, or for new programs, as the Secretary considers necessary to handle effectively, efficiently, economically, and fairly the impact of any such suspension or restriction;

(3) for any suspension or restriction for which compensation is provided under section 1204 of this title, develop and submit to Congress a plan for implementing and administering section 1204; and

(4) require the Commodity Credit Corporation, before such corporation purchases any contracts for the purpose of offsetting the impact of a commodity suspension or restriction, to—

(A) prepare an economic justification for each commodity involved in the suspension or restriction to determine if such a purchase is necessary;

(B) estimate any suspension- or restriction-related benefits and detrimental effects to the exporters, and use both estimates in determining the extent, if any, Federal assistance is needed; and

(C) limit its purchases to only those types and grades of commodities suspended or restricted from shipment and make such purchases at prices at or near the current market prices.

CONSULTATION ON GRAIN MARKETING

7 USC 1736l.

SEC. 1206. Congress encourages the Secretary of Agriculture, in coordination with other appropriate Federal departments and agencies, to continue to consult with representatives of other major grain exporting nations toward the goal of establishing more orderly marketing of grain and achieving higher farm income for producers of grain.

EXPANSION OF INTERNATIONAL MARKETS FOR UNITED STATES AGRICULTURAL COMMODITIES AND PRODUCTS THEREOF

7 USC 1736m.

SEC. 1207. (a) It is the sense of Congress that, in order to further assist in the development, maintenance, and expansion of international markets for United States agricultural commodities and the products thereof, the Secretary of Agriculture should and is requested to—

(1) use the intermediate credit program authorized under section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707a) to improve the capability of importing nations to purchase and use United States agricultural commodities and the products thereof on a long-term basis;

(2) ask Congress, at the earliest practicable date, for funds for the agricultural export credit revolving fund in an amount sufficient to meet the demand for short-term credit authorized to be made available under section 4 of the Food for Peace Act of 1966;

(3) establish, insofar as practicable, the maximum number of United States Agricultural Trade Offices in other nations authorized by section 605A of the Act of August 28, 1954 (7 U.S.C. 1765a);

(4) use, to the maximum extent practicable, existing authority to ensure full utilization of the levy-free quota, established during the Tokyo round of the multilateral trade negotiations, for the export sale of United States high quality beef to the European Economic Community;

(5) expand, to the fullest extent possible, the market development activities of the Foreign Agricultural Service of the Department of Agriculture in developed, developing, market, and nonmarket foreign countries with particular emphasis on (A) continuation of the cooperator programs at the same funding level (adjusted for inflation) as provided during fiscal year 1970; (B) a more active export market development program for value added farm products and processed foods; and (C) the implementation of a full-scale program for forestry products, including commodity information, trade policy, and market development for such products;

(6) ensure that the European Economic Community observes its commitments under the General Agreement on Tariffs and Trade regarding the tariff-free binding on imports of soybeans and corn gluten feed;

(7) consult with the appropriate officials of the Government of Japan with the objective of increasing the export sales of citrus fruits and high quality beef to Japan and to develop mutually acceptable standards for the certification of lettuce and other specialty crops for export to Japan; and

(8) use the authority under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to establish a special standby export subsidy program for United States agricultural commodities and the products thereof, the export of which has been restricted by foreign government subsidies.

(b) It is further declared to be the sense of Congress that any special standby export subsidy program established by the Secretary of Agriculture pursuant to subsection (a)(8) of this section should be (1) consistent with United States international obligations, and (2) designed to neutralize the effects of those foreign agricultural commodity subsidy programs that—

(A) the President has determined, pursuant to section 301 of the Trade Act of 1974 (19 U.S.C. 2411), are acts, policies, or practices described in section 301(a) of such Act that should be eliminated by appropriate action of the United States; and

(B) have, as the result of the appropriate dispute settlement procedures, been found to be in violation of the General Agreement on Tariffs and Trade or the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General

Agreement on Tariffs and Trade (relating to subsidies and countervailing measures), if applicable.

INCREASED USAGE OF PROTEIN BYPRODUCTS DERIVED FROM ALCOHOL
FUEL PRODUCTION

7 USC 1736n.

SEC. 1208. (a) Congress finds that the use of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities may make it possible for the United States to make available significantly increased amounts of protein to meet the food needs of developing countries without any increase in handling, storage, and transportation facilities. It is the sense of Congress that serious consideration should be given to the potential of this protein byproduct and that, if found to be feasible, this protein byproduct should be included in the Department of Agriculture's commodity export and donation programs.

7 USC 1691 note.

7 USC 1707a.

15 USC 714c.

(b) Accordingly, the Secretary of Agriculture shall continue to investigate the potential for using the protein byproduct resulting from the production of fuel alcohol from agricultural commodities in meeting the food needs of developing countries through food for peace programs carried out under the Agricultural Trade Development and Assistance Act of 1954 and through the export credit sales program carried out under section 4 of the Food for Peace Act of 1966 and section 5(f) of the Commodity Credit Corporation Charter Act.

7 USC 1431.

7 USC 1859.

Report to
Congress.

(c) The Secretary shall also continue to investigate the potential for using the protein byproduct resulting from the production of fuel alcohol from agricultural commodities in the distribution of food products under the commodity donation program carried out under clause (3) of section 416 of the Agricultural Act of 1949 and under section 210 of the Agricultural Act of 1956.

(d)(1) Not later than twelve months after enactment of this Act, the Secretary shall include the results of the investigations referred to in subsections (b) and (c) of this section in an appropriate report to Congress.

7 USC 1736b.

(2) The Secretary shall thereafter provide to Congress each year a description of the efforts being made by the Department to make available, as part of the programs referred to in subsections (b) and (c) of this section, the protein byproduct resulting from the production of fuel alcohol from agricultural commodities. The information for all such programs shall be included in the report submitted pursuant to section 408(a) of the Agricultural Trade Development and Assistance Act of 1954, or in any other appropriate annual report to Congress.

EXEMPTION FOR PROTEIN BYPRODUCTS

SEC. 1209. The Act entitled "An Act authorizing Commodity Credit Corporation to purchase flour and cornmeal and donating same for certain domestic and foreign purposes", approved August 19, 1958 (7 U.S.C. 1431 note), is amended in the proviso by inserting "(except that this limitation does not apply in the case of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities)" immediately after "processed".