



## **Conference Report to Accompany Agriculture and Food Act of 1981**

**S. Rep. No. 97-290 (1981)**

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## AGRICULTURE AND FOOD ACT OF 1981

DECEMBER 10 (legislative day NOVEMBER 30), 1981.

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

### CONFERENCE REPORT

[To accompany S. 884]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

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

*That this Act, with the following table of contents, may be cited as the "Agriculture and Food Act of 1981".*

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## 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.";

(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.

### 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.

### *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—

(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 provision 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*

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*

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*

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.

### *Dairy Program Operation Report*

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—

(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—

"(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 1015 of the Agriculture and Food Act of 1981.

"(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.

"(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 Sec-

retary 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 country 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 producer 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.

"(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.

### *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.

### *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.

### *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.

## **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 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.

"(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 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 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 1015 of the Agriculture Food Act of 1981.

"(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  $33\frac{1}{3}$  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 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.

“(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 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.

"(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 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.

"(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*

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*

*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 Acreage Reduction Program, and Land Diversion for the 1982 Through 1985 Crops of Upland Cotton*

*Sec. 502. Effectively 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) 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  $33\frac{1}{3}$  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 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  $33\frac{1}{3}$  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 cotton 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 cotton or other non-conserving 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 wheat 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 sugar, 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 pro-

gram 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."

#### *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 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.

#### *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".

#### *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.

#### *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."

### *Extra Long Staple Cotton Price Support*

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:

"(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."

### *TITLE VI—RICE*

#### *Repeal of Provisions Relating to National Acreage Allotments, Allocations, Apportionment, Marketing Quotas, and Penalties*

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*

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 the preceding 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 deter-

mined. 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 deter-

mines 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.

"(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*

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.

### **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:

(1) Subsections (a) through (j) of section 358;

(2) Subsections (a) through (h) of section 358a;

- (3) Subsections (a), (b), (d), and (e) of section 359;
- (4) Part I of subtitle C of title III; and
- (5) Section 371.

### *National Poundage Quota and Farm Poundage Quota*

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 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 (1) 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.

"(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.

"(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.

"(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."

### *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 follow:

"(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."

#### *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 follow:

"(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 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.

"(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.

"(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 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.

"(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 sections 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 affect in favor of the United States.

"(4) Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under the 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 office or agency of the Government or any court of law. 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

"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.

"(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 insure 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.

“(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 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.

"(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."

### *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,".

### *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.

## **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—

(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—*

(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:*

*"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 Agriculture 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—

"(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

"(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.

"(g) The Secretary may, with the concurrence of the owner of grain stored under the program authorized by this section, reconcentrate all such grains 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 controls. 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*

"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*

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".

## 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 (hereinafter in this subtitle referred to as the "Board").

### 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:

(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 cost 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, re-

spectively, 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 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*

*Sec. 1008. The Board shall meet twice annually, or more frequently, if necessary, for the purpose of carrying out its functions.*

### *Recommendations to Secretary*

*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*

*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*

*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*

*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*

*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.*

## **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—*

*(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.*

*(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.*

*(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.*

### *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 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*

*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*

*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*

"(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."

### *Supplemental Set-Aside and Acreage Limitation Authority*

*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."*

#### *Normally Planted Acreage and Target Prices*

*Sec. 1106. Section 1001 of the Food and Agriculture Act of 1977 is amended to read as follows:*

*"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.*

*"(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*

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*

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.

"(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*

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.

### *Subtitle B—General Provisions*

#### *Special Grazing and Hay Program*

Sec. 1110. Section 109 of the Agricultural Act of 1949 is amended by—

- (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".

(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.

(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;

(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 of 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 percent 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.

#### *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.

(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.

*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*

"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*

"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*

*"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 a advisory committee, unless authorized by the Secretary.*

### *"Annual Report*

*"Sec. 1804. The Secretary shall annually transmit to the appropriate committees of Congress having legislative jurisdiction or oversight 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.*

### *"Termination of Advisory Committees*

*"Sec. 1806. The Secretary shall terminate any advisory committee upon a finding that any such advisory committee—*

*"(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."*

*(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:

"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—

(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 is 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 therefore: 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 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.

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

(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;"

#### *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 publica-

tions, and to repay or make advances to appropriations or funds which do or will initially bear all or part of such costs.

### *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 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*

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

*"(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—*

*"(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 reg-*

ular 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.

"(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 investments 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.

"(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.

"(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 instrumentali-

ty 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.

### *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.

(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*

Sec. 1204. Notwithstanding any other provision of law—

(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;

(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 Agriculture 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

(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.

(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.

### *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—

(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 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*

*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*

*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*

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.

(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.

(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.

(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".

### *Subtitle B—Public Law 480*

#### *Self-Help Measures To Increase Agricultural Production; Verification of Self-Help Provisions*

Sec. 1210. (a) Section 109(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by—

(1) inserting in paragraph (3) immediately before the semicolon ", and reducing illiteracy among the rural poor";

(2) striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

(3) inserting the following new paragraph immediately after paragraph (10);

"(11) carrying out programs to improve the health of the rural poor."

(b) Section 109 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new subsection as follows:

"(d)(1) In each agreement entered into under this title and in each amendment to such an agreement, the economic development and self-help measures which the recipient country agrees to undertake shall be described (A) to the maximum extent feasible, in specific and measurable terms, and (B) in a manner which ensures that the needy people in the recipient country will be the major beneficiaries of the self-help measures pursuant to each agreement.

"(2) The President shall, to the maximum extent feasible, take appropriate steps to assure that, in each agreement entered into under this title and in each amendment to such an agreement, the self-help measures agreed to are additional to the measures that the recipient country otherwise would have undertaken irrespective of that agreement or amendment.

*"(3) The President shall take all appropriate steps to determine whether the economic development and self-help provisions of each agreement entered into under this title, and of each amendment to such an agreement, are being fully carried out."*

#### *Requirement for Invitations for Bids on Title I Purchases*

*Sec. 1211. Section 115(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "from private stocks" in the first sentence after "food commodities".*

#### *Title II Authorization Ceiling*

*Sec. 1212. Section 204 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out in the first sentence "\$750,000,000" and inserting in lieu thereof "\$1,000,000,000".*

#### *Overseas Market Development*

*Sec. 1213. Section 402 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out in the second sentence "wine or beer" and inserting in lieu thereof "wine, beer, distilled spirits, or other alcoholic beverage".*

#### *Valuation of Commodities*

*Sec. 1214. Section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "a price not greater than" after "valued at".*

#### *Annual Report*

*Sec. 1215. Section 408(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "April 1" and inserting in lieu thereof "February 15".*

#### *Extension of Program*

*Sec. 1216. Section 409 of the Agricultural Trade Development and Assistance Act of 1954 is amended by—*

*(1) striking out in the first sentence "1981" and inserting in lieu thereof "1985"; and*

*(2) striking out in the second sentence "Food and Agriculture Act of 1977" and inserting in lieu thereof "Agriculture and Food Act of 1981".*

### **TITLE XIII—FOOD STAMP AND COMMODITY DISTRIBUTION AMENDMENTS OF 1981**

#### *Short Title*

*Sec. 1301. This title may be cited as the "Food Stamp and Commodity Distribution Amendments of 1981".*

#### *Household Definition*

*Sec. 1302. Section 3(i) of the Food Stamp Act of 1977 is amended by inserting before the period at the end of the first sentence the following: ", or receives supplemental security income benefits under title XVI of the Social Security Act or disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act".*

### *Alaska's Thrifty Food Plan*

*Sec. 1303. Clause (2) of section 3(o) of the Food Stamp Act of 1977 is amended to read as follows:*

*"(2) make cost adjustments in the thrifty food plan for Hawaii and the urban and rural parts of Alaska to reflect the cost of food in Hawaii and urban and rural Alaska,".*

### *Adjustment of the Thrifty Food Plan*

*Sec. 1304. Section 3(o) of the Food Stamp Act of 1977 is amended by striking out clause (6) and all that follows through the end of clause (9), and inserting in lieu thereof the following: "(6) on October 1, 1982, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twenty-one months ending the preceding June 30, 1982, and (7) on October 1, 1983, and each October 1 thereafter, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding June 30: Provided, That the periods upon which such adjustments are based shall be subject to revision by Act of Congress".*

### *Reimbursement Exclusion*

*Sec. 1305. Section 5(d)(5) of the Food Stamp Act of 1977 is amended by adding before the comma the following: "": Provided, That no portion of benefits provided under title IV-A of the Social Security Act, to the extent it is attributable to an adjustment for work-related or child care expenses, shall be considered such reimbursement.".*

### *Energy Assistance Payments; Excluded Payments of Other Programs*

*Sec. 1306. Section 5(d) of the Food Stamp Act of 1977 is amended by striking out "(10)" and all that follows through the period, and inserting in lieu thereof the following: "(10) any income that any other Federal law specifically excludes from consideration as income for purposes of determining eligibility for the food stamp program, and (11) any payments or allowances made under (A) any Federal law for the purpose of providing energy assistance, or (B) any State or local laws for the purpose of providing energy assistance, designated by the State or local legislative body authorizing such payments or allowances as energy assistance, and determined by the Secretary to be calculated as if provided by the State or local government involved on a seasonal basis for an aggregate period not to exceed six months in any year even if such payments or allowances (including tax credits) are not provided on a seasonal basis because it would be administratively infeasible or impracticable to do so.".*

### *Disallowance of Deductions for Expenses Paid by Vendor Payments*

*Sec. 1307. Section 5(e) of the Food Stamp Act of 1977 is amended by adding in the fourth and fifth sentences after "entitled" the following: ", with respect to expenses other than expenses paid on behalf of the household by a third party,".*

### *Attribution of Income and Resources to Sponsored Aliens*

*Sec. 1308. Section 5 of the Food Stamp Act of 1977 is amended by adding a new subsection as follows:*

"(i)(1) For purposes of determining eligibility for and the amount of benefits under this Act for an individual who is an alien as described in section 6(f)(2)(B) of this Act, the income and resources of any person who as a sponsor of such individual's entry into the United States executed an affidavit of support or similar agreement with respect to such individual, and the income and resources of the sponsor's spouse if such spouse is living with the sponsor, shall be deemed to be the income and resources of such individual for a period of three years after the individual's entry into the United States. Any such income deemed to be income of such individual shall be treated as unearned income of such individual.

"(2)(A) The amount of income of a sponsor, and the sponsor's spouse if living with the sponsor, which shall be deemed to be the unearned income of an alien for any year shall be determined as follows:

"(i) the total yearly rate of earned and unearned income of such sponsor, and such sponsor's spouse if such spouse is living with the sponsor, shall be determined for such year under rules prescribed by the Secretary;

"(ii) the amount determined under clause (i) of this subparagraph shall be reduced by an amount equal to the income eligibility standard as determined under section 5(c) of this Act for a household equal in size to the sponsor, the sponsor's spouse if living with the sponsor, and any persons dependent upon or receiving support from the sponsor or the sponsor's spouse if the spouse is living with the sponsor; and

"(iii) the monthly income attributed to such alien shall be one-twelfth of the amount calculated under clause (ii) of this subparagraph.

"(B) The amount of resources of a sponsor, and the sponsor's spouse if living with the sponsor, which shall be deemed to be the resources of an alien for any year shall be determined as follows:

"(i) the total amount of the resources of such sponsor and such sponsor's spouse if such spouse is living with the sponsor shall be determined under rules prescribed by the Secretary;

"(ii) the amount determined under clause (i) of this subparagraph shall be reduced by \$1,500; and

"(iii) the resources determined under clause (ii) of this subparagraph shall be deemed to be resources of such alien in addition to any resources of such alien.

"(C)(i) Any individual who is an alien shall, during the period of three years after entry into the United States, in order to be an eligible individual or eligible spouse for purposes of this Act, be required to provide to the State agency such information and documentation with respect to the alien's sponsor and sponsor's spouse as may be necessary in order for the State agency to make any determination required under this section, and to obtain any cooperation from such sponsor necessary for any such determination. Such alien shall also be required to provide such information and documentation which such alien or the sponsor provided in support of such alien's immigration application as the State agency may request.

"(ii) The Secretary shall enter into agreements with the Secretary of State and the Attorney General whereby any information available to such persons and required in order to make any determination under this section will be provided by such persons to the Secre-

tary, and whereby such persons shall inform any sponsor of an alien, at the time such sponsor executes an affidavit of support or similar agreement, of the requirements imposed by this section.

"(D) Any sponsor of an alien, and such alien, shall be jointly and severally liable for an amount equal to any overpayment made to such alien during the period of three years after such alien's entry into the United States, on account of such sponsor's failure to provide correct information under the provisions of this section, except where such sponsor was without fault, or where good cause for such failure existed. Any such overpayment which is not repaid shall be recovered in accordance with the provisions of section 13(b)(2) of this Act.

"(E) The provisions of this subsection shall not apply with respect to any alien who is a member of the sponsor's household, as defined in section 3(i) of this Act."

### Resources

Sec. 1309. Section 5(g) of the Food Stamp Act of 1977 is amended by inserting "(other than those relating to licensed vehicles)" after "June 1, 1977" in the second sentence.

### Annualization of Work Registration

Sec. 1310. Section 6(d)(1)(i) of the Food Stamp Act of 1977 is amended by striking out "six" and inserting in lieu thereof "twelve".

### Work Requirements

Sec. 1311. Section 6(d) of the Food Stamp Act of 1977 is amended by—

(1) striking out " , unless the household was certified for benefits under this Act immediately prior to such unemployment" in clause (iii) of paragraph (1);

(2) inserting "(including the lack of adequate child care for children above the age of five and under the age of twelve)" after "good cause" in clause (iv) of paragraph (1);

(3) inserting before the semicolon at the end of clause (A) of paragraph (2) " , in which case, failure by such person to comply with any work requirement to which such person is subject that is comparable to a requirement of paragraph (1) shall be the same as failure to comply with that requirement of paragraph (1)"; and

(4) striking out "twelve" and inserting in lieu thereof "six" in paragraph (2)(B).

### State Issuance Liability

Sec. 1312. Section 7(f) of the Food Stamp Act of 1977 is amended to read as follows:

"(f) Notwithstanding any other provision of this Act, the State agency shall be strictly liable to the Secretary for any financial losses involved in the acceptance, storage and issuance of coupons, including any losses involving failure of a coupon issuer to comply with the requirements specified in section 11(e)(21), except that in the case of losses resulting from the issuance and replacement of authorizations for coupons and allotments which are sent through the

mail, the State agency shall be liable to the Secretary to the extent prescribed in the regulations promulgated by the Secretary.”.

#### *Access of Comptroller General to Information*

Sec. 1313. Section 9(c) of the Food Stamp Act of 1977 is amended by adding at the end thereof the following: “Such purposes shall not exclude the audit and examination of such information by the Comptroller General of the United States authorized by any other provision of law.”.

#### *Reporting of Abuses by the Public*

Sec. 1314. Section 9 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection as follows:

“(e) Approved retail food stores shall display a sign providing information on how persons may report abuses they have observed in the operation of the food stamp program.”.

#### *Retail Redemption*

Sec. 1315. Section 10 of the Food Stamp Act of 1977 is amended by striking out the term “banks” whenever it appears and inserting in lieu thereof the following: “financial institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation”.

#### *Sixty-Day Transfer of Certification*

Sec. 1316. Section 11 of the Food Stamp Act of 1977 is amended by striking out subsection (b).

#### *Notice of Verification*

Sec. 1317. Section 11(e)(2) of the Food Stamp Act of 1977 is amended by inserting after the second period the following new sentence: “Each application shall also contain in understandable terms and in prominent and boldface lettering a statement that the information provided by the applicant in connection with the application for a coupon allotment will be subject to verification by Federal, State, and local official to determine if such information is factual and that if any material part of such information is incorrect, food stamps may be denied to the applicant, and that the applicant may be subjected to criminal prosecution for knowingly providing incorrect information.”.

#### *Recertification Notice*

Sec. 1318. Section 11(e)(4) of the Food Stamp Act of 1977 is amended by—

- (1) striking out “immediately prior to or at” and inserting in lieu thereof “prior to”; and
- (2) striking out “it” after “advising” and inserting in lieu thereof “the household”.

#### *Disclosure of Information to Comptroller General, Law Enforcement Officials*

Sec. 1319. Section 11(e)(8) of the Food Stamp Act of 1977 is amended by inserting before the semicolon the following: “, except that (A) such safeguards shall not prevent the use or disclosure of such information to the Comptroller General of the United States

for audit and examination authorized by any other provision of law, and (B) notwithstanding any other provision of law, all information obtained under this Act from an applicant household shall be made available, upon request, to local, State or Federal law enforcement officials for the purpose of investigating an alleged violation of this Act or any regulation issued under this Act".

### *Restoration of Lost Benefits*

Sec. 1320. (a) Section 11(e)(11) of the Food Stamp Act of 1977 is amended to read as follows:

"(11) upon receipt of a request from a household, for the prompt restoration in the form of coupons to a household of any allotment or portion thereof which has been wrongfully denied or terminated, except that allotments shall not be restored for any period of time more than one year prior to the date the State agency receives a request for such restoration from a household or the State agency is notified or otherwise discovers that a loss to a household has occurred;"

(b) Section 14 of the Food Stamp Act of 1977 is amended by—

(1) inserting "(a)" immediately after the section designation; and

(2) adding a new subsection as follows:

"(b) In any judicial action arising under this Act any food stamp allotments found to have been wrongfully withheld shall be restored only for periods of not more than one year prior to the date of the commencement of such action, or in the case of an action seeking review of a final State agency determination, not more than one year prior to the date of the filing of a request with the State for the restoration of such allotments or, in either case, not more than one year prior to the date the State agency is notified or otherwise discovers the possible loss to a household."

### *Information*

Sec. 1321. Section 11(e) of the Food Stamp Act of 1977 is amended by—

(1) striking out "and" at the end of paragraph (18);

(2) striking out the period at the end of paragraph (19) and inserting in lieu thereof a semicolon; and

(3) adding at the end thereof new paragraphs as follows:

"(20) that information available from the Social Security Administration under the provisions of section 6103(i)(7) of the Internal Revenue Code of 1954, and information available from agencies administering State unemployment compensation laws under the provisions of section 303(d) of the Social Security Act, shall be requested and utilized by the State agency (described in section 3(n)(1) of this Act) to the extent permitted under the provisions of such sections, except that the State agency shall not be required to request such information from the Social Security Administration if such information is available from the agency administering the State unemployment compensation laws; and

"(21) that, in project areas or parts thereof where authorization cards are used, and eligible households are required to present photographic identification cards in order to receive

their coupons, the State agency shall include, in any agreement or contract with a coupon issuer, a provision that (A) the issuer shall (i) require the presenter to furnish a photographic identification card at the time the authorization card is presented, and (ii) record on the authorization card the identification number shown on the photographic identification card; and (B) if the State agency determines that the authorization card has been stolen or otherwise was not received by a household certified as eligible, the issuer shall be liable to the State agency for the face value of any coupons issued in the transaction in which such card is used and the issuer fails to comply with the requirements of clause (A) of this paragraph."

#### *Nutrition Education Program*

Sec. 1322. Section 11(f) of the Food Stamp Act of 1977 is amended to read as follows:

"(f) To encourage the purchase of nutritious foods, the Secretary is authorized to extend food and nutrition education to reach food stamp program participants, using the methods and techniques developed in the expended food and nutrition education and other programs."

#### *Alaskan Fee Agents*

Sec. 1323. Section 11 of the Food Stamp Act of 1977 is amended by adding thereto a new subsection as follows:

"(m) The Secretary shall provide for the use of fee agents in rural Alaska. As used in this subsection 'fee agent' means a paid agent who, although not a State employee, is authorized by the State to make applications available to low-income households, assist in the completion of applications, conduct required interviews, secure required verification, forward completed applications and supporting documentation to the State agency, and provide other services as required by the State agency. Such services shall not include making final decisions on household eligibility or benefit levels."

#### *Minimum Mandatory Court Sentence for Criminal Offenses; Work Restitution Program*

Sec. 1324. Subsections (b) and (c) of section 15 of the Food Stamp Act of 1977 are amended to read as follows:

"(b)(1) Subject to the provisions of paragraph (2) of this subsection, whoever knowingly uses, transfers, acquires, alters, or possesses coupons or authorization cards in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons or authorization cards are of a value of \$100 or more, be guilty of a felony and shall, upon the first conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than six months nor more than five years and may also be fined not more than \$10,000 or, if such coupons or authorization cards are of a value of less than \$100, shall be guilty of a misdemeanor, and, upon the first conviction thereof, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both, and upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than \$1,000. In addition to such penal-

ties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 6(b)(1) of this Act.

"(2) In the case of any individual convicted of an offense under paragraph (1) of this subsection, the court may permit such individual to perform work approved by the court for the purpose of providing restitution for losses incurred by the United States and the State agency as a result of the offense for which such individual was convicted. If the court permits such individual to perform such work and such individual agrees thereto, the court shall withhold the imposition of the sentence on the condition that such individual perform the assigned work. Upon the successful completion of the assigned work the court may suspend such sentence.

"(c) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of \$100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this Act or the regulations issued pursuant to this Act, shall be guilty of a felony and, upon the first conviction thereof, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than one year nor more than five years and may also be fined not more than \$10,000, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and, upon the first conviction thereof, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than \$1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 6(b)(1) of this Act."

### Staffing

Sec. 1325. Section 16(b)(1) of the Food Stamp Act of 1977 is amended by striking out "including, but not limited to, staffing standards such as caseload per certification worker limitations,".

### Incentives for Error Reduction Efforts and Corrective Action Plans

Sec. 1326. Section 16 of the Food Stamp Act of 1977 is amended by—

(1) inserting before the period at the end of the first sentence of subsection (c) the following: "and, effective October 1, 1981, which also meets the standard contained in paragraph (1)(B) of this subsection"; and

(2) striking out "October 1, 1978" in subsection (d), and inserting in lieu thereof "October 1, 1981", and by inserting "(2)" after "subsection (c)".

### Social Security Account Numbers

*Sec. 1327. The first sentence of section 16(f) of the Food Stamp Act of 1977 is amended by striking out "may" and inserting in lieu thereof "shall".*

### Extending and Amending Cash-Out Pilot Projects

*Sec. 1328. Section 17(b)(1) of the Food Stamp Act of 1977 is amended to read as follows:*

*"(b)(1) The Secretary may conduct on a trial basis, in one or more areas of the United States, pilot or experimental projects designed to test program changes that might increase the efficiency of the food stamp program and improve the delivery of food stamp benefits to eligible households, including projects involving the payment of the value of allotments or the average value of allotments by household size in the form of cash to eligible households all of whose members are age sixty-five or over or any of whose members are entitled to supplemental security income benefits under title XVI of the Social Security Act or to aid to families with dependent children under part A of title IV of the Social Security Act, the use of counter-signed food coupons or similar identification mechanisms that do not invade a household's privacy, and the use of food checks or other voucher-type forms in place of food coupons. The Secretary may waive the requirements of this Act to the degree necessary for such projects to be conducted, except that no project, other than a project involving the payment of the average value of allotments by household size in the form of cash to eligible households, shall be implemented which would lower or further restrict the income or resource standards or benefit levels provided pursuant to sections 5 and 8 of this Act. Any pilot or experimental project implemented under this paragraph and operating as of October 1, 1981, involving the payment of the value of allotments in the form of cash to eligible households all of whose members are either age sixty-five or over or entitled to supplemental security income benefits under title XVI of the Social Security Act shall be continued until October 1, 1985, if the State so requests."*

### Nutritional Monitoring

*Sec. 1329. Section 17(c) of the Food Stamp Act of 1977 is amended by adding at the end thereof the following: "Further, the Secretary shall, by way of making contracts with or grants to public or private organizations or agencies, implement pilot programs to test various means of measuring on a continuing basis the nutritional status of low income people, with special emphasis on people who are eligible for food stamps, in order to develop minimum common criteria and methods for systematic nutrition monitoring that could be applied on a nationwide basis. The locations of the pilot programs shall be selected to provide a representative geographic and demographic cross-section of political subdivisions that reflect natural usage patterns of health and nutritional services and that contain high proportions of low income people. The Secretary shall report on the progress of these pilot programs on an annual basis commencing on July 1, 1982, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, together with such recommendations as the Secretary deems appropriate."*

*Pilot Projects To Simplify the Processing of Applications for Certain AFDS, SSI, and Medicaid Recipients*

*Sec. 1330. Section 17 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection as follows:*

*"(f) The Secretary may conduct no more than two statewide pilot projects (upon the request of a State) and no more than fourteen pilot projects in political subdivisions of States (upon the request of any such political subdivision) in which households that include one or more recipients of aid to families with dependent children under part A of title IV of the Social Security Act, of supplemental security income under title XVI of the Social Security Act, or of medical assistance under title XIX of the Social Security Act, and whose income does not exceed the applicable income standard of eligibility described in section 5(c) of this Act shall be deemed to satisfy the application requirements prescribed under section 5(a) of this Act and the income and resource requirements prescribed under sections (d) through (g) of section 5 of this Act. For any pilot project carried out under this subsection, allotments provided pursuant to section 8(a) of this Act shall be based upon household size and (1) benefits paid to such household under part A of title IV or title XVI of the Social Security Act, or (2) income as determined for eligibility under title XIX of the Social Security Act, or at the option of the political subdivision or the State, the standard of need for such size household under such programs, except that the Secretary shall adjust the value of such allotments as may be necessary to ensure that the average allotment by household size for households participating in such pilot project and receiving such aid to families with dependent children, such supplemental security income, or such medical assistance, as the case may be, is not less than the average allotment which would have been provided under this Act but for the operation of this subsection, for each category of households, respectively, in such pilot project area, for any period during which such pilot project is in operation. The Secretary shall evaluate the impact of such pilot projects on recipient households, administrative costs, and error rates. The administrative costs of such projects shall be shared in accordance with the provisions of section 16 of this Act. In implementing this section, the Secretary shall consult with the Secretary of Health and Human Services to ensure that to the extent practicable, in the case of households participating in such pilot projects, the processing of applications for, and determinations of eligibility to receive, food stamp benefits are simplified and are unified with the processing of applications for, and determinations of eligibility to receive, benefits under such titles of the Social Security Act."*

*Food Stamp Funding and Program Extension*

*Sec. 1331. Section 18(a) of the Food Stamp Act of 1977 is amended in the first sentence thereof by—*

*(1) striking out "and" after "September 30, 1980;" and*

*(2) inserting before the period at the end thereof the following: "; and not in excess of \$11,300,000,000 for the fiscal year ending September 30, 1982".*

### *Incentives, Sanctions, and Claims*

*Sec. 1332. Section 18 of the Food Stamp Act of 1977 is amended by adding a new subsection as follows:*

*"(e) Funds collected from claims against households or State agencies, including claims collected pursuant to sections 7(f), 11(g) and (h), 13(b), and 16(g) of this Act, claims resulting from resolution of audit findings, and claims collected from households receiving overissuances, shall be credited to the food stamp program appropriation account for the fiscal year in which the collection occurs. Funds provided to State agencies under section 16(c) of this Act shall be paid from the appropriation account for the fiscal year in which the funds are provided."*

### *Workfare*

*Sec. 1333. The Food Stamp Act of 1977 is amended by adding at the end thereof a new section as follows:*

#### *"Workfare*

*"Sec. 20. (a) The Secretary shall permit any political subdivision, in any State, that applies and submits a plan to the Secretary in compliance with guidelines promulgated by the Secretary to operate a workfare program pursuant to which every member of a household participating in the food stamp program who is not exempt by virtue of the provisions of subsection (b) of this section shall accept an offer from such subdivision to perform work on its behalf, or may seek an offer to perform work, in return for compensation consisting of the allotment to which the household is entitled under section 8(a) of this Act, with each hour of such work entitling that household to a portion of its allotment equal in value to 100 per centum of the higher of the applicable State minimum wage or the Federal minimum hourly rate under the Fair Labor Standards Act of 1938.*

*"(b) The household members who shall be exempt from workfare requirements are those who are either (1) mentally or physically unfit; (2) under eighteen years of age; (3) sixty years of age or over; (4) subject to and currently involved at least twenty hours a week in a work training program under a work registration requirement pursuant to title IV of the Social Security Act; (5) a parent or other member of a household with responsibility for the care of a child under age six or of an incapacitated person; (6) a parent or other caretaker of a child in a household where there is another member who is subject to the requirements of this subsection or is employed fulltime; (7) a regular participant in a drug addiction or alcoholic treatment and rehabilitation program; or (8) an individual described in sections 6(d)(2)(D) of (F) of this Act.*

*"(c) No operating agency shall require any participating member to work in any workfare position to the extent that such work exceeds in value the allotment to which the household is otherwise entitled or that such work either exceeds twenty hours a week or would, together with any other hours worked in any other compensated capacity by such member on a regular or predictable part-time basis, exceed thirty hours a week.*

*"(d) The operating agency shall—*

"(1) not provide any work that has the effect of replacing or preventing the employment of an individual not participating in the workfare program;

"(2) provide the same benefits and working conditions that are provided at the job site to employees performing comparable work for comparable hours; and

"(3) reimburse participants for actual costs of transportation and other actual costs all of which are reasonably necessary and directly related to participation in the program but not to exceed \$25 in the aggregate per month.

"(e) The operating agency may allow a job search period, prior to making workfare assignments, of up to thirty days following a determination of eligibility.

"(f) In the event that any person fails to comply with the requirements of this section, neither that person nor the household to which that person belongs shall be eligible to participate in the food stamp program for two months, unless that person or another person in the household satisfies all outstanding workfare obligations prior to the end of the two-month disqualification period.

"(g)(1) The Secretary shall pay to each operating agency 50 per centum of all administrative expenses incurred by such agency in operating a workfare program, including reimbursements to participants for work-related expenses as described in subsection (d)(3) of this section.

"(2) The Secretary may suspend or cancel some or all of these payments, or may withdraw approval from a political subdivision to operate a workfare program, upon a finding that the subdivision has failed to comply with the workfare requirements."

#### *Extension of Authorities, Penalties for Fraud, and Miscellaneous Provisions*

Sec. 1334. Effective October 1, 1981, section 4 of the Agriculture and Consumer Protection Act of 1973 is amended by—

(1) striking out "1978, 1979, 1980, and 1981", in the first sentence of subsection (a) and inserting in lieu thereof: "1982, 1983, 1984, and 1985"; and

(2) adding a new subsection as follows:

"(c) Whoever embezzles, willfully missapplies, steals or obtains by fraud any agricultural commodity or its products (or any funds, assets, or property deriving from donation of such commodities) provided under this section, or under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a-1), whether received directly or indirectly from the United States Department of Agriculture, or whoever receives, conceals, or retains such commodities, products, funds, assets, or property for personal use or gain, knowing such commodities, products, funds, assets, or property have been embezzled, willfully misapplied, stolen, or obtained by fraud shall, if such commodities, products, funds, assets, or property are of a value of \$100 or more, be fined not more than \$10,000 or imprisoned not more than five years, or both, or if such commodities, products, funds, assets, or property are of value of less than \$100, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both."

*Commodity Supplemental Food Program—Pilot Projects for the Elderly and Administrative Costs*

*Sec. 1335. Effective October 1, 1981, section 5(a) of the Agriculture and Consumer Protection Act of 1973 is amended to read as follows:*

*"(a) In carrying out the supplemental feeding program (hereinafter referred to as the 'commodity supplemental food program') under section 4 of this Act, the Secretary (1) may institute two pilot projects directed at low-income elderly persons, including, where feasible, distribution of commodities to such persons in their homes, which projects shall operate no longer than two years, and (2) shall provide to the State agencies administering the commodity supplemental food program, for each of the fiscal years 1982 through 1985, funds appropriated from the general fund of the Treasury in amounts equal to the administrative costs of State and local agencies in operating the program, except that the funds provided to State agencies each fiscal year may not exceed 15 per centum of the amount appropriated for the provision of commodities to State agencies."*

*Food Distribution Program for Certain Indian Households*

*Sec. 1336. Notwithstanding any other provision of law, the Secretary of Agriculture may establish a food distribution program in the State of Oklahoma to provide food commodities to eligible Indian households and such other households as the Secretary determines appropriate in connection therewith. In determining eligibility for such program the Secretary may take into account such considerations as (1) the extent and nature of the governmental jurisdiction which a tribal organization exercises or has authority to exercise over the land on which the household resides; (2) whether the household resides in "Indian country" as defined in section 1151 of title 18, United States Code; (3) whether the household resides within an Indian service area designated by the Bureau of Indian Affairs, United States Department of the Interior; (4) the tribal membership or Indian status of persons in the household; and (5) whether the household resides in an urban area. The Secretary shall not allow any tribal organization to administer such distribution of commodities unless the Secretary determines that the tribal organization is capable of effectively and efficiently administering such distribution over defined geographic areas. The Secretary may pay such amounts for administrative costs of such distribution as the Secretary finds necessary for effective and efficient administration of such distribution of a tribal organization. No household shall be eligible to participate simultaneously in the food stamp program under the Food Stamp Act of 1977 and in the food distribution program established under authority of this section.*

*Authority of Office of Inspector General*

*Sec. 1337. Any person who is employed in the Office of the Inspector General, Department of Agriculture, who conducts investigations of alleged or suspected felony criminal violations of statutes, including but not limited to the Food Stamp Act of 1977, administered by the Secretary of Agriculture or any agency of the Department of Agriculture and who is designated by the Inspector General of the Department of Agriculture may—*

(1) make an arrest without a warrant for any such criminal felony violation if such violation is committed, or if such employee has probable cause to believe that such violation is being committed, in the presence of such employee;

(2) execute a warrant for an arrest, for the search of premises, or the seizure of evidence if such warrant is issued under authority of the United States upon probable cause to believe that such violation has been committed; and

(3) carry a firearm;

in accordance with rules issued by the Secretary of Agriculture, while such employee is engaged in the performance of official duties under the authority provided in section 6, or described in section 9, of the Inspector General Act of 1978 (5 U.S.C. App. 6, 9). The Attorney General of the United States may disapprove any designation made by the Inspector General under this section.

### Effective Date

Sec. 1338. Except as otherwise specifically provided, the amendments made by this title shall be effective upon such dates as the Secretary of Agriculture may prescribe, taking into account the need for orderly implementation.

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

### Short Title

Sec. 1401. This title may be cited as the "National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981".

### Findings

Sec. 1402. Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended by—

(1) striking out the word "and" at the end of paragraph (8); and

(2) adding new paragraphs (10) and (11) at the end thereof as follows:

"(10) it is and has been the policy of the United States to support food and agricultural research, extension, and teaching in the broadest sense of these terms. The partnership between the Federal Government and the States, as consummated in legislation and cooperative agreements, and the cooperative nature of efforts to implement this policy in cooperation with the food and agricultural industry has been eminently successful. Cooperative research, extension, and teaching programs have provided the United States with the most productive and efficient food and agricultural system in the world. This system is the basis of our national affluence and it provides vast amounts of food and fiber to other people around the world. However, the food and agricultural system is dynamic and constantly changing. The research, extension, and teaching programs that support the food and agricultural system must be maintained and constantly adjusted to meet ever changing challenges. National

support of cooperative research, extension, and teaching efforts must be reaffirmed and expanded at this time to meet major needs and challenges in the following areas:

"(A) Food and agricultural system productivity.—Increases in agricultural productivity have been outstanding, however, productivity growth in the past decade has slowed. It is imperative that improved technologies and management systems be developed to maintain and enhance agricultural productivity in order for agricultural production in the United States to meet the demand of a rising world population, rising costs of production, and limitations on energy consumption. Improved productivity in food and agricultural processing and marketing sectors is a critical need in the national effort to achieve a strong economy.

"(B) Development of new food, fiber, and energy sources.—Programs to identify and develop new crop and animal sources of food, fiber, and energy must be undertaken to meet future needs.

"(C) Agricultural energy use and production.—Much of the current agricultural technology is relatively energy intensive. It is critical that alternative technologies be developed to increase agricultural energy efficiency and to reduce dependence on petroleum based products. Furthermore, agriculture provides the United States with alternative potential sources of energy that must be assessed and developed.

"(D) Natural resources.—Improved management and conservation of soil, water, forest, and range resources are vital to maintain the resource base for food and fiber production. An expanded program in the area of soil and water conservation research is needed to develop more economical and effective conservation systems. Five key objectives of this research are:

"(i) sustaining soil productivity;

"(ii) developing more cost-effective and practical conservation technologies;

"(iii) managing water in stressed environments;

"(iv) protecting the quality of the nation's surface water and groundwater resources; and

"(v) establishing integrated multidisciplinary organic farming research projects designed to foster the implementation of the major recommendations of the Department of Agriculture Report and Recommendations on Organic Farming, July 1980.

"(E) Promotion of the health and welfare of people.—The basic objectives of food and agricultural research, extension, and teaching programs are to make the maximum contribution to the health and welfare of people and to the economy of the United States through the enhancement of owner-operated family farms, to improve community services and institutions, to increase the quality of life in rural America, and to improve the well-being of consumers. The rapid rate of social change, economic instability, and current energy problems increase the need for expanded programs of research and extension in family financial man-

agement, housing and home energy consumption, food preparation and consumption, human development (including youth programs), and development of community services and institutions.

*"(F) Human nutrition.—The challenge to meet the food needs of the world continues, but there is an increasing need to address nutrition research and educational issues associated with diet resulting from changing life styles and with respect to special groups such as the elderly, teenagers, infants, and pregnant women.*

*"(G) International food and agriculture.—The greatest challenge facing mankind through the next two decades will be to produce adequate food for an expanding world population. This challenge demands a dedicated effort by the Federal Government and the State cooperative institutions, and other colleges and universities to expand international food and agricultural research, extension, and teaching programs. Improved cooperation and communications by the Department of Agriculture and the cooperators with international agricultural research centers, counterpart agencies and universities in other countries, is necessary to improve food and agricultural progress throughout the world.*

*"(11) Long-range planning for research, extension, and teaching is a key element in meeting the objectives of this title; accordingly, all of the elements in the food and agricultural science and education system are encouraged to expand their planning and coordination efforts."*

#### Purposes

Sec. 1403. Section 1403 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3102) is amended by—

(1) amending paragraph (2) to read as follows:

*"(2) undertake the special measures set forth in this title to improve the coordination and planning of agricultural research, extension, and teaching programs, identify needs and establish priorities for these programs, assure that national agricultural research, extension, and teaching objectives are fully achieved, and assure that the results of agricultural research are effectively communicated and demonstrated to farmers, processors, handlers, consumers, and all other users who can benefit therefrom;"*

*(2) striking out in paragraph (4) the comma after "programs" the first time it appears and striking out "including the initiatives specified in section 1402(8) of this title,";*

*(3) striking out "scientific" in paragraph (5); and*

*(4) striking out "training and research" in paragraph (7) and inserting in lieu thereof "research, extension, and teaching".*

#### Definitions

Sec. 1404. Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended by—

(1) amending paragraph (8) to read as follows:

"(8) the term 'food and agricultural sciences' means basic, applied, and developmental research, extension, and teaching activities in the food, agricultural, renewable natural resources, forestry, and physical and social sciences, in the broadest sense of these terms, including but not limited to, activities relating to:

"(A) agriculture, including soil and water conservation and use, the use of organic waste materials to improve soil tilth and fertility, plant and animal production and protection, and plant and animal health;

"(B) the processing, distributing, marketing, and utilization of food and agricultural products;

"(C) forestry, including range management, production of forest and range products, multiple use of forest and rangelands, and urban forestry;

"(D) aquaculture;

"(E) home economics, including consumer affairs, food and nutrition, clothing and textiles, housing, and family well-being and financial management;

"(F) rural community welfare and development;

"(G) youth development, including 4-H clubs;

"(H) domestic and export market expansion for United States agricultural products; and

"(I) production inputs, such as energy, to improve productivity;"

(2) amending paragraph (12) to read as follows:

"(12) the term 'State' means any one of the fifty States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Marianas, the Trust Territory of the Pacific Islands, the Virgin Islands of the United States, and the District of Columbia;"

(3) striking out "and" immediately after the semicolon in paragraph (13);

(4) amending paragraph (14) to read as follows:

"(14) the term 'teaching' means formal classroom instruction, laboratory instruction, and practicum experience in the food and agricultural sciences and matters relating thereto (such as faculty development, student recruitment and services, curriculum development, instructional materials and equipment, and innovative teaching methodologies) conducted by colleges and universities offering baccalaureate or higher degrees;"

(5) adding at the end thereof new paragraphs (15) and (16) as follows:

"(15) the term 'cooperating forestry schools' means those institutions eligible to receive funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962; and

"(16) the term 'State cooperative institutions' or 'State cooperative agents' means institutions or agents designated by—

"(A) the Act of July 2, 1862 (7 U.S.C. 301 et seq.), commonly known as the First Morrill Act;

"(B) the Act of August 30, 1890 (7 U.S.C. 321 et seq.), commonly known as the Second Morrill Act, including the Tuskegee Institute;

"(C) the Act of March 2, 1887 (7 U.S.C. 361a et seq.), commonly known as the Hatch Act of 1887;

"(D) the Act of May 8, 1914 (7 U.S.C. 341 et seq.), commonly known as the Smith-Lever Act;

"(E) the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962; and

"(F) subtitles E, L, and M of this title;"

### *Responsibilities of the Secretary and Coordinating Role of the Department of Agriculture*

*Sec. 1405.* Section 1405 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) is amended by—

(1) striking out "Secretary of Health, Education, and Welfare" in paragraph (1) and inserting in lieu thereof "Secretary of Health and Human Services";

(2) striking out "other" in paragraph (5);

(3) inserting "or proposed" in paragraph (6) after "actions taken";

(4) striking out "and" at the end of paragraph (8);

(5) striking out the period in paragraph (9) and inserting in lieu thereof a semicolon; and

(6) adding at the end thereof the following new paragraphs:

"(10) coordinate all agricultural research, extension, and teaching activities conducted or financed by the Department of Agriculture with the periodic renewable resource assessment and program provided for in sections 3 and 4 of the Forest and Rangeland Renewable Resources Planning Act of 1974 and the appraisal and program provided for in sections 5 and 6 of the Soil and Water Resources Conservation Act of 1977; and

"(11) take the initiative in overcoming barriers to long-range planning by developing, in conjunction with the States, State cooperative institutions, the Joint Council, the Advisory Board, and other appropriate institutions, a long-term needs assessment for food, fiber, and forest products, and by determining the research requirements necessary to meet the identified needs."

### *Subcommittee on Food, Agricultural, and Forestry Research*

*Sec. 1406.* (a) Section 1406 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by striking out the title and inserting in lieu thereof "Subcommittee on Food, Agricultural, and Forestry Research".

(b) Section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651(h)) is amended by—

(1) striking out "Subcommittee on Food and Renewable Resources" and inserting in lieu thereof "Subcommittee on Food, Agricultural, and Forestry Research";

(2) striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Department of Health and Human Services"; and

(3) striking out "Energy Research and Development Administration" and inserting in lieu thereof "Department of Energy".

(c) Section 257(b) of the Energy Security Act (42 U.S.C. 8852(b)) is amended in paragraph (1) by striking "Subcommittee on Food and Renewable Resources" and inserting in lieu thereof "Subcommittee on Food, Agricultural, and Forestry Research".

#### *Joint Council on Food and Agricultural Sciences*

Sec. 1407. (a) Section 1407(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(a)) is amended by striking out "of five years" and inserting in lieu thereof "that expires September 30, 1985".

(b) Section 1407(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(b)) is amended to read as follows:

"(b) The Joint Council shall be composed of not fewer than twenty-five representatives of organizations or agencies which conduct or assist in conducting programs of research, extension, or teaching in the food and agricultural sciences, including State cooperative institutions; other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extensions, or teaching; agencies within the Department of Agriculture which have significant research, extension, or teaching responsibilities; the Office of Science and Technology Policy; other Federal agencies determined by the Secretary to be appropriate, and other public and private institutions, producers, and representatives of the public who are interested in and have a potential to contribute, as determined by the Secretary, to the formulation, of national policy in the food and agricultural sciences. Members shall be appointed for a term of up to three years by the Secretary from nominations made by the organizations and agencies described in the preceding sentence. The terms of members shall be staggered. To ensure that regional differences are properly considered, at least one-half of the members of the Joint Council shall be appointed by the Secretary from among distinguished persons engaged in agricultural research, extension, or teaching programs at land-grant colleges and universities and State agricultural experiment stations. To ensure that other agricultural institutional views are considered by the Joint Council, two of the members of the Joint Council shall be appointed by the Secretary from among persons who are distinguished representatives of other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching. The Joint Council shall be jointly chaired by the Assistant Secretary of Agriculture responsible for research, extension, and teaching, and a person to be elected from among the non-Federal membership of the Joint Council."

(c) Section 1407(d)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(d)(1)) is amended to read as follows:

"(1) The primary responsibility of the Joint Council is to bring about more effective research, extension, and teaching in the food and agricultural sciences in the United States by improving plan-

ning and coordination of publicly and privately supported food and agricultural science activities and by relating Federal budget development and program management to these processes."

(d) Section 1407(d)(2)(E) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(d)(2)(E)) is amended by striking out "efforts" and all that follows through "planning," and inserting in lieu thereof "in the food and agricultural sciences, by using, wherever possible, the existing regional research, extension, and teaching organizations of State cooperative institutions to provide regional planning and coordination,".

(e) Section 1407(d)(2)(G) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(d)(2)(G)) is amended to read as follows:

"(G) submit a report—

"(i) not later than June 30 of each year, specifying the Joint Council's recommendations on priorities for food and agricultural research, extension, and teaching programs; delineating suggested areas of responsibility among Federal, State, and private organizations in carrying out such programs; and specifying the levels of financial and other support needed to carry out such programs;

"(ii) not later than November 30 of each year, specifying ongoing research, extension, and teaching programs; accomplishments of such programs; and future expectations of these programs; and

"(iii) not later than June 30, 1983, outlining a five-year plan for food and agricultural sciences that reflects the coordinated views of the research, extension, and teaching community; and updating this plan every two years thereafter.

Each such report shall be submitted to the Secretary of Agriculture. Minority views, if timely submitted, shall be included in such report."

(f) Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122) is amended by adding at the end thereof the following new subsections:

"(e) The meetings of the joint Council shall be publicly announced in advance and shall be open to the public. Appropriate records of the activities of the Joint Council shall be kept and made available to the public on request.

"(f) The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 shall not apply to the Joint Council."

#### National Agricultural Research and Extension Users Advisory Board

Sec. 1408. (a) Section 1408(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123 (a)) is amended by striking out "of five years" and inserting in lieu thereof "that expires September 30, 1985".

(b) Section 1408(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(b)) is amended by—

(1) striking out "twenty-one" and inserting in lieu thereof "twenty-five" and inserting "to serve staggered terms" after "Secretary"; and

(2) amending paragraph (1) to read as follows:

"(1) eight members representing producers of agricultural, forestry, and aquacultural products, from the various geographical regions,"

(c) Section 1408(f)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(f)(2)) is amended by—

(1) striking out "October 31" in subparagraph (E) and inserting in lieu thereof "July 1"; and

(2) striking out "March 1 of" in subparagraph (F) and inserting in lieu thereof "February 20 of".

### *Existing Research Programs*

Sec. 1409. Section 1409 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124) is amended by striking out "Health, Education, and Welfare" each time it appears and inserting in lieu thereof "Health and Human Services".

### *Federal-State Partnership*

Sec. 1410(a). The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding a new section as follows:

#### *"Federal-State Partnership and Coordination*

"Sec. 1409A. (a) A unique partnership arrangement exists in food and agricultural research, extension, and teaching between the Federal Government and the governments of the several States whereby the States have accepted and have accepted and have supported, through legislation and appropriations—

"(1) research programs under—

"(A) the Act of March 2, 1887 (7 U.S.C. 361a et seq.), commonly known as the Hatch Act of 1887;

"(B) the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962;

"(C) subtitle E of this title; and

"(D) subtitle G of this title;

"(2) extension programs under subtitle G of this title and the Act of May 8, 1914 (7 U.S.C. 341 et seq.), commonly known as the Smith-Lever Act; and

"(3) teaching programs under—

"(A) the Act of July 2, 1862 (7 U.S.C. 301 et seq.), commonly known as the First Morrill Act;

"(B) the Act of August 30, 1890 (7 U.S.C. 321 et seq.), commonly known as the Second Morrill Act; and

"(C) the Act of June 29, 1935 (7 U.S.C. 329), commonly known as the Bankhead-Jones Act.

This partnership in publicly supported agricultural research, extension, and teaching involving the programs of Federal agencies and the programs of the States has played a major role in the outstanding successes achieved in meeting the varied, dispersed, and in many cases, site-specific needs of American agriculture. This partnership must be preserved and enhanced.

"(b) In order to promote research and education in food and human nutrition, the Secretary may establish cooperative human nutrition centers to focus resources, facilities, and scientific expertise on particular high priority nutrition problems identified by the Department. Such centers shall be established at State cooperative institutions; and at other colleges and universities, having a demonstrable capacity to carry out human nutrition research and education.

"(c) In order to meet the increasing needs of consumers and to promote the health and welfare of people, the Secretary shall ensure that the cooperative research, extension, and teaching programs of the various States adequately address the challenges described in paragraph (10) of section 1402 of this title. The Secretary may implement new cooperative initiatives in home economics and related disciplines to address such challenges."

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by inserting immediately after the item relating to section 1409 the following new item:

"Sec. 1409A. Federal-State partnership and coordination."

### Secretary's Report

Sec. 1411. Section 1410 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125) is amended by—

(1) striking out "February 1" and inserting in lieu thereof "January 1";

(2) striking out "and" at the end of paragraph (2);

(3) striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and the word "and"; and

(4) adding at the end thereof a new paragraph as follows:

"(4) in the report of January 1, 1984, the Secretary's needs assessment developed pursuant to the provisions of section 1405(11) of this title."

### Libraries and Information Network

Sec. 1412. Section 1411 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3126) is amended by—

(1) striking out "and" at the end of subsection (a)(4);

(2) striking out the period at the end of subsection (a)(5) and inserting in lieu thereof a semicolon and "and";

(3) adding a new paragraph at the end of subsection (a) as follows:

"(6) the Department of Agriculture establish mutually valuable working relationships with international and foreign information and data programs."; and

(4) amending subsection (b)(3) to read as follows:

"(3) providing notification about these collections on a regular basis to the State cooperative extension services, State educational agencies and other interested persons."

### Staff Support for the Joint Council and the Advisory Board

Sec. 1413. Section 1412(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127(a)) is amended to read as follows:

*"(a) To assist the Joint Council and the Advisory Board in the performance of their duties, the Secretary may appoint, after consultation with the cochairperson of the Joint Council and the chairperson of the Advisory Board—*

*"(1) a full-time executive director who shall perform such duties as the cochairperson of the Joint Council and the chairperson of the Advisory Board may direct and who shall receive compensation at a rate not to exceed the rate payable for GS-18 of the General Schedule established in section 5332 of title 5, United States Code; and*

*"(2) a professional staff of not more than five full-time employees qualified in the food and agricultural sciences, of which one shall serve as the executive secretary to the Joint Council and one shall serve as the executive secretary to the Advisory Board."*

#### *General Provisions; Additional Assistant Secretary of Agriculture*

*Sec. 1414. (a) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) is amended by adding at the end thereof the following new subsections:*

*"(c) There are authorized to be appropriated annually such sums as Congress may determine necessary to carry out the provisions of section 1412 of this title and subsection (b) of this section.*

*"(d) The Subcommittee on Food, Agricultural, and Forestry Research, the Joint Council, and the Advisory Board shall improve communication and interaction among themselves and with others in the agricultural science and education system through such mechanisms as the exchange of reports, joint meetings, and the use of liaison representatives.*

*"(e) The President shall appoint, by and with the advice and consent of the Senate, an Assistant Secretary of Agriculture who shall perform such duties as are necessary to carry out this title and who shall receive compensation at the rate now or hereafter prescribed by law for Assistant Secretaries of Agriculture."*

*(b) Section 5315 of title 5, United States Code, is amended in the item relating to Assistant Secretaries of Agriculture by striking out "(5)" and inserting in lieu thereof "(6)".*

#### *Program for Competitive, Special, and Facilities Grants for Agricultural Research*

*Sec. 1415. (a) Section 2(b) of the Act of August 4, 1965 (7 U.S.C. 450i(b)), if amended by—*

*(1) inserting in the second sentence after "on Food and Agricultural Sciences" the following: "and the National Agricultural Research and Extension Users Advisory Board";*

*(2) inserting after the second sentence the following:*

*"For purposes of the preceding sentence, high priority research shall include—*

*"(1) basic research aimed at the discovery of new scientific principles and techniques that may be applicable in agriculture and forestry;*

*"(2) research aimed at the development of new and innovative products, methods, and technologies relating to biological nitrogen fixation, photosynthesis, and other processes which will im-*

prove and increase the production of agricultural and forestry resources;

"(3) basic and applied research in the fields of animal productivity and health;

"(4) basic and applied research in the fields of soil and water;

"(5) basic and applied research in the field of human nutrition; and

"(6) research to develop new strains of crops and new promising crops, including guayule, jojoba, and others."; and

(3) striking out "for the fiscal year ending September 30, 1982," in the last sentence and inserting in lieu thereof "for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985,".

(b) Section 2(c) of the Act of August 4, 1965 (7 U.S.C. 450i(c)) is amended by—

(1) inserting "research foundations established by land-grant colleges and universities," in paragraph (1) after "land-grant colleges and universities,"; and

(2) amending paragraph (2) to read as follows:

"(2) to State agricultural experiment stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.) and accredited schools or colleges of veterinary medicine, to facilitate or expand ongoing State-Federal food and agricultural research programs that (A) promote excellence in research, (B) promote the development of regional research centers, (C) promote the research partnership between the Department of Agriculture and such colleges and universities, such research foundations or State agricultural experiment stations, or (D) facilitate coordination and cooperation of research among States.".

(c) Section 2(d) of the Act of August 4, 1965 (7 U.S.C. 450i(d)) is amended by—

(1) striking out "the purchase of equipment" and all that follows through the dash and inserting in lieu thereof "the renovation and refurbishment (including energy retrofitting) of research spaces in buildings of spaces to be used for research, and the purchase and installation of fixed equipment in such spaces. Such grants may be used for new construction only for auxiliary facilities and fixed equipment used for research in such facilities, such as greenhouses, insectaries, and research farm structures and installations. Such grants shall be made to—";

(2) striking out "available; and" in paragraph (1) and inserting in lieu thereof "available,";

(3) striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon; and

(4) inserting after paragraph (2) the following new paragraphs:

"(3) each forestry school not described in paragraph (1) of this subsection, which is eligible to receive funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.), in an amount which is equal to 10 per centum of the funds received by such school under that Act; and

"(4) each college eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee Institute, in an amount which is equal to 10 per centum of the funds received by such college under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977."

#### *Amendments to the Research Facilities Act of 1963*

Sec. 1416. Section 4(a) of the Act of July 22, 1963 (7 U.S.C. 390c(a)), is amended by striking out "for the fiscal year ending September 30, 1982," and inserting in lieu thereof "for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985,".

#### *Apportionment of Funds Appropriated for Schools of Veterinary Medicine*

Sec. 1417. Section 1415(c)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3151(c)(2)) is amended by striking out the colon and the proviso.

#### *Federal Support of Higher Education in the Food and Agricultural Sciences*

Sec. 1418. (a) Section 1417(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(a)) is amended to read as follows:

"(a)(1) The Secretary shall promote and develop higher education in the food and agricultural sciences by formulating and administering higher education programs.

"(2) The Secretary may make grants to land-grant colleges and universities, and to other colleges and universities having a demonstrable capacity to carry out food and agricultural teaching, for a period not to exceed five years—

"(A) to strengthen institutional capacities to respond to State, national, or international educational needs in the food and agricultural sciences;

"(B) to attract students and to educate them as needed in the food and agricultural sciences, and to attract needed professionals to provide for their professional improvement in the food and agricultural sciences;

"(C) to design and implement innovative food and agricultural educational programs; and

"(D) to facilitate cooperative agreements between two or more eligible institutions to maximize the use of faculty and facilities to improve their food and agricultural teaching programs. Such grants shall be made without regard to matching funds, but each recipient institution shall have a significant ongoing commitment to the food and agricultural sciences generally and to the specific subject area for which such grant is to be used.

"(3) The Secretary may make competitive grants to colleges and universities for a period not to exceed five years—

"(A) to develop or administer programs to meet unique food and agricultural educational problems; and

"(B) to administer and conduct specialized programs to attract individuals for undergraduate and graduate programs and to administer and conduct graduate fellowship programs to

meet regional and national objectives in the food and agricultural sciences.

Such grants shall be made without regard to matching funds provided by recipients."

(b) Section 1417(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(c)) is amended by adding at the end thereof the following: "There are hereby transferred to the Secretary all the functions and duties of the Secretary of Education under the Act of June 29, 1935 (7 U.S.C. 329) applicable to the activities and programs for which funds are made available under section 22 of such Act."

(c) Section 1417(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(d)) is amended by striking out "for the fiscal year ending September 30, 1982," and inserting in lieu thereof "for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985,".

#### *Transfer of Functions Under the Second Morrill Act*

Sec. 1419. There are hereby transferred to the Secretary of Agriculture all the functions and duties of the Secretary of Education under the Act of August 30, 1890 and the tenth and eleventh paragraphs under the heading "Emergency Appropriations." of the Act of March 4, 1907 (7 U.S.C. 321 et seq.).

#### *National Agricultural Science Award*

Sec. 1420. (a) Section 1418 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3153) is amended by—

(1) amending the section heading to read as follows: "National Agricultural Science Award";

(2) amending subsection (a) to read as follows:

"(a) The Secretary shall establish the National Agricultural Science Award for research or advanced studies in the food and agricultural sciences, including the social sciences. Two such awards, one for each of the categories described in subsection (d) of this section, shall be made in each fiscal year.";

(3) redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(4) inserting immediately after subsection (b) a new subsection as follows:

"(c) The awards shall be open to persons in agricultural research, extension, teaching, or any combination thereof."

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out the following:

"Sec. 1418. National agricultural research award."

and inserting in lieu thereof the following:

"Sec. 1418. National agricultural science award."

#### *Redesignation of Instruction Funding*

Sec. 1421. (a) The first section of the Act of August 30, 1890 (7 U.S.C. 322) is amended by striking out "agriculture, the mechanic arts," and all that follows through "industries of life" and inserting in lieu thereof "food and agricultural sciences".

(b) The eleventh paragraph under the heading "Emergency Appropriations." of the Act of March 4, 1907 (7 U.S.C. 322) is amended by striking out "agriculture and the mechanic arts" the second place it appears and inserting in lieu thereof "food and agricultural sciences".

### *Alcohol and Industrial Hydrocarbons*

Sec. 1422. Section 1419(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(a)) is amended by—

(1) striking out in the first sentence "colleges and universities, and Government corporations" and inserting in lieu thereof "colleges, universities, Government corporations, and Federal laboratories" and striking out in the third sentence "colleges, universities and Government corporations" and inserting in lieu thereof "colleges, universities, Government corporations, and Federal laboratories";

(2) striking out "four" in the sixth sentence; and

(3) striking out "and September 30, 1982" in the sixth sentence and all that follows through the period at the end thereof and inserting in lieu thereof the following: "September 30, 1982, September 30, 1983, September 30 1984, and September 30, 1985: Provided, That the total amount of such appropriations shall not exceed \$40,000,000 during the eight-year period beginning October 1, 1977, and shall not exceed such sums as may be authorized by law for any fiscal year subsequent to such period: Provided further, That not more than a total of \$5,000,000 may be awarded to the colleges and universities of any one State.".

### *Nutrition Education Program*

Sec. 1423. Section 1425 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175) is amended by—

(1) amending subsection (b) to read as follows:

"(b) In order to enable low-income individuals and families to engage in nutritionally sound food purchasing and preparation practices, the expanded food and nutrition education program conducted under section 3(d) of the Act of May 8, 1914 (7 U.S.C. 343(d)), shall provide for the employment and training of professional and paraprofessional aides to engage in direct nutrition education of low-income families and in other appropriate nutrition education programs. To the maximum extent practicable, such program aides shall be hired from the indigenous target population."; and

(2) adding a new subsection as follows:

"(c) Beginning with the fiscal year ending September 30, 1982—

"(1) Any funds annually appropriated under section 3(d) of the Act of May 8, 1914, for the conduct of the expanded food and nutrition education program, up to the amount appropriated under such section for such program for the fiscal year ending September 30, 1981, shall be allocated to each State in the same proportion as funds appropriated under such section for the conduct of the program for the fiscal year ending September 30, 1981, are allocated among the States; with the exception that the Secretary may retain up to 2 per centum of such amount for the conduct of such program in States that did not

participate in such program in the fiscal year ending September 30, 1981.

"(2) Any funds appropriated annually under section 3(d) of the Act of May 8, 1914, for the conduct of the expanded food and nutrition education program in excess of the amount appropriated under such section for the conduct of the program for the fiscal year ending September 30, 1981, shall be allocated as follows:

"(A) 4 per centum shall be available to the Secretary for administrative, technical, and other services necessary for the administration of the program.

"(B) The remainder shall be allocated among the States as follows:

"(i) 10 per centum shall be distributed equally among all States; and

"(ii) the remainder shall be allocated to each State in an amount which bears the same ratio to the total amount to be allocated under this subparagraph as the population of the State living at or below 125 per centum of the income poverty guidelines prescribed by the Office of Management and Budget (adjusted pursuant to section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902)), bears to the total population of all the States living at or below 125 per centum of the income poverty guidelines, as determined by the last preceding decennial census at the time each such additional amount is first appropriated. The provisions of this subparagraph shall not preclude the Secretary from developing educational materials and programs for persons in income ranges above the level designated in this subparagraph."

#### *Repeal of Section 1426 of the National Agricultural Research Extension, and Teaching Policy Act of 1977*

Sec. 1424. (a) Section 1426 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3176) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out

"Sec. 1426. Nutrition education materials."

and inserting in lieu thereof

"Sec. 1426. Repealed."

#### *Human Nutrition Research and Information Management System*

Sec. 1425(a). Section 1427 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3177) is amended to read as follows:

#### *"Human Nutrition Research and Information Management System*

"Sec. 1427. The Secretary and the Secretary of Health and Human Services shall formulate and submit to Congress, within one hundred and eighty days after the date of enactment of this section, a plan for a human nutrition research management system. This system shall be based on on-line data support capability allowing

for fiscal accounting, management, and control of cross-agency human nutrition research activities. The plan shall provide for management activities of all agencies managing funds for human nutrition research activities under existing authorities and contain recommendations for any additional authorities necessary to achieve a human nutrition research management system."

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out

"Sec. 1427. Report to Congress."

and inserting in lieu thereof

"Sec. 1427. Human nutrition research and information management system."

### *Conforming Amendment*

Sec. 1426. Section 1429 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3191) is amended by revising the last sentence thereof to read as follows: "It is recognized that the total animal health and disease research and extension efforts of the several State colleges and universities and of the Federal Government would be more effective if there were close coordination between such programs, and it is further recognized that colleges and universities having accredited schools or colleges of veterinary medicine and State agricultural experiment stations that conduct animal health and disease research are especially vital in training research workers in animal health."

### *Eligible Institutions for Animal Health and Disease Research Funds*

Sec. 1427. Section 1430 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3192) is amended by amending paragraphs (1) and (2) to read as follows:

"(1) the term 'eligible institution' means an accredited school or college of veterinary medicine or a State agricultural experiment station that conducts animal health and disease research;

"(2) the term 'dean' means the dean of an accredited school or college of veterinary medicine;"

### *Animal Health Science Research Advisory Board*

Sec. 1428. Section 1432(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3194(a)) is amended by striking out "of five years" and inserting in lieu thereof "that expires September 30, 1985".

### *Appropriations for Animal Health and Disease Research Programs at Eligible Institutions*

Sec. 1429. Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking out the first sentence and inserting in lieu thereof: "There are authorized to be appropriated such funds as Congress may determine necessary to support continuing animal health and disease research programs at eligible institutions, but not to exceed \$25,000,000 annually for the period beginning October 1, 1981, and ending September 30, 1985, and not in excess of such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year."

*Appropriations for Research on Specific National or Regional  
Animal Health or Disease Problems*

*Sec. 1430. (a) Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196 (a)) is amended to read as follows:*

*"(a) There are authorized to be appropriated such funds as Congress may determine necessary to support research on specific national or regional animal health or disease problems, but not to exceed \$35,000,000 annually for the period beginning October 1, 1981, and ending September 30, 1985, and not in excess of such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year."*

*(b) Section 1434(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(b)) is amended to read as follows:*

*"(b) Notwithstanding the provisions of section 1435 of this title, funds appropriated under this section shall be awarded in the form of grants, for periods not to exceed five years, to eligible institutions."*

*(c) Section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196) is amended by adding at the end thereof the following new subsections:*

*"(c) In order to establish a rational allocation of funds appropriated under this section, the Secretary shall establish annually priority lists of animal health and disease problems of national or regional significance. Such lists shall be prepared after consultation with the Joint Council, the Advisory Board, and the Board. Any recommendations made in connection with such consultation shall not be controlling on the Secretary's determination of priorities. In establishing such priorities, the Secretary, the Joint Council, the Advisory Board, and the Board shall consider the following factors:*

*"(1) any health or disease problem which causes or may cause significant economic losses to any part of the livestock production industry;*

*"(2) whether current scientific knowledge necessary to prevent, cure, or abate such a health or disease problem is adequate; and*

*"(3) whether the status of scientific research is such that accomplishments may be anticipated through the application of scientific effort to such health or disease problem."*

*"(d) Without regard to any consultation under subsection (c), the Secretary shall, to the extent feasible, award grants to eligible institutions on the basis of the priorities assigned through a peer review system. Grantees shall be selected on a competitive basis in accordance with such procedures as the Secretary may establish."*

*"(e) In the case of multiyear grants, the Secretary shall distribute funds to grant recipients on a schedule which is reasonably related to the timetable required for the orderly conduct of the research project involved."*

*Extension at 1890 Land-Grant Colleges, Including Tuskegee  
Institute*

*Sec. 1431. Section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221) is amended by—*

(1) inserting "and ending with the fiscal year ending September 30, 1981," in the second sentence of subsection (a) immediately after "Beginning with the fiscal year ending September 30, 1979,";

(2) inserting immediately after the second sentence of subsection (a) a new sentence as follows: "Beginning with the fiscal year ending September 30, 1982, there shall be appropriated under this section an amount not less than 5½ per centum, and for each fiscal year thereafter, through the fiscal year ending September 30, 1985, an amount not less than six per centum of the total appropriations for such year under the Act of May 8, 1914 (7 U.S.C. 341 et seq.).";

(3) inserting "current at the time each such additional sum is first appropriated" in subsection (b)(2)(B) after "the last preceding decennial census" both times it appears;

(4) striking out "administrative head for extension" in subsection (c) and inserting in lieu thereof "extension administrator", and inserting "and each five years thereafter" before the period; and

(5) striking out "submitted by the proper officials of each institution," in subsection (j) and inserting in lieu thereof "submitted, as part of the State plan of work,".

#### *Agriculture Research in 1980 Land-Grant Colleges, Including Tuskegee Institute*

*Sec. 1432. (a) Section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222) is amended by—*

*(1) adding at the end of subsection (b)(i) a new sentence as follows: "These administrative funds may be used for transportation of scientists who are not officers or employees of the United States to research meetings convened for the purpose of assessing research opportunities or research planning.";*

*(2) inserting "current at the time each such additional sum is first appropriated" in subsection (b)(2)(B) after "the last preceding decennial census" both times it appears; and*

*(3) striking out "chief administrative officer" each time it appears in subsections (c) and (d) and inserting in lieu thereof "research director".*

*(b)(1) The Secretary of Agriculture shall make a grant of funds appropriated under paragraph (5) of this subsection to the one college of all the colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee Institute, which on the date of the enactment of this title—*

*(A) has initiated a dairy goat research program; and*

*(B) has the best demonstrable capacity to carry out dairy goat research.*

*(2) Any grant received under paragraph (1) by such college may be expended to—*

*(A) pay expenses incurred in conducting dairy goat research;*

*(B) print and disseminate the results of such research;*

*(C) contribute to the retirement of employees engaged in such research;*

*(D) plan, administer, and direct such research; and*

(E) construct, acquire, alter, and repair buildings necessary to conduct such research.

(3)(A) Under the terms of such grant, funds appropriated under paragraph (5) of this subsection for a fiscal year shall be paid to such college in equal quarterly installments beginning on or about the first day of October of such year upon vouchers approved by the Secretary of Agriculture.

(B) Not later than sixty days after the end of each fiscal year for which funds are paid under this subsection to such college, the research director of such college shall submit to the Secretary a detailed statement of the disbursements in such fiscal year of funds received by such college under this subsection.

(C) If any of the funds so received by such college are by any action or contingency misapplied, lost, or diminished, then—

(i) such college shall replace such funds; and

(ii) the Secretary shall not distribute to such college any other funds under this subsection until such replacement is made.

(4) For purposes of section 1445(e) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(e)), research and experiments funded under this subsection shall be deemed to be research and experiments funded under section 1445 of such Act.

(5) There is authorized to be appropriated to the Secretary to carry out this subsection, for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, an amount equal to one per centum of the aggregate amount of funds appropriated under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222) in the fiscal year preceding the fiscal year for which funds are authorized to be appropriated under this paragraph.

#### *Authority To Award Grants to Upgrade 1890 Land-Grant College Research Facilities*

Sec. 1433. (a) It is hereby declared to be the intent of Congress to assist the institutions eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee Institute (hereinafter referred to in this section as "eligible institutions"), in the acquisition and improvement of research facilities and equipment so that eligible institutions may participate fully with the State agricultural experiment stations in a balanced attack on the research needs of the people of their States.

(b) There are authorized to be appropriated to the Secretary of Agriculture for the purpose of carrying out the provisions of this section \$10,000,000 for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986, such sums to remain available until expended.

(c) Four per centum of the sums appropriated pursuant to this section shall be available to the Secretary for administration of this grants program. The remaining funds shall be available for grants to the eligible institutions for the purpose of assisting them in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings to strengthen their capacity to conduct research in the food and agricultural sciences.

(d) Grants awarded pursuant to this section shall be made in such amounts and under such terms and conditions as the Secretary shall determine necessary for carrying out the purposes of this section.

(e) Federal funds provided under this section may not be utilized for the payment of any overhead costs of the eligible institutions.

(f) The Secretary may promulgate such rules and regulations as the Secretary may deem necessary to carry out the provisions of this section.

#### *Authorization for Appropriations for Solar Energy Model Farms and Demonstration Projects*

Sec. 1434. Section 1454 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3263) is amended by striking "September 30, 1981" and inserting in lieu thereof "September 30, 1985".

#### *Solar Energy Definition*

Sec. 1435. Section 1457 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3282) is amended to read as follows:

"Sec. 1457. For purposes of this subtitle, the term 'solar energy' means energy derived from sources (other than fossil fuels) and technologies included in the Federal Non-Nuclear Energy Research and Development Act of 1974, as amended."

#### *International Agricultural Research and Extension*

Sec. 1436. Section 1458 of the National Agricultural Research Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291) is amended to read as follows:

"Sec. 1458. (a) The Secretary, subject to such coordination with other Federal officials, departments, and agencies as the President may direct, is authorized to—

"(1) expand the operational coordination of the Department of Agriculture with institutions and other persons throughout the world performing agricultural and related research and extension activities by exchanging research materials and results with such institutions or persons joint or coordinated research and extension on problems of significance to food and agriculture in the United States;

"(2) assist the Agency for International Development with food, agricultural, research and extension programs in developing countries;

"(3) work with developed and transitional countries on food, agricultural and related research and extension, including the training of persons from such countries engaged in such activities and the stationing of scientists at national and international institutions in such countries;

"(4) assist United States colleges and universities in strengthening their capabilities for food, agricultural, and related research and extension relevant to agricultural development activities in other countries; and

"(5) further develop within the Department of Agriculture highly qualified and experienced scientists who specialize in in-

ternational programs, to be available for the activities described in this section.

"(b) The Secretary shall draw upon and enhance the resources of the land-grant colleges and universities, and other colleges and universities, for developing linkages among these institutions, the Federal Government, international research centers, and counterpart agencies and institutions in both the developed and less-developed countries to serve the purposes of agriculture and the economy of the United States and to make a substantial contribution to the cause of improved food and agricultural progress throughout the world.

"(c) The Secretary may provide specialized or technical services, on an advance of funds or a reimbursable basis, to United States colleges and universities carrying out international food, agricultural, and related research, extension, and teaching development projects and activities. All funds received in payment for furnishing such specialized or technical services shall be deposited to the credit of the appropriation from which the cost of providing such services has been paid or is to be charged."

#### *Authorization for Appropriations for Existing and Certain New Agricultural Research Programs*

Sec. 1437. Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended by—

(1) striking out "and \$780,000,000 for the fiscal year ending September 30, 1982," in subsection (a) and inserting in lieu thereof "\$780,000,000 for the fiscal year ending September 30, 1982, \$780,000,000 for the fiscal year ending September 30, 1983, \$835,000,000 for the fiscal year ending September 30, 1984, and \$890,000,000 for the fiscal year ending September 30, 1985,";

(2) striking out "and \$220,000,000 for the fiscal year ending September 30, 1982," in subsection (b) and inserting in lieu thereof "\$220,000,000 for the fiscal year ending September 30, 1982, \$230,000,000 for the fiscal year ending September 30, 1983, \$240,000,000 for the fiscal year ending September 30, 1984, and \$250,000,000 for the fiscal year ending September 30, 1985,"; and

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

"(c) Notwithstanding any other provision of law effective beginning October 1, 1983, not less than 25 per centum of the total funds appropriated to the Secretary in any fiscal year for the conduct of the cooperative research program provided for under the Act of March 2, 1887, commonly known as the Hatch Act (7 U.S.C. 361a et seq.); the cooperative forestry research program provided for under the Act of October 10, 1962, commonly known as the McIntire-Stennis Act (16 U.S.C. 582a et seq.); the special and competitive grants programs provided for in sections 2(b) and 2(c) of the Act of August 4, 1965 (7 U.S.C. 450i); the animal health research program provided for under sections 1433 and 1434 of this title; the native latex research program provided for in the Native Latex Commercialization and Economic Development Act of 1978 (7 U.S.C. 178 et seq.); and the research provided for under various statutes for which funds are appropriated under the Agricultural Research heading or a successor heading, shall be appropriated for research at State ag-

ricultural experiment stations pursuant to the provision of the Act of March 2, 1887."

#### *Authorization for Appropriations for Extension Programs*

Sec. 1438. Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking out "and \$350,000,000 for the fiscal year ending September 30, 1982," and inserting in lieu thereof "\$350,000,000 for the fiscal year ending September 30, 1982, \$360,000,000 for the fiscal year ending September 30, 1983, \$370,000,000 for the fiscal year ending September 30, 1984, and \$380,000,000 for the fiscal year ending September 30, 1985,".

#### *Miscellaneous Provisions*

Sec. 1439. (a) The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding in subtitle K the following new sections:

##### *"Program Evaluation Studies*

"Sec. 1471. (a) The Secretary shall regularly conduct program evaluations to meet the purposes of this title and the responsibilities assigned to the Secretary and the Department of Agriculture in this title. Such evaluations shall be designed to provide information that may be used to improve the administration and effectiveness of agricultural research, extension, and teaching programs in achieving their stated objectives.

"(b) The Secretary is authorized to encourage and foster the regular evaluation of agricultural research, extension, and teaching programs within the State agricultural experiment stations, cooperative extension services, and colleges and universities, through the development and support of cooperative evaluation programs and program evaluation centers and institutes.

##### *"General Authority To Enter Into Contracts, Grants, and Cooperative Agreements*

"Sec. 1472. (a) The purpose of this section is to confer upon the Secretary general authority to enter into contracts, grants, and cooperative agreements to further the research, extension, or teaching programs in the food and agricultural sciences of the Department of Agriculture. This authority supplements all other laws relating to the Department of Agriculture and is not to be construed as limiting or repealing any existing authorities.

"(b) The Secretary may enter into contracts, grants, or cooperative agreements, for periods not to exceed five years, with State agricultural experiment stations, State cooperative extension services, all colleges and universities, other research or education institutions and organizations, Federal and private agencies and organizations, individuals, and any other contractor or recipient, either foreign or domestic, to further research, extension, or teaching programs in the food and agricultural sciences of the Department of Agriculture.

"(c) The Secretary may vest title to expendable and nonexpendable equipment and supplies and other tangible personal property in the contractor or recipient when the contractor or recipient purchases such equipment, supplies, and property with contract, grant, or cooperative agreement funds and the Secretary deems such vesting of

title a furtherance of the agricultural research, extension, or teaching objectives of the Department of Agriculture.

"(d) Unless otherwise provided in this title, the Secretary may enter into contracts, grants, or cooperative agreements, as authorized by this section, without regard to any requirements for competition, the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5), and the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529).

#### *"Restriction on Treatment of Indirect Costs and Tuition Remission*

"Sec. 1473. Funds made available by the Secretary under established Federal-State partnership arrangements to State cooperative institutions under the Acts referred to in section 1404(16) of this title and funds made available under subsection (c)(2) and subsection (d) of section 2 of the Act of August 4, 1965 (7 U.S.C. 450i) shall not be subject to reduction for indirect costs or for tuition remission. No indirect costs or tuition remission shall be charged against funds in connection with cooperative agreements between the Department of Agriculture and State cooperative institutions if the cooperative program or project involved is of mutual interest to all the parties and if all the parties contribute to the cooperative agreement involved."

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by inserting immediately after the item relating to section 1470 the following new items:

"Sec. 1471. Program evaluation studies.

"Sec. 1472. General authority to enter into contracts, grants, and cooperative agreements.

"Sec. 1473. Restriction on treatment of indirect costs and tuition remission."

#### *Aquaculture and Rangeland Research*

Sec. 1440(a). The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding at the end thereof the following new subtitles L and M:

##### *"Subtitle L—Aquaculture*

##### *"Purpose*

"Sec. 1474. It is the purpose of this subtitle to promote research and extension activities of the institutions hereinafter referred to in section 1475(b), and to coordinate their efforts as an integral part in the implementation of the National Aquaculture Act of 1980 (16 U.S.C. 2801 et seq.) by encouraging landowners, individuals, and commercial institutions to develop aquaculture production and facilities and sound aquaculture practices that will, through research and technology transfer programs, provide for the increased production and marketing of aquacultural food products.

##### *"Aquaculture Assistance Programs*

"Sec. 1475. (a) The Secretary may develop and implement a cooperative research and extension program to encourage the development, management, and production of important aquatic food species within the several States and territories of the United States, in accordance with the national aquaculture development, plan, and revisions thereto, developed under the National Aquaculture Act of 1980.

*"(b) The Secretary may make grants to—*

*"(1) land-grant colleges and universities;*

*"(2) State agricultural experiment stations; and*

*"(3) colleges, universities, and Federal laboratories having a demonstrable capacity to conduct aquacultural research, as determined by the Secretary;*

*for research and extension to facilitate or expand promising advances in the production and marketing of aquacultural food species and products. Except in the case of Federal laboratories, no grant may be made under this subsection unless the State in which the grant recipient is located makes a matching grant to such recipient equal to the amount of the grant to be made under this subsection, and unless the grant is in implementation of the national aquaculture development plan, and revisions thereto, developed under the National Aquaculture Act of 1980.*

*"(c) The Secretary may assist States to formulate aquaculture development plans for the enhancement of the production and marketing of aquacultural species and products from such States and may make grants to States on a matching basis, as determined by the Secretary. The aggregate amount of the grants made to any one State under this subsection may not exceed \$50,000. The plans shall be consistent with the national aquaculture development plan, and revisions thereto, developed under the National Aquaculture Act of 1980.*

*"(d) To provide for aquacultural research, development, and demonstration projects having a national or regional application, the Secretary may establish in existing Federal facilities or in cooperation with State agencies (including State departments of agriculture), and land-grant colleges and universities, up to four aquacultural research, development, and demonstration centers in the United States for the performance of aquacultural research, extension work, and demonstration projects. Funds made available for the operation of such regional centers may be used for the rehabilitation of existing buildings or facilities to house such centers, but may not be used for the construction or acquisition of new buildings or facilities.*

*"(e) Not later than one year after the effective date of this subtitle and not later than March 1 of each subsequent year, the Secretary shall submit a report to the President, the House Committee on Agriculture, the House Committee on Appropriations, the Senate Committee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations, containing a summary outlining the progress of the Department of Agriculture in meeting the purposes of the programs established under this subtitle.*

#### *"Aquaculture Advisory Board*

*"Sec. 1476. (a) The Secretary shall establish within the Department of Agriculture a board to be known as the Aquaculture Advisory Board (hereinafter in this subtitle referred to as the "Board") which shall have a term that expires September 30, 1985, and which shall be composed of the following twelve members appointed by the Secretary—*

*"(1) four representatives of agencies of the Department of Agriculture which have significant research, extension, or teaching responsibilities;*

"(2) two representatives of cooperative extension services;

"(3) two representatives of State agricultural experiment stations; and

"(4) four representatives of national aquaculture organizations.

*Members of the Board shall serve without compensation, if not otherwise officers or employees of the United States. While away from their homes or regular places of business in the performance of services for the Board, members of the Board 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 and 5707 of title 5, United States Code.*

*"(b) The board shall meet at the call of the Secretary, but at least annually, to consult with and advise the Secretary with respect to the implementation of this subtitle and to recommend priorities for the conduct of research and extension programs authorized in this subtitle, under such rules and procedures for conducting business as the Secretary may, in the Secretary's discretion, prescribe.*

#### *"Authorization of Appropriations*

*"Sec 1471. (a) There is authorized to be appropriated \$7,500,000 for each fiscal year beginning after the effective date of this subtitle, and ending with the fiscal year ending September 30, 1985, and not in excess of such sums as may after the date of enactment of this subtitle be authorized by law for any subsequent fiscal year.*

*"(b) Funds appropriated under subsection (a) shall be allocated by the Secretary for work to be done as mutually agreed upon between the Secretary and the institutions described in section 1475(b). The Secretary shall, whenever possible, consult with the Board in developing plans for the use of these funds.*

#### *"Subtitle M—Rangeland Research*

##### *"Purpose*

*"Sec. 1478. It is the purpose of this subtitle to promote the general welfare through improved productivity of the Nation's rangelands, which comprise 60 per centum of the land area of the United States. Most of these rangelands are unsuited for cultivation, but produce a great volume of forage that is inedible by humans but readily converted, through an energy efficient process, to high quality food protein by grazing animals. These native grazing lands are located throughout the United States and are important resources for major segments of the Nation's livestock industry. In addition to the many livestock producers directly dependent on rangelands, other segments of agriculture are indirectly dependent on range-fed livestock and on range-produced forage that can be substituted for grain in times of grain scarcity. Recent resource assessments indicate that forage production of rangeland can be increased at least 100 per centum through development and application of improved range management practices while simultaneously enhancing wildlife, watershed, recreational, and aesthetic values and reducing hazards of erosion and flooding.*

### *"Rangeland Research Program*

*"Sec. 1479. The Secretary may develop and implement a cooperative rangeland research program in coordination with the program carried out under the Renewable Resources Extension Act of 1978 to improve the production and quality of desirable native forages or introduced forages which are managed in a similar manner to native forages for livestock and wildlife. The program shall include studies of: (1) management of rangelands and agricultural land as integrated systems for more efficient utilization of crops and waste products in the production of food and fiber; (2) methods of managing rangeland watersheds to maximize efficient use of water and improve water yield, water quality, and water conservation, to protect against onsite and offsite damage of rangeland resources from floods, erosion, and other detrimental influences, and to remedy unsatisfactory and unstable rangeland conditions; (3) revegetation and rehabilitation of rangelands including the control of undesirable species of plants; and (4) such other matters as the Secretary considers appropriate.*

### *"Rangeland Research Grants*

*"Sec. 1480. The Secretary may make grants to land-grant colleges and universities, State agricultural experiment stations, and to colleges, universities, and Federal laboratories having a demonstrable capacity in rangeland research, as determined by the Secretary, to carry out rangeland research. Except in the case of Federal laboratories, this grant program shall be based on a matching formula of 50 per centum Federal and 50 per centum non-Federal funding.*

### *"Reports*

*"Sec. 1481. Not later than one year after enactment of this subtitle, and not later than March 1 of each successive year, the Secretary shall submit a report to the President, the House Committee on Agriculture, the House Committee on Appropriations, the Senate Committee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations, outlining the progress of the Department of Agriculture in meeting the program requirements set forth in section 1479 of this subtitle.*

### *"Rangeland Research Advisory Board*

*"Sec. 1482. (a) The Secretary shall establish a board to be known as the Rangeland Research Advisory Board which shall have a term that expires September 30, 1985, and which shall be composed of the following twelve members appointed by the Secretary:*

*"(1) four representatives of agencies of the Department of Agriculture which have significant research, extension, or teaching responsibilities;*

*"(2) four representatives of the State agricultural experiment stations; and*

*"(3) four representatives of national rangeland and range livestock organizations.*

*The members 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 per-*

sons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5, United States Code.

"(b) The Board shall meet at the call of the Secretary, but at least once annually, to consult with and advise the Secretary with respect to the implementation of this subtitle and to recommend priorities for the conduct of programs authorized under this subtitle, under such rules and procedures for conducting business as the Secretary shall prescribe.

#### "Appropriations

"Sec. 1483. (a) There are authorized to be appropriated, to implement the provisions of this subtitle, such sums not to exceed \$10,000,000 annually for the period beginning October 1, 1981, and ending September 30, 1985, and thereafter such sums as may after the date of enactment of this subtitle be authorized by law for any subsequent fiscal year.

"(b) Funds appropriated under this section shall be allocated by the Secretary to eligible institutions for work to be done as mutually agreed upon between the Secretary and the eligible institution or institutions. The Secretary shall, whenever possible, consult with the Board in developing plans for the use of these funds."

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by adding at the end of title XIV the following new items:

#### "SUBTITLE L—AQUACULTURE

"Sec. 1474. Purpose.

"Sec. 1475. Aquaculture assistance programs.

"Sec. 1476. Aquaculture Advisory Board.

"Sec. 1477. Authorization of appropriations.

#### "SUBTITLE M—RANGELAND RESEARCH

"Sec. 1478. Purpose.

"Sec. 1479. Rangeland research program.

"Sec. 1480. Rangeland research grants.

"Sec. 1481. Reports.

"Sec. 1482. Rangeland Research Advisory Board.

"Sec. 1483. Appropriations."

#### Cooperative State Forestry

Sec. 1441. (a) Section 1 of the Act of October 10, 1962 (16 U.S.C. 582a), commonly known as the McIntire-Stennis Act of 1962, is amended by adding at the end thereof the following: "It is also recognized that the provisions of this Act are essential to assist in providing the research background that undergirds the Forest and Rangeland Renewable Resources Planning Act of 1974, the Renewable Resources Extension Act of 1978, and the Soil and Water Resources Conservation Act of 1977."

(b) Section 2 of the Act of October 10, 1962 (16 U.S.C. 582a-1), is amended by adding at the end thereof the following: "If more than one institution within a State are certified as qualifying for assistance, then it shall be the responsibility of such institutions, in agreement with the Secretary, to develop complementary programs of forestry research for the State."

(c) Sections 5 and 6 of the Act of October 10, 1962 (16 U.S.C. 582a-4 and 582a-5), are amended to read as follows:

"Sec. 5. (a) The Secretary shall prescribe such regulations as may be necessary to carry out this Act and to furnish such advice and assistance through a cooperative State forestry research unit in the Department as will best promote the purposes of this Act.

"(b) The Secretary shall appoint a council of not fewer than sixteen members which shall be constituted to give representation to Federal and State agencies concerned with developing and utilizing the Nation's forest resources, the forest industries, the forestry schools of the State-Certified eligible institutions, State agricultural experiment stations, and volunteer public groups concerned with forests and related natural resources. The council shall meet at least annually and shall submit a report to the secretary on regional and national planning and coordination of forestry research within the Federal and State agencies, forestry schools, and the forest industries, and shall advise the Secretary on the apportionment of funds. The Secretary shall seek, at least once each year, the advice of the council to accomplish efficiently the purposes of this Act.

"Sec. 6. Apportionments among participating States shall be determined by the Secretary after consultation with the council appointed under section 5. In making such apportionments, consideration shall be given to pertinent factors including non-Federal expenditures for forestry research by State-certified eligible institutions, areas of non-Federal commercial forest land, and the volume of timber cut annually. Three per centum of such funds as may be appropriated shall be made available to the Secretary for administration of this Act. These administrative funds may be used for transportation of scientists who are not officers or employees of the United States to research meetings convened for purposes of assessing research opportunities or research planning."

#### *Prohibition Against Reduction of State Funds Upon Increase in Federal Allotment*

Sec. 1442. (a) Section 3 of the Act of March 2, 1887 (7 U.S.C. 361c), commonly known as the Hatch Act, is amended by adding at the end thereof a new subsection (g) as follows:

"(g) If in any year the amount made available by a State from its own funds (including any revenue-sharing funds) to a State agricultural experiment station is reduced because of an increase in the allotment made available under this Act, the allotment to the State agricultural experiment station from the appropriation in the next succeeding fiscal year shall be reduced in an equivalent amount. The Secretary shall reapportion the amount of such reduction to other States for use by their agricultural experiment stations."

(b) Section 4 of the Act of October 10, 1962 (16 U.S.C. 582a-3), commonly known as the McIntire-Stennis Act, is amended by adding at the end thereof the following: "If in any year the amount made available by a State from its own funds (including any revenue-sharing funds) to a State-certified institution eligible for assistance under this Act is reduced because of an increase in the allotment made available under this Act, the allotment of such State-certified institution from the next succeeding appropriation shall be reduced in an equivalent amount. The Secretary shall reapportion the amount of such reduction to other eligible colleges and universities of the same State if there be any that qualify therefor and, if there be none, the Secretary shall reapportion such amount to the

qualifying colleges and universities of other States participating in the forestry research program.”.

### *Excess Federal Property*

*Sec. 1443. Section 202(d)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(d)(2)) is amended by—*

- (1) striking out the word “or” at the end of subparagraph (C);*
- (2) striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon and the word “or”; and*
- (3) adding the following new subparagraph immediately after subparagraph (D):*

*“(E) property furnished by the Secretary of Agriculture to any State or county extension service engaged in cooperative agricultural extension work pursuant to the Act of May 8, 1914 (7 U.S.C. 341 et seq.); any State experiment station engaged in cooperative agricultural research work pursuant to the Act of March 2, 1887 (7 U.S.C. 361a et seq.); and any institution engaged in cooperative agricultural research or extension work pursuant to sections 1433, 1434, 1444, or 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195, 3196, 3221, and 3222) or the Act of October 10, 1962 (16 U.S.C. 582a et seq.), where title is retained in the United States. For the purpose of this provision, the term ‘State’ means any one of the fifty States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Marianas, the Trust Territory of the Pacific Islands, the Virgin Islands of the United States, and the District of Columbia.”.*

### *Rural Development and Small Farm Research and Extension*

*Sec. 1444. (a) Title V of the Rural Development Act of 1972 (7 U.S.C. 2661 et seq.) is amended by striking out sections 501 through 508 and inserting in lieu thereof the following:*

*“Sec. 501. Purposes and Goals.—(a) The overall purpose of this title is to foster a balanced national development that provides opportunities for increased numbers of the people of the United States to work and enjoy a high quality of life dispersed throughout our Nation by providing the essential knowledge necessary for successful programs of rural development. It is further the purpose of this title to—*

*“(1) provide multistate regional agencies, States, counties, cities, multicounty planning and development districts, businesses, industries, Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups and others involved with public services and investments in rural areas or that provide or may provide employment in these areas the best available scientific, technical, economic, organizational, environmental, and management information and knowledge useful to them, and to assist and encourage them in the interpretation and application of this information to practical problems and needs in rural development;*

*“(2) provide research and investigations in all fields that have as their purpose the development of useful knowledge and information to assist those planning, carrying out, managing, or*

investing in facilities, services, businesses, or other enterprises, public and private, that may contribute to rural development;

"(3) increase the capabilities of, and encourage, colleges and universities to perform the vital public service roles of research, and the transfer and practical application of knowledge, in support of rural development;

"(4) expand small farm research and extend training and technical assistance to small farm families in assessing their needs and opportunities and in using the best available knowledge on sound economic approaches to small farm operations and on existing services offered by the Department of Agriculture and other public and private agencies and organizations to improve their income and to gain access to essential facilities and services; and

"(5) support activities to supplement and extend programs that address special research and education needs in States experiencing rapid social and economic adjustments or unique problems caused by rural isolation and that address national and regional rural development policies, strategies, issues, and programs.

"(b) the goals of this title are to—

"(1) encourage and support rural United States, in order to help make it a better place to live, work, and enjoy life;

"(2) increase income and improve employment for persons in rural areas, including the owners or operators of small farms, small businesses, and rural youth;

"(3) improve the quality and availability of essential community services and facilities in rural areas;

"(4) improve the quantity and quality of rural housing;

"(5) improve the rural management of natural resources so that the growth and development of rural communities needed to support the family farm may be accommodated with minimum effect on the natural environment and the agricultural land base;

"(6) improve the data base for rural development decision-making at local, State, and national levels; and

"(7) improve the problem solving and development capacities and effectiveness of rural governments, officials, institutions, communities, community leaders, and citizen groups in—

"(A) improving access to Federal programs;

"(B) improving targeting and delivery of technical assistance;

"(C) improving coordination among Federal agencies, other levels of government, and institutions and private organizations in rural areas; and

"(D) developing and disseminating better information about rural conditions.

"Sec. 502. Programs Authorized.—The Secretary of Agriculture may conduct, in cooperation and coordination with colleges and universities, the following programs to carry out the purposes and achieve the goals of this title.

"(a) Rural Development Extension Programs.—Rural development extension programs shall consist of the collection, interpretation, and dissemination of useful information and knowledge from research and other sources to units of multistate regional agencies,

State, county, municipal, and other units of government, multi-county planning and development districts, organizations of citizens contributing to community and rural development, businesses, Indian tribes on Federal or State reservations or other federally recognized Indian tribal groups, and industries that employ or may employ people in rural areas. These programs also shall include technical services and educational activities, including instruction for persons not enrolled as students in colleges or universities, to facilitate and encourage the use and practical application of this information. These programs may also include feasibility studies and planning assistance.

*"(b) Rural Development Research.*—Rural development research shall consist of research, investigations, and basic feasibility studies in any field or discipline that may develop principles, facts, scientific and technical knowledge, new technology, and other information that may be useful to agencies of Federal, State, and local government, industries in rural areas, Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, and other organizations involved in community and rural development programs and activities in planning and carrying out such programs and activities or otherwise be practical and useful in achieving the purposes and goals of this title.

*"(c) Small Farm Research Programs.*—Small farm research programs shall consist of programs of research to develop new approaches for initiating and upgrading small farm operations through management techniques, agricultural production techniques, farm machinery technology, new products, new marketing techniques, and small farm finance; to develop new enterprises that can use labor, skills, or natural resources available to the small farm family; or that will help to increase the quality and availability of services and facilities needed by the small farm family.

*"(d) Small Farm Extension Programs.*—Small farm extension programs shall consist of extension programs to improve small farm operations, including management techniques, agricultural production techniques, agricultural production techniques, farm machinery technology, marketing techniques and small farm finance; to increase use by small farm families of existing services offered by the Department of Agriculture and other public and private agencies and organizations; to assist small farm families in establishing and operating cooperatives for the purpose of improving their family income from farming or other economic activities; to increase the quality and availability of services and facilities needed by small farm families; and to develop new enterprises that can use labor, skills, or natural resources available to the small farm family.

*"(e) Special Grants Programs.*—Special grants programs shall consist of extension and research programs to strengthen research and education on national and regional issues in rural development, including the assessment of alternative policies and strategies for rural development and balanced growth; to develop alternative strategies for national and regional investment, and the creation of employment, in rural areas; to develop alternative energy policies to meet rural development needs; and to strengthen rural development programs of agencies of the Department of Agriculture and those in other Federal departments and agencies.

*"Sec. 503. Appropriation and Allocation of Funds.—(a) There are authorized to be appropriated such sums as are necessary to carry out the purposes of this title.*

*"(b) Such sums as are appropriated to carry out the provisions of sections 502(a) and 502(b) of this title shall be distributed by the Secretary of Agriculture as follows:*

*"(1) 4 per centum shall be retained by the Secretary for program administration and national coordination of State programs, and program assistance to the States;*

*"(2) 10 per centum shall be used to finance work serving two or more States in which colleges or universities in two or more States cooperate or that is conducted by one college or university to serve two or more States;*

*"(3) 20 per centum shall be allocated equally among the States; and*

*"(4) 66 per centum shall be allocated to each State as follows: One-half in an amount that bears the same ratio to the total amount to be allotted as the rural population of the State bears to the total rural population of all the States, as determined by the last preceding decennial census current at that time; and one-half in an amount that bears the same ratio to the total amount to be allotted as the farm population of the State bears to the total farm population of all the States, as determined by the last preceding decennial census current at that time:*

*Provided, That, beginning with the fiscal year ending September 30, 1982, no State may receive more than \$75,000 until all States have been allotted a minimum of \$75,000.*

*"(c) Such sums as are appropriated to carry out the provisions of section 502(e) of this title shall be distributed by the Secretary to colleges and universities, on a competitive or matching fund basis, according to the Secretary's determination of the projects and manner of funding that show the most promise of fulfilling the objectives of section 502(e) of this title.*

*"(d) Funds appropriated under this title may be used to pay salaries and other expenses of personnel employed to carry out the functions authorized by this title; to obtain necessary supplies, equipment, and services; and to rent, repair, and maintain facilities needed, but not to purchase or construct buildings.*

*"(e) Payment of funds to any State for programs authorized under sections 502(a), 502(b), 502(c), and 502(d) of this title shall be contingent upon approval by the Secretary of a plan of work and budget for such programs and compliance with such regulations as the Secretary may issue under this title. Plans for work shall be jointly developed in each State by the land-grant colleges and universities eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.), and the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee Institute. In States in which there is no land-grant institution eligible to receive funds under the Act of August 30, 1890, the land-grant institution eligible to receive funds under the Act of July 2, 1862, shall be responsible for developing plans of work and budgets. In the development of the plans of work and budgets, consideration shall be given to involvement of the resources and expertise of the colleges and universities serving the region in which the plans and budgets are to be applied.*

"(f) Funds shall be available for use by each State in the fiscal year for which appropriated and the next fiscal year following the fiscal year for which appropriated. Funds shall be budgeted and accounted for on such forms and at such times as the Secretary shall prescribe.

"(g) Funds provided to each State under this title may be used to finance programs through or at private and publicly supported colleges and universities other than the institutions responsible for administering the programs, as provided under section 504 of this title.

"Sec. 504. Cooperating Colleges and Universities.—(a) To ensure national coordination with other federally supported agricultural research and extension programs, administration of each State program shall be the responsibility of the colleges and universities eligible to receive funds under the Act of July 2, 1862, and the Act of August 30, 1890, including Tuskegee Institute. In States that contain more than one such institution, such administration shall be the responsibility of the institution designated by mutual agreement of all such institutions, subject to approval by the Secretary of Agriculture. The Secretary shall pay funds available to each State to such institution or university. Such administration shall be coordinated with other federally supported agricultural research and extension programs conducted in the State.

"(b) All private and publicly supported colleges and universities in a State shall be eligible to participate in programs authorized under this title. Officials at universities or colleges other than those responsible for administering the programs that wish to participate in these programs shall submit program proposals to the college or university officials responsible for administering the programs who shall consider such proposals in the process of developing the budgets and plans of work.

"(c) The institution of each State responsible for administering the programs authorized under this title shall designate an official who shall be responsible for the overall coordination of the programs.

"(d) The institution in each State responsible for administering the programs authorized under this title shall name an advisory council to review and approve budgets and plans of work conducted under this title and to advise the chief administrative officer of the institution administering the programs on matters pertaining to the programs. An existing State rural development committee or council may be named to perform this function, or a new council may be appointed by the chief administrative officer or officers. The committee or council named or appointed shall consist of at least twelve members and shall include persons representing farmers, business, labor, banking, local government, multicounty planning and development districts, public and private colleges and universities in the State, and Federal and State agencies involved in rural development.

"Sec. 505. Withholding Funds.—If the Secretary of Agriculture determines that a State is not eligible to receive part or all of the funds to which it is otherwise entitled for programs under sections 502(a) and 502(b) of this title because of a failure to comply with regulations issued by the Secretary under this title, the facts and reasons therefor shall be reported to the President, and the amount

involved shall be kept separate in the Treasury until the expiration of the Congress next succeeding the session of the legislature of the State from which funds have been withheld in order that the State may, if it should so desire, appeal to Congress from the determination of the Secretary. If the next Congress shall not direct such sum to be paid, it shall be covered into the Treasury. If any portion of the moneys that are received by the designated officers of any State for the support and maintenance of programs authorized under this title shall by any action or contingency be diminished or lost, or be misapplied, it shall be replaced by the State.

"Sec. 506. Definitions.—For the purposes of this title—

"(a) 'rural development' means the planning, financing, and development of facilities and services in rural areas that contribute to making those areas desirable places in which to live and make private and business investments; the planning, development, and expansion of business and industry in rural areas to provide increased employment and income; the planning, development, conservation, and use of land, water, and other natural resources of rural areas to maintain or improve the quality of the environment for people and business in rural areas; and the building or improvement of institutional, organizational, and leadership capacities of rural citizens and leaders to define and resolve their own community problems;

"(b) 'State' means the several States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands; and

"(c) 'small farm' means any farm (1) producing family net income from all sources (farm and nonfarm) below the median nonmetropolitan income of the State; (2) operated by a family dependent on farming for a significant though not necessarily a majority of its income; and (3) on which family members provide most of the labor and management.

"Sec. 507. Regulations.—The Secretary of Agriculture may issue such regulations as the Secretary determines necessary to carry out the provisions of this title."

(b) Section 509 of the Rural Development Act of 1972 (7 U.S.C. 2669) is redesignated as section 508, and section 510 of the Rural Development Act of 1972 (7 U.S.C. 2670) is repealed.

#### *Increased Emphasis on Marketing Education Programs for Small and Medium Size Family Farming Operations*

Sec. 1445. In carrying out marketing research and education programs, the Secretary of Agriculture shall take such steps as may be necessary to increase the efforts of the Department of Agriculture in providing marketing education programs for persons engaged in small and medium size family farm operations.

#### *Soybean Research Advisory Institute*

Sec. 1446. (a)(1) There is established within the Department of Agriculture a temporary advisory body to be known as the Soybean Research Advisory Institute (hereinafter in this section referred to as the "Advisory Institute").

(2) The Advisory Institute shall be composed of eleven members appointed by the Secretary of Agriculture (hereinafter in this section

referred to as the "Secretary"). Members appointed to the Advisory Institute shall be individuals who are recognized soybean research experts and shall represent the interest of soybean producers, soybean processors, land grant colleges and universities, Federal research agencies, and private industry. The Secretary shall, to the maximum extent practicable, balance the membership of the Advisory Institute geographically on the basis of the soybean producing areas of the United States.

(3) The Secretary shall designate a representative of the soybean producers to serve as Chairman of the Advisory Institute.

(b) It shall be the function of the Advisory Institute to—

(1) assess the effectiveness of the ongoing soybean research programs in the United States;

(2) assess the impediments to increased United States soybean production, including the soybean cyst nematode, and consider the most effective means of removing such impediments;

(3) evaluate the available means and the potential for increasing soybean production in the United States;

(4) estimate the amount of funds required to carry out a coordinated program of national soybean research to develop means of effectively increasing the overall United States soybean production and profitability; and

(5) develop plans for and sponsor an international conference on soybean research for the purpose of comparing and sharing current information on the production and sharing current information on the production and utilization of soybeans.

(c) The Advisory Institute shall submit to the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture, not later than March 1, 1983, a comprehensive report on the findings of the Advisory Institute regarding research on soybean production and utilization. The Advisory Institute shall also include in such report its recommendations for actions that should be taken to ensure that an effective soybean research program is carried out in the United States.

(d) Members shall receive no compensation for service on the Advisory Institute but may be paid, while in the performance of their duties away from their homes or regular places of business, travel expenses, including per diem in lieu of subsistence, as authorized by sections 5701 through 5707 of title 5, United States Code, for persons employed intermittently in Government service.

(e) The Advisory Institute shall cease to exist on the day on which it submits its report to the committees referred to in subsection (c).

### Administrative Jurisdiction Over Lands

Sec. 1447. It is the intent of Congress that dual administration and jurisdiction by the Department of Agriculture and Interior over certain lands currently administered by the Secretary of Agriculture should be avoided. Therefore, the Secretary of Agriculture shall have sole administrative jurisdiction of the following described lands: The United States Sheep Experiment Station in Idaho and Summer Range in Montana. These lands, containing a total of 45,013 acres of land, more or less, were withdrawn by Executive Orders 3767, dated December 19, 1922; 2268, dated October 30, 1915; 2491, dated November 21, 1916; 3141, dated August 6, 1919; and 3165, dated September 3, 1919, for agricultural experiment purposes.