



**Conference Report to Accompany
Agriculture and Food Act of 1981
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TITLE XV—RESOURCE CONSERVATION

Subtitle A—Soil and Water Conservation

Policy

Sec. 1501. Congress hereby reaffirms its policy to promote soil and water conservation, improve the quality of the Nation's waters, and preserve and protect natural resources through the use of effective conservation and pollution abatement programs.

Subtitle B—Special Areas Conservation Program

Findings

Sec. 1502. Congress finds that—

(1) studies by the Department of Agriculture indicate that billions of tons of soil are eroded annually from non-Federal lands in the United States, much of which represents soil eroded from cropland;

(2) nearly one-half of the four hundred and thirteen million acres of cropland have soils with moderate, high, or very high risk of damage by sheet and rill erosion;

(3) the severity of erosion-related problems varies widely from one geographic area to the next;

(4) some of the most productive agricultural areas of the United States are also those having the most serious and chronic erosion-related problems;

(5) solutions to such chronic erosion-related problems should be designed to address the local social, economic, environmental, and other conditions unique to the area involved to ensure that the goals and policies of the Federal Government are effectively integrated with the concerns of the local community;

(6) certain range and pasturelands in the United States are producing less than their potential and therefore their productive capacity could be substantially improved by application of intensified range and pasture management practices; the protection of these lands is essential to controlling erosion, improving ecological conditions, enhancing wildlife and riparian habitats, improving water quality and yield, and meeting the need to produce food and fiber in a manner that is more energy efficient; and

(7) there is a need for—

(A) reducing seepage from on-farm and off-farm irrigation ditches and conveyance systems;

(B) improving water conservation and utilization; and

(C) installing measures to capture on-farm irrigation return flows.

Formulation and Implementation of Special Areas Conservation Program

Sec. 1503. (a) The Secretary of Agriculture (hereafter in this subtitle referred to as the "Secretary") shall establish a program for the conservation of soil, water, and related resources in special areas designated pursuant to section 1504 (hereafter in this subtitle referred to as "designated special areas") by providing technical and financial assistance to owners and operators or groups of owners and operators of farm, ranch, and certain other lands at their re-

quest. Such assistance with respect to State, county, and other public land shall be limited to those lands that are an integral part of a private farm operating unit and under the control of the private land owner or operator.

(b) To carry out the program established under this subtitle, the Secretary may enter into contracts with owners and operators of farm, ranch, or other land in a designated special area having such control over the land as the Secretary deems necessary. Contracts may be entered into with respect to land in a designated special area which is not farm or ranch land only if the erosion-related problems of such land are so severe as to make such contracts with respect to such land necessary for the effective protection of farm or ranch land in that designated special area. Contracts under this subtitle shall be designed to provide assistance to the owners or operators of such farm, ranch, or other land to make voluntary changes in their cropping systems which are needed to conserve or protect the soil, water, and related resources of such lands, and to carry out the soil and water conservation practices and measures needed under such changed systems and uses.

(c) The basis for such contracts shall be a conservation plan approved by the Secretary and the soil and water conservation district in which the land on which the plan is to be carried out is situated. The Secretary shall provide to the land owner or operator, upon request, such technical assistance as may be needed to prepare and submit to the Secretary a conservation plan that—

(1) incorporates such soil and other conservation practices and measures as may be determined to be practicable to protect such land from erosion or water-related problems;

(2) outlines a schedule for the implementation of changes in cropping systems or use of land or of water and of conservation practices and measures proposed to be carried out on the farm, ranch, or other land during the contract period;

(3) is designed to take into account the local social, economic, and environmental conditions, which will help solve the particular erosion or water-related problems of the designated area;

(4) may allow for such varying levels of conservation application as are appropriate to address the problems and may be developed to cover all or part of a farm, ranch, or other land as determined to be necessary to solve the conservation problems;

(5) may include practices and measures for enhancing fish and wildlife and recreation resources and for reducing or controlling agricultural-related pollution; and

(6) identifies those conservation practices and measures, including planned grazing systems, needed to improve vegetative conditions, reduce erosion, and conserve water on range and pasturelands.

(d) The land owner or operator, in any contract entered into under this subtitle, shall agree—

(1) to carry out the plan for the owner's or operator's farm, ranch, or other land substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secretary pursuant to subsection (f);

(2) to forfeit further payments under the contract and refund to the United States all payments received thereunder, including interest, upon violation by the owner or operator of the con-

tract at any stage during the time the owner or operator has control of the land if the Secretary, after considering the recommendations of the soil and water conservation district board for the district in which the lands are located, determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds, including interest, or accept such payment adjustments as the Secretary may deem appropriate if the Secretary determines that the violation by the owner or operator does not warrant termination of the contract;

(3) not to adopt any practice or measure specified by the Secretary in the contract which would tend to defeat the purposes of the contract; and

(4) upon transfer, during the contract period, of the rights or interests of the owner or operator in the farm, ranch, or other land on which the plan is to be carried out, to forfeit all rights to further payments under the contract and refund to the United States all payments received thereunder, including interest, unless the transferee of any such land agrees with the Secretary to assume all obligations of the contract.

(e) In return for such agreement by the landowner or operator, the Secretary shall agree to share the cost of carrying out those conservation practices and measures set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest. The portion of the costs to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the implementation, and, if applicable, the maintenance of the conservation practices and measures under the contract, including the cost of labor. In determining the share of costs to be borne by the Federal Government, the Secretary shall take into consideration the particular social, economic, and environmental conditions of the geographic area involved and the degree of conservation to be achieved. The Secretary shall determine the maximum amount of cost-share assistance that may be provided to any single recipient. If adjustments from cultivated crops to permanent vegetative cover or changes in crop varieties are undertaken as a conservation practice or measure under the contract, cost-share assistance may be provided under such contract with regard to the income lost as a result of such adjustments.

(f) The Secretary may terminate any contract with a landowner or operator by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest. The Secretary may agree to such modification of contracts previously entered into as the Secretary may determine to be desirable to carry out the purposes of the program or facilitate the practical administration thereof or to accomplish equitable treatment with respect to similar conservation or other programs administered by the Secretary.

(g) The Secretary may also enter into contracts with landowners or operators for the purpose of maintaining any conservation practice or measure established under this subtitle or other conservation practice or measure which has been adequately established, and to provide necessary assistance to retain the practice or measure on the land. The provisions and administration of such contracts shall be in accordance with the requirements set forth in subsections (b) through (f) of this section.

Program To Be Directed at Specific Problems

Sec. 1504. (a) The program established under this subtitle shall be directed toward identifying and correcting such erosion-related or water management-related problems as may exist within each designated special area. Assistance under this subtitle may be provided to any geographical area of the United States only if such area is first designated by the Secretary as having severe and chronic erosion-related or water management-related problems.

(b) In designating a geographic area as a special area under this subtitle, the Secretary shall review national resources inventory data, river basin plans, special studies, and other resource information; consider tons of soil loss prevented, acres protected, and volume of water conserved; and evaluate the degree and type of interagency cooperation, the degree of local acceptance of the planned target activity, and the significant favorable and adverse impacts of the targeted activity. The Secretary shall prepare and publish a report setting forth an assessment of the problems, objectives, and priorities in such area, and a schedule for the implementation of the program under this subtitle. The report shall also indicate how the program with respect to such area takes into consideration ongoing programs of Federal, State, and local agencies, including soil conservation districts, relating to soil and water conservation, pollution abatement, or the improvement or protection of forest land. The Secretary shall, to the extent practicable, assure that all Department of Agriculture conservation programs operating in a designated special area complement the conservation objectives outlined for such area.

Contract Limitations

Sec. 1505. Special areas may be designated pursuant to section 1504 of this subtitle at any time within the period beginning on the date of enactment of this subtitle and ending on September 30, 1991. Contracts authorized by subsections (b) and (g) of section 1503 of this subtitle may be entered into at any time within ten years after the designation of the special area to which they relate and may not exceed ten years in duration. The total dollar amount of such contracts that may be entered into in any one fiscal year shall not exceed such amounts as may be provided for in advance in appropriations Acts.

Notification of Congress and Approval of Designations

Sec. 1506. The Secretary shall submit a copy of each special area report developed and published pursuant to section 1504(b) of this subtitle to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives at least forty-five days prior to entering into any contract under section 1503 of this subtitle with respect to land in the designated special area.

Utilization of Services and Facilities

Sec. 1507. In carrying out the provisions of this subtitle, the Secretary may utilize the services of local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act and the technical services of the Department of Agriculture, soil and water conservation districts, and other State or

local agencies. The Secretary may utilize the services and facilities of the Commodity Credit Corporation in carrying out this subtitle.

Improvement of Technology

Sec. 1508. The Secretary may expend funds directly or through grants for such research as is needed to assist in developing new or improving existing technologies for controlling erosion or water-related problems in designated special areas.

Authorization for Appropriations

Sec. 1509. There are authorized to be appropriated annually, to be available until expended, such sums as may be necessary to carry out the program authorized by this subtitle.

Report to Congress

Sec. 1510. The Secretary shall submit a report to Congress by January 1, 1986, and at the end of each five-year interval thereafter concerning the operation of the program provided for in this subtitle. Such report shall contain an evaluation of the operation of such program and shall include recommendations for such additional legislation as may be necessary to solve identified soil, water, and related resources problems in areas designated by the Secretary under this subtitle and to utilize new technology and research related to such problems.

Protection of Participants

Sec. 1511. No person shall be disqualified from participating in, or suffer any forfeiture or reduction benefits under, any other program administered by the Secretary by virtue of participation in the program provided for in this subtitle.

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

Amendments to Small Watershed Program

Sec. 1512. (a) Section 2 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1002) is amended by changing the period at the end thereof to a semicolon and inserting immediately thereafter the following: "or any Indian tribe or tribal organization, as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b), having authority under Federal, State, or Indian tribal law to carry out, maintain, and operate the works of improvement."

(b) Section 2 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1002) is further amended by striking out "\$1,000,000" and inserting in lieu thereof "\$5,000,000".

(c) Section 3(6) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003(6)) is amended by inserting "energy," after "wildlife,".

(d) Section 4(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1004(1)) is amended by changing the semicolon at the end thereof to a colon and inserting immediately thereafter the following: "Providing further, That the Secretary shall be authorized to bear an amount not to exceed one-half of the costs of the land, easements, or rights-of-way acquired or to be acquired by the local

organization for mitigation of fish and wildlife habitat losses, and that such acquisition is not limited to the confines of the watershed project boundaries;"

(e) Section 5(3) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005(3)) is amended by striking out "\$1,000,000" and inserting in lieu thereof "\$5,000,000".

(f) Section 5(4) of the Watershed Protection Flood Prevention Act (16 U.S.C. 1005(4)) is amended by striking out "\$1,000,000" and inserting in lieu thereof "\$5,000,000".

Amendment to the Bankhead-Jones Farm Tenant Act

Sec. 1513. Section 31 of title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010) is amended by inserting "developing energy resources," after "dams and reservoirs,".

Subtitle D—Matching Grants for Conservation Activities

Grants Program

Sec. 1514 (a) The Secretary of Agriculture (hereafter referred to in this subtitle as the "Secretary") may formulate and implement a program for furthering the conservation of soil, water, and related resources through annual grants to local units of government through State soil conservation agencies. Such grants shall be for noncapital expenditures in furtherance of local and State conservation objectives specified in section 1516 of this subtitle.

(b) Such grants shall be made to augment rather than to replace other technical and financial assistance programs of the Department of Agriculture.

(c) A local unit of government may be eligible for a grant under subsection (a) if it—

(1) has in effect a current long-range program which the State soil conservation agency determines is adequate to meet local and State laws and objectives;

(2) has in effect a current annual work plan which is consistent with the long-range program in paragraph (1) of this subsection; and

(3) certifies to the Secretary or the Secretary's designee at the State level that it has arranged for equal matching funds or in-kind services to the local unit from regional, State, local, or private sources.

(d) Whenever the Secretary determines that a component of the long-range program or annual work plan involves primarily a national rather than a local or State objective, the State or local matching funds required for the national component of the long-range program or annual plan need not exceed 25 per centum of the total funds required to accomplish the national objective. The Secretary, by regulation, shall define those objectives which are national in scope.

Program Implementation and Review

Sec. 1515. (a) The State soil conservation agency, the State Agricultural Stabilization and Conservation committee, and the Secretary or the Secretary's designee at the State level shall review programs and work plans under section 1514(c) of this subtitle, and may recommend additions or changes in order to meet urgent State,

multistate, and national conservation needs or priorities as developed under the Soil and Water Resources Conservation Act or 1977 or similar authority.

(b) For purposes of implementing the program and plan, the local unit of government is encouraged to seek information from and the cooperation of—

- (1) local agencies, organizations, and citizens; and
- (2) agencies of the Department of Agriculture or other Federal agencies, cooperative extension services, and others that may be designated by the Secretary or the Governor to serve as advisers.

Plans

Sec. 1516. (a) Long-range programs and annual work plans may include any of the following soil, water, and related resource conservation objectives: (1) soil erosion prevention and control; (2) cropland, forest, woodland, pasture, or rangeland improvement; (3) water conservation, development, and management, and water quality improvement; (4) agricultural land retention or preservation; (5) demonstration projects to test and publicize the effectiveness of natural resource management systems adapted to local conditions; (6) fish and wildlife habitat improvement; (7) animal waste management; (8) watershed protection and flood prevention; (9) sediment control and stormwater management in urbanizing areas; (10) environmentally sound energy conservation and production; (11) leadership in natural resources aspects of rural community planning and development; or (12) any other purpose authorized or required by local or State conservation laws.

(b) If an objective has been identified which will require more than one year to complete or reach, the Secretary or the Secretary's designee may enter into a long-term agreement of not more than ten years with the local unit of government or State agency to provide funding assistance for the term of the agreement. Such assistance shall be contingent upon the amount of funds appropriated under section 15.19 of this subtitle.

Matching Funds

Sec. 1517. (a) Federal matching grant funds, as mutually agreed upon by the State soil conservation agency and the Secretary, may be used to provide technical assistance to land owners and operators for planning and application of soil and water conservation practices and measures and natural resource management systems.

(b) Such technical assistance shall be administered by the State soil conservation agency through local soil and water conservation districts.

(c) Such technical assistance shall be fully coordinated with technical assistance provided through ongoing Federal, State, and local resource conservation programs, and shall be in accord with established technical standards or guidelines.

(d) The basis for the transfer of grant funds shall be a grant agreement entered into by the Secretary or the Secretary's designee with the local unit of government or State agency.

Records

Sec. 1518. (a) Each local unit of government or State agency receiving assistance under this subtitle shall keep such records as the

Secretary requires, including records which fully disclose the amount and disposition by such unit or agency of the proceeds of such grants, the total cost of the projects or undertakings in connection with which such funds are given or used, and the amount of that portion of the costs of the projects or undertakings supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Secretary and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of each local unit of government or State agency that are pertinent to the grants under this subtitle.

Authorization for Appropriations

Sec. 1519. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle, such sums to remain available until expended.

(b) No funds shall be appropriated to carry out this subtitle for the fiscal year beginning October 1, 1992, and subsequent fiscal years, except as authorized by law enacted after the effective date of this subtitle.

(c) The Secretary shall report to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry on the progress of the program authorized by this subtitle. The first such report shall be submitted by January 1, 1986, and a succeeding report by January 1, 1991. Each such report shall include an evaluation of the program and the Secretary's recommendations for strengthening it.

Subtitle E—Conservation Loan Program

Conservation Loans

Sec. 1520. (a) Section 4(h) of the Commodity Credit Corporation Charter Act is amended by inserting immediately after the second sentence the following: "To encourage the alleviation of natural resource conservation problems that reduce the productive capacity of the Nation's land and water resources or that cause degradation of environmental quality, the Corporation may, beginning with enactment of the Agriculture and Food Act of 1981, make loans to any agricultural producer for those natural resource conservation and environmental enhancement measures that are recommended by the applicable county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act and are included in the producer's conservation plan approved by the local soil and water conservation district; such loans shall be for a period not to exceed ten years at a rate of interest based upon the rate of interest charged the Corporation by the United States Treasury; the Corporation may make loans to any one producer in any fiscal year in an amount not to exceed \$25,000; loans up to \$10,000 in amount may be unsecured and loans in excess of \$10,000 shall be secured; and the total of such unsecured and secured loans made in each fiscal year shall not exceed \$200,000,000: Provided, That the authority provided by this sentence to make loans shall be effective only to the extent and in such amounts as may be provided for in prior appropriation Acts."

Subtitle F—Reservoir Sedimentation Reduction Program

Formulation of Program

Sec. 1521. The Secretary of Agriculture (hereafter referred to in this subtitle as the "Secretary") may formulate and implement a program for testing the feasibility of reducing excessive sedimentation in existing reservoirs. Such an assistance program shall be implemented on the watershed drainage areas of no more than five publicly owned reservoirs. The Secretary shall select for the program those reservoirs in which excessive amounts of sediment are being deposited because of critical soil erosion problems in the watershed drainage area.

Plans

Sec. 1522. For each reservoir and drainage area selected under section 1521 of this subtitle, a plan shall be prepared that includes an assessment of the problems, a listing of objectives and priorities, and an implementation plan for achieving the objectives. The Secretary shall enter into an agreement with the soil and water conservation districts containing land within the reservoir or drainage area, an agency of State government designated by the Governor, and units of local government that have recognized interests in the reservoir, for the purpose of preparing the plan. The plan shall be signed by the Secretary, or the Secretary's designee, and the other parties to the agreement.

Approval of Plans

Sec. 1523. The Secretary shall submit each plan developed under section 1522 of this subtitle to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. The Secretary may implement any such plan only after each such committee adopts a resolution approving the plan.

Authorization for Appropriations

Sec. 1524. There are authorized to be appropriated, for each of the fiscal years 1983 through 1987, such sums as may be necessary for carrying out the provisions of this subtitle, such sums to remain available until expended.

Report

Sec. 1525. The Secretary shall submit a report evaluating the program authorized under this subtitle to Congress by January 1, 1987. The report shall include a recommendation as to whether the program should be extended and, if so, how it could be strengthened.

Subtitle G—Volunteers for Department of Agriculture Programs

Establishment of Program

Sec. 1526. (a) The Secretary of Agriculture (hereafter referred to in this subtitle as the "Secretary") may establish a program to use volunteers in carrying out the programs of the Department of Agriculture.

(b) *The Secretary may accept, subject to regulations issued by the Office of Personnel Management, voluntary service for the Department of Agriculture for such purpose if the service:*

(1) *is to be without compensation; and*

(2) *will not be used to displace any employee of the Department of Agriculture including the local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act.*

(c) *Any individual who provides voluntary service under this subtitle shall not be considered a Federal employee, except for purposes of chapter 81 of title 5, United States Code (relating to compensation for injury), and sections 2671 through 2680 of title 28, United States Code (relating to tort claims).*

Authorization for Appropriations

Sec. 1527. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle, such sums to remain available until expended.

Subtitle H—Resource Conservation and Development Program

Purpose

Sec. 1528. It is the purpose of this subtitle to encourage and improve the capability of State and local units of government and local nonprofit organizations in rural areas to plan, develop, and carry out programs for resource conservation and development.

Definitions

Sec. 1529. As used in this subtitle—

(1) *The term "area plan" means a resource conservation and utilization plan which is developed for a designated area of a State or States through a planning process and which includes one or more of the following elements:*

(A) *a land conservation element, the purpose of which shall be to control erosion and sedimentation;*

(B) *a water management element, the purpose of which shall be to provide for the conservation, utilization, and quality of water, including irrigation and rural water supplies, the mitigation of floods and high water tables, construction, repair, and improvement of dams and reservoirs, improvement of agricultural water management, and improvement of water quality through control of nonpoint sources of pollution;*

(C) *a community development element, the purpose of which shall be the development of natural resources based industries, protection of rural industries from natural resource hazards, development of aquaculture, development of adequate rural water and waste disposal systems, improvement of recreation facilities, improvement in the quality of rural housing, provision of adequate health and education facilities, and satisfaction of essential transportation and communication needs; or*

(D) *other elements, the purpose of which may include energy conservation or protection of agricultural land, as appropriate,*

from conversion to other uses, or protection of fish and wildlife habitats.

(2) The term "designated area" means a geographic area designated by the Secretary to receive as assistance under this subtitle.

(3) The term "planning process" means the continuous effort by any State, local unit of government, or local nonprofit organization to develop and carry out effective resource conservation and utilization plans for a designated area, including development of an area plan, goals, objectives, policies, implementation activities, evaluations and reviews, and the opportunity for public participation in such efforts.

(4) The term "financial assistance" means the cost-sharing arrangements that are available under this subtitle through Federal contracts, grants, or loans.

(5) The term "local unit government" means any county, city, town, township, parish, village, or other general-purpose subdivision of a State, any local or regional special district or other limited political subdivision of a State, including any soil conservation district, school district, park authority, and water or sanitary district, or any Indian tribe or tribal organization established under Federal, State, or Indian tribal law.

(6) The term "nonprofit organization" means any community association, wildlife group, or resource conservation organization that is incorporated and approved by the Secretary for the purpose of providing to any rural area those public facilities or services included in the area plan for such rural area.

(7) The term "Secretary" means the Secretary of Agriculture.

(8) The term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and American Samoa.

(9) The term "technical assistance" means any service provided by personnel of the Department of Agriculture or non-Federal personnel working through the Department of Agriculture, including, but not limited to, inventorying, evaluating, planning, designing, supervising, laying out and inspecting works of improvement, and the providing of maps, reports, and other documents associated with the services provided.

(10) The term "works of improvement" means the facilities installed or being installed in accord with an area plan.

Resource Conservation and Development Program

Sec. 1530. The Secretary shall establish a resource conservation and development program under which the Secretary shall make available to States, local units of government, and local nonprofit organizations the technical and financial assistance necessary to permit such States, local units of government, and local nonprofit organizations to operate and maintain a planning and implementation process needed to conserve and improve the use of land, develop natural resources, and improve and enhance the social, economic, and environmental conditions in rural areas of the United States.

Selection of New Designated Areas

Sec. 1531. The Secretary shall select designated areas for assistance under this subtitle on the basis of the elements specified in section 1529(1).

Authority of the Secretary

Sec. 1532. In carrying out the provisions of this subtitle, the Secretary may—

(1) provide technical assistance to any State, local unit of government, or local nonprofit organization within a designated area to assist in developing and implementing an area plan for that area;

(2) cooperate with other departments and agencies of the Federal Government, State, and local units of government, and with local nonprofit organizations in conducting surveys and inventories, disseminating information, and developing area plans;

(3) assist in carrying out an area plan approved by the Secretary for any designated area by providing technical and financial assistance to any State, local unit of government, or local nonprofit organization designated to receive such assistance by the Governor or legislature of the State concerned; and

(4) enter into agreements with States, local units of government, and local nonprofit organizations, as provided in section 1533.

Agreements; Terms and Conditions

Sec. 1533. (a) Technical and financial assistance, including loans, may be provided by the Secretary to any State, local unit of government, or local nonprofit organization to assist in carrying out works of improvement specified in an area plan approved by the Secretary only if—

(1) such State, local unit of government, or local nonprofit organization agrees in writing to carry out such works of improvement and to finance or arrange for financing of any portion of the cost of carrying out such works of improvement for which financial assistance is not provided by the Secretary under this subtitle;

(2) the works of improvement for which assistance is to be provided under this subtitle are included in an area plan and have been approved by the State, local unit of government, or local nonprofit organization to be assisted;

(3) the Secretary determines that assistance to finance the type of works of improvement concerned is not reasonably available to such State, local unit of government, or local nonprofit organization under any other Federal program;

(4) the works of improvement provided for in the area plan are consistent with any current comprehensive plan for such area;

(5) the cost of the land or an interest in the land acquired or to be acquired under such plan by any State, local unit of government, or local nonprofit organization is borne by such State, local unit of government, or local nonprofit organization; and

(6) the State, local unit of government, or local nonprofit organization participating in an area plan agrees to maintain

and operate all works of improvement installed under such plan.

(b) Loans made under this subtitle shall be made on such terms and conditions as the Secretary may prescribe, except that such loans shall have a repayment period of not more than thirty years from the date of completion of the work of improvement for which the loan is made and shall bear interest at the average rate of interest paid by the United States on its obligations of a comparable term, as determined by the Secretary of the Treasury.

(c) Assistance may not be made available to any State, local unit of government, or local nonprofit organization to carry out any area plan unless such plan has been submitted to and approved by the Secretary.

(d) The Secretary may withdraw technical and financial assistance with respect to any area plan if the Secretary determines that such assistance is no longer needed or that sufficient progress has not been made toward developing or implementing the elements of such plan.

Resource Conservation and Development Policy Board

Sec. 1534. (a) The Secretary shall establish within the Department of Agriculture a Resource Conservation and Development Policy Board.

(b) Such board shall be composed of seven employees of the Department of Agriculture selected by the Secretary. One member shall be designated by the Secretary to serve as chairman.

(c) It shall be the function of such board to advise the Secretary regarding the administration of the provisions of this subtitle, including the formulation of policies for carrying out the program provided for by this subtitle.

Evaluation of Program

Sec. 1535. The Secretary shall evaluate the program provided for in this subtitle to determine whether such program is effectively meeting the needs of, and the objectives identified by, the States, local units of government, and local nonprofit organizations participating in such program. The Secretary shall submit a report to Congress containing the results of the evaluation not later than December 31, 1986, together with the Secretary's recommendations for continuing, terminating, redirecting, or modifying such program.

Limitation on Provision of Assistance

Sec. 1536. The program provided for in this subtitle shall be limited to providing technical and financial assistance to not more than two hundred and twenty-five active designated areas.

Supplemental Authority of the Secretary

Sec. 1537. The authority of the Secretary under this subtitle to assist States, local units of government, and local nonprofit organizations in the development and implementation of area plans shall be supplemental to, and not in lieu of, any authority of the Secretary under any other provision of law.

Authorization for Appropriations

"Sec. 1538. There are authorized to be appropriated for each of the five fiscal years beginning October 1, 1982, and ending September 30, 1987, such sums as may be necessary to carry out the provisions of this subtitle, except that not more than \$15,000,000 may be appropriated for loans for any fiscal year. Funds appropriated pursuant to this subtitle shall remain available until expended.

Subtitle I—Farmland Protection Policy Act

Short Title

Sec. 1539. This subtitle may be cited as the "Farmland Protection Policy Act".

Findings, Purpose, and Definitions

"Sec. 1540. (a) Congress finds that—

(1) the Nation's farmland is a unique natural resource and provides food and fiber necessary for the continued welfare of the people of the United States;

(2) each year, a large amount of the Nation's farmland is irrevocably converted from actual or potential agricultural use to nonagricultural use;

(3) continued decrease in the Nation's farmland base may threaten the ability of the United States to produce food and fiber in sufficient quantities to meet domestic needs and the demands of our export markets;

(4) the extensive use of farmland for nonagricultural purposes undermines the economic base of many rural areas;

(5) Federal actions, in many cases, result in the conversion of farmland to nonagricultural uses where alternative actions would be preferred;

(6) the Department of Agriculture is the agency primarily responsible for the implementation of Federal policy with respect to United States farmland, assuring the maintenance of the agricultural production capacity of the United States, and has the personnel and other resources needed to implement national farmland protection policy; and

(7) the Department of Agriculture and other Federal agencies should take steps to assure that the actions of the Federal Government do not cause United States farmland to be irreversibly converted to nonagricultural uses in cases in which other national interests do not override the importance of the protection of farmland nor otherwise outweigh the benefits of maintaining farmland resources.

(b) The purpose of this subtitle is to minimize the extent to which Federal programs contribute to the unnecessary and irreversible conversion of farmland to nonagricultural uses, and to assure that Federal programs are administered in a manner that, to the extent practicable, will be compatible with State, unit of local government, and private programs and policies to protect farmland.

(c) As used in this subtitle—

(1) the term "farmland" includes all land defined as follows:

(A) prime farmland is land that has the best combination of physical and chemical characteristics for producing food, feed, fiber, forage, oilseed, and other agricultural

crops with minimum inputs of fuel, fertilizer, pesticides, and labor, and without intolerable soil erosion, as determined by the Secretary. Prime farmland includes land that possesses the above characteristics but is being used currently to produce livestock and timber. It does not include land already in or committed to urban development or water storage;

(B) unique farmland is land other than prime farmland that is used for production of specific high-value food and fiber crops, as determined by the Secretary. It has the special combination of soil quality, location, growing season, and moisture supply needed to economically produce sustained high quality or high yields of specific crops when treated and managed according to acceptable farming methods. Examples of such crops include citrus, tree nuts, olives, cranberries, fruits, and vegetables; and

(C) farmland, other than prime or unique farmland, that is of statewide or local importance for the production of food, feed, fiber, forage, or oilseed crops, as determined by the appropriate State or unit of local government agency or agencies, and that the Secretary determines should be considered as farmland for the purposes of this subtitle;

(2) the term "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or any territory or possession of the United States;

(3) the term "unit of local government" means the government of a county, municipality, town, township, village, or other unit of general government below the State level, or a combination of units of local government acting through an areawide agency under State law or an agreement for the formulation of regional development policies and plans;

(4) the term "Federal program" means those activities or responsibilities of a department, agency, independent commission, or other unit of the Federal Government that involve (A) undertaking, financing, or assisting construction or improvement projects; or (B) acquiring, managing, or disposing of Federal lands and facilities. The term "Federal program" does not include construction or improvement projects that on the effective date of this subtitle are beyond the planning stage and are in either the active design or construction state; and

(5) the term "Secretary" means the Secretary of Agriculture.

Farmland Protection Policy

Sec. 1541. (a) The Department of Agriculture, in cooperation with other departments, agencies, independent commissions, and other units of the Federal Government, shall develop criteria for identifying the effects of Federal programs on the conversion of farmland to nonagricultural uses.

(b) Departments, agencies, independent commissions, and other units of the Federal Government shall use the criteria established under subsection (a) of this section, to identify and take into account the adverse effects of Federal programs on the preservation of farmland; consider alternative actions, as appropriate, that could

lessen such adverse effects; and assure that such Federal program, to the extent practicable, are compatible with State, unit of local government, and private programs and policies to protect farmland.

(c) The Department of Agriculture may make available to States, units of local government, individuals, organizations, and other units of the Federal Government information useful in restoring, maintaining, and improving the quantity and quality of farmland.

Existing Policies and Procedures

Sec. 1542. (a) Each department, agency, independent commission, or other unit of the Federal Government, with the assistance of the Department of Agriculture, shall review current provisions of law, administrative rules and regulations, and policies and procedures applicable to it to determine whether any provision thereof will prevent such unit of the Federal Government from taking appropriate action to comply fully with the provisions of this subtitle.

(b) Each department, agency, independent commission, or other unit of the Federal Government, with the assistance of the Department of Agriculture, shall, as appropriate, develop proposals for action to bring its programs, authorities, and administrative activities into conformity with the purpose and policy of this subtitle.

Technical Assistance

Sec. 1543. The Secretary is encouraged to provide technical assistance to any State or unit of local government, or any nonprofit organization, as determined by the Secretary, that desires to develop programs or policies to limit the conversion of productive farmland to nonagricultural uses.

Farmland Resource Information

Sec. 1544. (a) The Secretary, through existing agencies or inter-agency groups, and in cooperation with the cooperative extension services of the States, shall design and implement educational programs and materials emphasizing the importance of productive farmland to the Nation's well-being and distribute educational materials through communications media, schools, groups, and other Federal agencies.

(b) The Secretary shall designate one or more farmland information centers to serve as central depositories and distribution points for information on farmland issues, policies, programs, technical principles, and innovative actions or proposals by local and State governments.

Grants; Contracts

Sec. 1545. The Secretary may carry out the purposes of this subtitle, with existing facilities and funds otherwise available, through the use of grants, contracts, or such other means as the Secretary deems appropriate.

Report

Sec. 1546. Within one year after the enactment of this subtitle, the Secretary of Agriculture shall report to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives on the progress made in

implementing the provisions of this subtitle. Such report shall include information on—

- (1) the effects, if any, of Federal programs, authorities, and administrative activities with respect to the protection of United States farmland; and
- (2) the results of the reviews of existing policies and procedures required under section 1544(a) of this subtitle.

Statement of Limitation

Sec. 1547. (a) This subtitle does not authorize the Federal Government in any way to regulate the use of private or non-Federal land, or in any way affect the property rights of owners of such land.

(b) None of the provisions or other requirements of this subtitle shall apply to the acquisition or use of farmland for national defense purposes.

Prohibition

Sec. 1548. This subtitle shall not be deemed to provide a basis for any action, either legal or equitable, by any State, local unit of government, or any person or class of persons challenging a Federal project, program, or other activity that may affect farmland.

Effective Date

Sec. 1549. The provisions of this subtitle shall become effective six months after the date of enactment of this Act.

Subtitle J—Miscellaneous Provisions

Local Search and Rescue Operations

Sec. 1550. The Secretary of Agriculture may assist, through the use of Soil Conservation Service personnel, vehicles, communication equipment, and other equipment or materials available to the Secretary, in local search and rescue operations when requested by responsible local public authorities. Such assistance may be provided in emergencies caused by tornadoes, fires, floods, snowstorms, earthquakes, and similar disasters.

Reclamation

Sec. 1551. Section 406(d) of the Surfacing Mining Control and Reclamation Act of 1977 (30 U.S.C. 1236(d)) is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this section with regard to acreage limitations, the Secretary of Agriculture may carry out experimental reclamation treatment projects to control erosion and improve water quality on all lands within a hydrologic unit, consisting of not more than 25,000 acres, if the Secretary determines that treatment of such lands as a hydrologic unit will achieve greater reduction in the adverse effects of past surface mining practices than would be achieved if reclamation was done on individual parcels of land."

Payments for Land Removed From Production for Conservation Purposes

Sec. 1552. (a) The Secretary of Agriculture may enter into contracts to provide financial assistance in the form of payments to owners and operators of cropland located in counties where the soil

normally freezes to a depth of at least four inches annually who remove such land from agricultural production for a period not to exceed one year for the purpose of installing enduring conservation measures which involve excavation of the soil. The payments under such contracts shall be in such amounts as determined by the Secretary to be necessary to effectuate the purposes of this subtitle but shall not exceed an amount equal to the number of acres of cropland removed from agricultural production for such purpose multiplied by 50 per centum of the typical annual rent, as determined by the Secretary, paid for similar land in the country. Financial assistance may not be provided under this section with respect to any conservation measure without the approval of the soil and water conservation district board for the district in which the land is located, and may not, in the aggregate, be provided in any year with respect to more than one-half of 1 per centum of the cropland in any country.

(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, such sums to remain available until expended.

Conservation Tillage

Sec. 1553. (a) Congress finds that—

(1) domestic and international demand for agricultural products from the United States is great and is expected to significantly increase over the next twenty years;

(2) the ability of the United States to provide agricultural products to meet that demand is seriously impaired by the annual loss of five billion tons of soil due to wind and water erosion;

(3) the battle against soil erosion is being lost despite the annual expenditure of millions of dollars by the Federal Government on research, technical assistance, and conservation incentives to control soil erosion;

(4) conservation tillage practices are estimated to reduce soil erosion by 50 to 90 per centum over conventional farming practices; and

(5) conservation tillage may result in better yields, greater land use flexibility, decreased fuel use, decreased labor and equipment costs, increased retention of soil moisture, and more productive land than conventional farming practices and may be adaptable to a broad range of soil types and slopes throughout the country.

(b) It is the sense of Congress that the Secretary of Agriculture should, and is hereby urged and requested to—

(1) direct the attention of our Nation's farmers to the costs and benefits of conservation tillage as a means of controlling soil erosion and improving profitability; and

(2) conduct a program of research designed to resolve any unanswered questions regarding the advantages and disadvantages of conservation tillage over other soil conservation practices.

Regulations

Sec. 1554. The Secretary of Agriculture shall prescribe such regulations as may be necessary to carry out the provisions of this title.

TITLE XVI—CREDIT, RURAL DEVELOPMENT, AND FAMILY FARMS

Farmers Home Administration Real Estate and Operating Loans to Cooperatives

Sec. 1601. (a) The last sentence of section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended by striking out "cooperatives, corporations, and partnerships", and inserting in lieu thereof "corporations and partnerships", and by inserting immediately before the period at the end thereof the following: "in the case of cooperatives, corporations, and partnerships".

(b) The last sentence of section 311(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(a)) is amended by striking out "cooperatives, corporations, and partnerships", and inserting in lieu thereof "corporations and partnerships", and by inserting immediately before the period at the end thereof the following: "in the case of cooperatives, corporations, and partnerships".

Equalizing Access to Credit for Widows and Other Single Parents

Sec. 1602. The second sentence of section 303(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)) is amended by striking out "are married or".

Lease of Facilities

Sec. 1603. Section 331(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(i)) is amended by inserting immediately after "consent to" the following: "(1) long-term lease of facilities financed under this title notwithstanding the failure of the lessee to meet any of the requirements of this title if such long-term leases are necessary to ensure the continuation of services for which financing was extended to the lessor, and (2)".

Borrower's Net Worth

Sec. 1604. Section 333(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983(a)) is amended by inserting "(1)" immediately after "the applicant" and inserting before the semicolon at the end thereof the following: ", and (2) to furnish a written statement showing the applicant's net worth".

Extension of the Emergency Agricultural Credit Adjustment Act of 1978

Sec. 1605. Section 211 of the Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961 note) is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982: Provided, That the Secretary may not make new contracts of insurance or guarantee under this title that will cause the total amount of money borrowed under such contracts during any fiscal year to exceed \$600,000,000".

Farm Storage Facility Loan Program

Sec. 1606. Section 4(h) of the Commodity Credit Corporation Charter Act, as amended by section 151 of the Omnibus Budget Reconciliation Act of 1981, is amended by inserting after "growers" at the end of the fourth proviso of the second sentence the following: ",

except that the Secretary shall make such loans in areas in which the Secretary determines that there is a deficiency of such storage".

Rural Telephone Bank Amendment

Sec. 1607. Section 406 of the Rural Electrification Act of 1936 (7 U.S.C. 946) is amended by—

(1) inserting in the second sentence of subsection (a) "but not later than fiscal year 1991" after "thereafter", and striking out "\$300,000,000" and inserting in lieu thereof "\$600,000,000"; and

(2) striking out in the first sentence of subsection (c) "September 30, 1985" and inserting in lieu thereof "September 30, 1995", and striking out "and after the amount of class A and class B stock issued totals \$400,000,000,".

United States Policy on Family Farms

Sec. 1608. Section 102 of the Food and Agriculture Act of 1977 is amended to read as follows:

"Family Farms

"Sec. 102. (a) Congress reaffirms the historical policy of the United States to foster and encourage the family farm system of agriculture in this country. Congress believes that the maintenance of the family farm system of agriculture is essential to the social well-being of the Nation and the competitive production of adequate supplies of food and fiber. Congress further believes that any significant expansion of nonfamily owned large-scale corporate farming enterprises will be detrimental to the national welfare. It is neither the policy nor the intent of Congress that agricultural and agriculture-related programs be administered exclusively for family farm operations, but it is the policy and the express intent of Congress that no such program be administered in a manner that will place the family farm operation at an unfair economic disadvantage.

"(b) In order that Congress may be better informed regarding the status of the family farm system of agriculture in the United States, the Secretary of Agriculture shall submit to Congress, by July 1 of each year, a written report containing current information on trends in family farm operations and comprehensive national and State-by-State data on nonfamily farm operations in the United States. The Secretary shall also include in each such report (1) information on how existing agricultural and agriculture-related programs are being administered to enhance and strengthen the family farm system of agriculture in the United States, (2) an assessment of how tax, credit, and other Federal laws may encourage the growth of nonfamily farm operations and investment in agriculture by nonfamily farm interests, both foreign and domestic, and (3) such other information as the Secretary deems appropriate or determines would aid Congress in protecting, preserving, and strengthening the family farm system of agriculture in the United States."

TITLE XVII—FLORAL RESEARCH AND CONSUMER INFORMATION

Short Title

Sec. 1701. This title may be cited as the "Floral Research and Consumer Information Act".

Congressional Findings and Declaration of Policy

Sec. 1702. Flowers and plants are an integral part of American life, contributing a natural and beautiful element, especially in urban areas, to what is increasingly a manmade, artificial environment for this country's citizens. Providing comfort and pleasure for many special occasions as well as for everyday living, flowers and plants work against visual pollution and, in the case of green plants, generate oxygen within their environment. The flowers and plants to which this title refers are cut flowers, potted flowering plants, and foliage plants. These flowers and plants are produced by many individual producers throughout the United States and in foreign countries. These products move in interstate and foreign commerce, and those that do not move in such channels of commerce directly burden or affect interstate commerce of these products. The maintenance and expansion of existing markets and the development of new or improved markets and uses are vital to the welfare of flower and plant producers, brokers, wholesalers, and retailers throughout the Nation. The floral industry within the United States is comprised mainly of small- and medium-sized businesses. The producers are primarily agriculturally-oriented companies rather than promotion-oriented companies. The development and implementation of coordinated programs of research and promotion necessary for the maintenance of markets and the development of new markets have been inadequate. Without cooperative action in providing for and financing such programs, individual flower and plant producers, wholesalers, and retailers are unable to implement programs of research, consumer and producer information, and promotion necessary to maintain and improve markets for these products. It is widely recognized that it is in the public interest to provide an adequate, steady supply of fresh flowers and plants to the consumers of the Nation. The American consumer requires a continuing supply of quality and affordable flowers and plants as an important element in the quality of life. It is, therefore, declared to be the policy of Congress and the purpose of this title that it is essential and in the public interest to authorize the establishment of an orderly procedure for the development and financing, through an adequate assessment, of an effective and coordinated program of research, consumer and producer education, and promotion designed to strengthen the floral industry's position in the marketplace and maintain, develop, and expand markets for flowers, plants, and flowering plants. Nothing in this title may be construed to dictate quality standards or provide for control of production or otherwise limit the right of individual flower and plant producers to produce commercial flowers and plants. Nothing in this title may be construed as a trade barrier to flowers and plants produced in foreign countries, and this title treats foreign producers equitably.

Definitions

Sec. 1703. As used in this title—

(1) The term "Secretary" means the Secretary of Agriculture of the United States Department of Agriculture.

(2) The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any other entity.

(3) The term "cut flowers" means all flowers and decorative foliage used as fresh-cut flowers, fresh-cut decorative foliage, dried, preserved, and processed flowers, or dried and preserved decorative foliage, produced either under cover or in field operations.

(4) The term "potted flowering plants" means those plants that normally produce flowers, primarily produced in pots or similar containers, that are primarily used for interior decoration, whether grown under cover or in field operations.

(5) The term "foliage plants" means those plants, normally without flowers, primarily produced in pots or similar containers, that are primarily used for interior decorations, whether grown under cover or in field operations.

(6) The term "propagational material" means any plant material used in the propagation of cut flowers, potted flowering plants, and foliage plants, including cuttings, bulbs and corms, seedlings, canes, liners, plants, cells or tissue cultures, air layers and bublets, rhizomes, and root stocks. This term does not include seeds.

(7) The term "flowers and plants" means cut flowers, potted flowering plants, foliage plants, and propagational material.

(8) The term "United States" means the fifty States of the United States of America, the territories and possessions of the United States of America, and the District of Columbia.

(9) The term "promotion" means any action, including paid advertising, to advance the image or desirability of cut flowers, potted flowering plants, and foliage plants.

(10) The term "research" means any type of research to advance the image, desirability, or marketability of cut flowers, potted flowering plants, and foliage plants.

(11) The term "consumer education" means any action to provide information on the care and handling of cut flowers, potted flowering plants, and foliage plants.

(12) The term "marketing" means the sale or other disposition in commerce of cut flowers, potted flowering plants, and foliage plants.

(13) Unless otherwise noted, the term "producer" means any person who produces domestically, for sale in commerce, cut flowers, potted flowering plants, or foliage plants.

(14) The term "Floraboard" means the board provided for under section 1707 of this title.

(15) The term "importer" means any person who imports cut flowers, potted flowering plants, or foliage plants from outside of the United States or who acts as an agent, broker, or consignee of any person or nation that produces flowers and plants outside of the United States for sale in the United States.

(16) The term "commodity group" means that portion of the flower and plant industry devoted to the production and importation of any one of the following: (A) cut flowers; (B) potted flowering plants; or (C) foliage plants.

(17) The term "cost of plant material" means the actual price paid by a producer for any propagational material or any other flowers and plants used in the production of flowers and plants. This term does not include the cost of seeds.

Floral Research and Promotion Orders

Sec. 1704. To effectuate the declared policy of this title, the Secretary shall, subject to the provisions of this title, issue and, from

time to time, may amend orders applicable to persons engaged in production, sale, importation, or handling of flowers and plants. Such orders shall be applicable to all production or marketing areas, or both, in the United States.

Notice and Hearing

Sec. 1705. Whenever the Secretary has reason to believe that the issuance of an order will tend to effectuate the declared policy of this title, the Secretary shall give due notice and opportunity for hearing upon a proposed order. Such hearing may be requested and a proposal for an order submitted by an organization certified pursuant to section 1716 of this title, or by any interested person affected by the provisions of this title, including the Secretary.

Finding and Issuance of an Order

Sec. 1706. After notice and opportunity for hearing as provided in section 1705 of this title, the Secretary shall issue an order if the Secretary finds, and sets forth in such order, upon the evidence introduced at such hearing, that the issuance of such order and all the terms and conditions thereof will tend to effectuate the declared policy of this title.

Required Terms in Orders

Sec. 1707. Orders issued pursuant to this title shall contain the following terms and conditions and, except as provided in section 1708 of this title, no others:

(1) Providing for the establishment and appointment by the Secretary of a board to be named "Floraboard", which shall consist of not more than seventy-five voting members, and defining its powers and duties, which shall include only the powers to (A) administer such order in accordance with its terms and provisions, (B) make rules and regulations to effectuate the terms and provisions of such order, (C) receive, investigate, and report to the Secretary complaints of violations of such order, and (D) recommend to the Secretary amendments of such order. The term of an appointment to the Floraboard shall be for three years with no member serving more than two consecutive three-year terms: Provided, That of the initial appointments, one-third shall be for a term of one year and one-third shall be for a term of two years. The Floraboard shall appoint from its members an executive committee, consisting of not more than fifteen members, whose membership shall, to the maximum extent practicable, reflect the membership composition of the Floraboard, and whose commodity group representation shall be proportional to that of the Floraboard. Such executive committee shall have the authority to employ a staff and conduct routine business within the policies determined by the Floraboard.

(2) Providing that the Floraboard shall be composed of producers and importers appointed by the Secretary from nominations submitted by organizations certified pursuant to section 1716 of this title or if the Secretary determines that a substantial number of producers or importers are not members of or their interests are not represented by any such certified organization then from nominations made by such producers or importers in a manner authorized by the Secretary. Certified organizations shall submit one nomination for each position on the Floraboard. Initially, the Floraboard shall be

composed of one-third producers and importers of cut flowers, one-third producers and importers of potted flowering plants, and one-third producers and importers of foliage plants. Two years after assessment of funds commences pursuant to an order, and periodically thereafter, the Floraboard shall adjust the commodity group representation of these commodity groups on the basis of the amount of assessments, less refunds, collected from each commodity group. There shall at all times be more producers representing a particular commodity group on the Floraboard than importers representing that commodity group. In addition to commodity group representation, the periodic adjustment of the membership of the Floraboard shall reflect, to the maximum extent practicable, the proportionate share of assessments, less refunds, collected from producers in each of several geographic areas of the United States to be defined by the Secretary, and the proportionate share of assessments, less refunds, collected from importers of flowers and plants imported into the United States from each country.

(3) Providing that the Floraboard shall, subject to the provisions of paragraph 8 of this section, develop and submit to the Secretary for approval advertising, sales promotion, consumer education, research, and development plans or projects and that any such plan or project must be approved by the Secretary before becoming effective.

(4) Providing that the Floraboard shall, subject to the provisions of paragraph 8 of this section, submit to the Secretary for approval budgets on a fiscal period basis of its anticipated expenses and disbursements in the administration of the order, including probable costs of advertising, promotion, consumer education, research, and development projects.

(5) Providing that—

(A) For each sale of flowers and plants by a producer within the United States, such producer shall pay an assessment to the Floraboard based on the dollar value of such sales transaction minus the cost of plant material. If the producer is a retailer, the assessment will be based on the then current wholesale value of the flowers and plants less the cost of plant material. In the case of consignment sales, the assessment shall be paid by the producer based on the dollar value of the sale of flowers and plants less the sales commission, freight cost, and cost of plant material.

(B) For each sale of imported flowers and plants within the United States by the importer of such flowers and plants, such importer shall pay an assessment to the Floraboard based on the dollar value of such sales transaction, without deducting the cost of plant material. If the importer is a retailer, the assessment will be made on the purchase price. In the case of consignment sales, the assessment shall be paid by the importer and shall be based on the dollar value of the sale of flowers and plants less the sales commission and cost of transportation within the United States.

(C) The assessments provided for in this section shall be remitted to the Floraboard, at the time and in the manner prescribed in the order and regulations thereunder, and shall be used for such expenses and expenditures (including provision for a reasonable reserve and those administrative costs incurred by the Department of Agriculture after an order has been pro-

mulgated under this title) as the Secretary finds are reasonable and likely to be incurred by the Floraboard under the order during any period specified by the Secretary.

(6) Providing that the initial rate of assessment, which rate shall remain in effect for the first two years after an order is approved in a referendum, shall not exceed one-half of 1 per centum of the value of flowers and plants sold, as determined under the provisions of paragraph (5) of this section: Provided, That the Floraboard may thereafter increase or decrease the rate of assessment prescribed by the order by no more than one-quarter of 1 per centum of the value of flowers and plants sold per year: Provided further, That in no event shall the rate of assessment exceed $1\frac{1}{2}$ per centum of the value of flowers and plants sold.

(7) Providing that the Floraboard shall maintain such books and records and shall prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe, and providing for appropriate accounting by the Floraboard with respect to the receipt and disbursement of all funds entrusted to it.

(8) Providing that the Floraboard, with the approval of the Secretary, may enter into contracts or agreements for development and carrying out of the activities authorized under the order pursuant to sections 1708(1) and (2) of this title and for the payment of the cost thereof with funds collected pursuant to the order. The Floraboard may contract with industry groups, profit or nonprofit companies, private and State colleges and universities, and governmental groups. Any such contract or agreement shall provide (A) that the contracting party shall develop and submit to the Floraboard a plan or project together with a budget or budgets which shall show estimated costs to be incurred for such plan or project, (B) that any such plan or project shall become effective upon the approval of the Secretary, and (C) that the contracting party shall keep accurate records of all its transactions and make periodic reports to the Floraboard of activities carried out and an accounting for funds received and expended, and such other reports as the Secretary may require.

(9) Providing that the Floraboard may convene, from time to time, advisory panels drawn from the production, importation, wholesale, and retail segments of the flower and plant industry to assist in the development of marketing and research programs.

(10) Providing that no funds collected or received by the Floraboard shall in any manner be used for the purpose of influencing governmental policy or action, except as provided by paragraph (1)(D) of this section.

(11) Providing that Floraboard members and members of any advisory panels convened shall serve without compensation but shall be reimbursed for their reasonable expenses incurred in performing their duties as members of the Floraboard or advisory panel.

Permissive Terms in Orders

Sec. 1708. Orders issued pursuant to this title may contain one or more of the following terms and conditions:

(1) Providing for the establishment, issuance, effectuation, and administration of appropriate plans or projects for advertising, sales promotion, urban beautification, and consumer education with respect to the use of flowers and plants, and for the disbursement of necessary funds for such purposes: Provided, That any such plan or

project shall be directed toward increasing the general demand for flowers and plants and shall make no reference to a private brand or trade name: Provided further, That no such advertising, consumer education, urban beautification, or sales promotion program shall make use of unfair or deceptive act or practices with respect to the quality, value, or use of any competing product.

(2) Providing for establishing and carrying on research, marketing, and development projects, and studies with respect to the sale, distribution, marketing, or utilization of flowers and plants, to the end that the marketing and utilization of flowers and plants may be encouraged, expanded, improved, or made more acceptable, for the dissemination of the data collected by such activities and for the disbursement of necessary funds for such purposes.

(3) Providing that producers, wholesalers, retailers, and importers of flowers and plants maintain and make available for inspection such books and records as are specified in the order and that such persons file reports at the time, in the manner, and having the content prescribed by the order, to the end that information and data shall be made available to the Floraboard and to the Secretary which is appropriate or necessary to the effectuation, administration, or enforcement of this title, or any order or regulation issued pursuant to this title: Provided, That all information so obtained shall be kept confidential by employees of the Department of Agriculture and the Floraboard, and only such information as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing brought at the direction, or upon the request, of the Secretary, or in a suit or administrative hearing to which the Secretary or any officer of the United States is a party, and involving the order with reference to which the information to be disclosed was furnished or acquired. Nothing in this section shall be deemed to prohibit (A) the issuance of general statements based upon the reports of the number of persons subject to an order, or statistical data collected therefrom, which statements do not identify the information furnished by any person, (B) the publication by the Floraboard of general statements relating to refunds made by the Floraboard during any specific period, including regional information on refunds, (C) the publication by the Floraboard of information on the amount of assessments collected from each commodity group and the rate of refund in each commodity group, or (D) the publication by direction of the Secretary of the name of any person violating any order, together with a statement of the particular provisions of the order violated by such persons. No information obtained pursuant to the authority of this title may be made available to any agency or officer of the Federal Government for any purpose other than the implementation of this title and any investigatory or enforcement actions necessary for the implementation of this title. Any person violating the provisions of this paragraph shall, upon conviction, be subject to a fine of not more than \$1,000 or to imprisonment for not more than one year, or to both, and, if an officer or employee of the Floraboard or the Department of Agriculture, shall be removed from office.

(4) Terms and conditions incidental to and not inconsistent with the terms and conditions specified in this title and necessary to effectuate the other provisions of such order.

Requirement of Referendum

Sec. 1709. (a) The Secretary shall conduct a referendum among domestic producers and importers not exempt under section 1712 of this title who, during a representative period determined by the Secretary, have been engaged in the production or importation of flowers and plants, for the purpose of ascertaining whether the issuance of an order is approved or favored by such domestic producers and importers. No order issued pursuant to this title shall be effective unless the Secretary determines that the issuance of such order is approved or favored by not less than two-thirds of the producers and importers voting in such referendum, or by a majority of the producers and importers voting in such referendum if such majority produced and imported not less than two-thirds of the total value of the flowers and plants produced and imported by those producers and importers voting in such referendum during a representative period defined by the Secretary.

(b) The Secretary shall be reimbursed from assessments for all costs incurred by the Government in connection with the conduct of the referendum, except for the salaries of Government employees.

Suspension and Termination of Orders

Sec. 1710. (a) Whenever the Secretary finds that any order issued under this title, or any provisions thereof, obstructs or does not tend to effectuate the declared policy of this title, the Secretary shall terminate or suspend the operation of such order or such provisions thereof.

(b) The Secretary may conduct a referendum at any time, and shall hold a referendum on request of 10 per centum or more of the number of producers and importers voting in the referendum approving the order, to determine whether such producers and importers favor the termination or suspension of the order, and shall suspend or terminate such order six months after the Secretary determines that suspension or termination of the order is approved or favored by a majority of the producers and importers voting in such referendum who, during a representative period determined by the Secretary, have been engaged in the production or importation of flowers and plants.

(c) The termination or suspension of any order, or any provision thereof, shall not be considered an order within the meaning of this title.

Provisions Applicable to Amendments

Sec. 1711. The provisions of this title applicable to orders shall be applicable to amendments to orders.

Exemptions

Sec. 1712. Any producer or importer whose total sales of flowers and plants do not exceed \$100,000 during a twelve consecutive month period prior to the date an assessment is due and payable shall be exempt from assessments under this title under such conditions and procedures as may be prescribed in the order or rules and regulations issued thereunder and shall not vote in any referendum under this title: Provided, That the Floraboard shall have the discretion to make annual adjustments in the level of exemption to account for inflation. For the purpose of this section, a producer's or

importer's total sales shall include, in those cases in which the producer or importer is an individual, sales attributable to such person's spouse, children, grandchildren, and parents; in those cases in which the producer or importer is a partnership or a member of a partnership, sales attributable to the other partners; and, in those cases in which the producer or importer is a corporation, sales attributable to any corporate subsidiaries of which such corporation owns 50 per centum or more of the stock, or if such subsidiaries are not corporations, subsidiaries which are controlled by such corporation. In addition, in determining a producer's or importer's total sales, the sales of any corporation in which such producer or importer owns 50 per centum or more of the stock shall be attributed to such producer or importer. For these purposes stock in the same corporation which is owned by such producer's or importer's spouse, children, grandchildren, parents, partners, and any corporation 50 per centum or more of whose stock is owned by the producer or importer shall be treated as owned by the producer or importer.

Producer or Importer Refund

Sec. 1713. Notwithstanding any other provisions of this title, any producer or importer who pays an assessment shall have the right to demand and receive from the Floraboard a refund of such assessment: Provided, That such demand shall be made by such producer or importer in accordance with regulations and on a form and within a time period prescribed by the Floraboard and approved by the Secretary, but in no event more than sixty days after the end of the month in which the assessment was paid. Such refund shall be made not later than sixty days after submission of proof satisfactory to the Floraboard that the producer or importer paid the assessment for which refund is sought.

Petition and Review

Sec. 1714. (a) Any person subject to any order may file a written petition with the Secretary, stating that any such order or any provisions of such order or any obligations imposed in connection therewith is not in accordance with law and praying for a modification thereof or to be exempted therefrom. Such person shall thereupon be given an opportunity for a hearing upon such petition, in accordance with regulations prescribed by the Secretary. After such hearing, the Secretary shall make a ruling upon the prayer of such petition which shall be final if in accordance with law.

(b) The district courts of the United States in any district in which such person is an inhabitant, or carries on business, are hereby vested with jurisdiction to review such ruling, provided a complaint for that purpose is filed within twenty days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the Secretary by delivering to the Secretary a copy of the complaint. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires. The pendency of proceedings instituted pursuant to subsection (a) of this section shall not impede, hinder, or delay the United States or the Secretary from obtaining relief pursuant to section 1715(a) of this title.

Enforcement

Sec. 1715. (a) The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued pursuant to this title. Any civil action authorized to be brought under this subsection shall be referred to the Attorney General for appropriate action: Provided, That nothing in this title shall be construed as requiring the Secretary to refer to the Attorney General violations of this title whenever the Secretary believes that the administration and enforcement of the program would be adequately served by administrative action pursuant to subsection (b) of this section or suitable written notice or warning to any person committing such violations.

(b)(1) Any person who violates any provisions of any order or regulation issued by the Secretary pursuant to this title, or who fails or refuses to pay, collect, or remit any assessment or fee duly required thereunder, may be assessed a civil penalty by the Secretary of not less than \$500 or more than \$5,000 for each such violation. Each violation shall be a separate offense. In addition to or in lieu of such civil penalty the Secretary may issue an order requiring such person to cease and desist from continuing such violation or violations. No penalty may be assessed or cease and desist order issued unless such person is given notice and opportunity for a hearing before the Secretary with respect to such violation. The order of the Secretary assessing a penalty or imposing a cease and desist order shall be final and conclusive unless the affected person files an appeal from the Secretary's order with the appropriate United States court of appeals.

(2) Any person against whom a violation is found and a civil penalty assessed or cease and desist order issued under paragraph (1) of this subsection may obtain review in the court of appeals of the United States for the circuit in which such person resides or carries on business or in the United States Court of Appeals for the District of Columbia Circuit by filing a notice of appeal in such court within thirty days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found. The findings of the Secretary shall be set aside only if found to be unsupported by substantial evidence.

(3) Any person who fails to obey a cease and desist order after it has become final and unappealable, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review pursuant to the procedures specified in paragraphs (1) and (2) of this subsection, of not more than \$500 for each offense, and each day during which such failure continues shall be deemed a separate offense.

(4) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appro-

priateness of the final order imposing the civil penalty shall not be subject to review.

Certification of Organizations

Sec. 1716. The eligibility of any organization to represent producers of flowers and plants of any producing area of the United States or importers of flowers and plants, for purposes of requesting the issuance of an order under section 1705, or making nominations under section 1707(2) of this title, shall be certified by the Secretary. Certification shall be based, in addition to other available information, upon a factual report submitted by the organization which shall contain information deemed relevant and specified by the Secretary for the making of such determination, including, but not limited to, the following:

(1) geographic territory covered by the organization's active membership;

(2) nature and size of the organization's active membership, the proportion of such active membership accounted for by producers and importers, and information as to the volume of production by State or the volume of importation by country accounted for by the organization's producer and importer members;

(3) the extent to which the producer and importer membership of such organization is represented in setting the organization's policies;

(4) evidence of stability and permanency of the organization;

(5) sources from which the organization's operating funds are derived;

(6) functions of the organization;

(7) whether the majority of the governing board of the organization is composed of producers and importers; and

(8) the organization's ability and willingness to further the aims and objectives of this title.

The primary consideration in determining the eligibility of any organization shall be whether its membership consists of a substantial number of producers and importers who produce and import a substantial volume of flowers and plants. The Secretary shall certify any organization which is found to be eligible under this section, and the Secretary's determination as to eligibility shall be final. Whenever more than one organization is certified in any geographic area, such organizations may caucus to determine the area's nominations under section 1707(2) of this title.

Regulations

Sec. 1717. The Secretary may issue such regulations as may be necessary to carry out the provisions of this title.

Investigations; Power To Subpena and Take Oaths and Affirmations; Aid of Courts

Sec. 1718. The Secretary may make such investigations as are deemed necessary to carry out the Secretary's responsibilities under this title or to determine whether a producer, importer, wholesaler, retailer, or other seller of flowers and plants, or any other person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provisions of this

title, or of any order, or rule or regulation issued under this title. For the purpose of such investigation, the Secretary is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpoena to, any person, including a producer of flowers and plants, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Secretary, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All processes in any such cases may be served in the judicial district wherein such person is an inhabitant or wherever such person may be found.

Separability

Sec. 1719. If any provision of this title or the application thereof to any person or circumstances is held invalid, the validity of the remainder of this title and of the application of such provision to other persons and circumstances shall not be affected thereby.

Authorization

Sec. 1720. There are authorized to be appropriated out of any money in the Treasury not otherwise appropriated such funds as are necessary to carry out the provisions of this title. The funds so appropriated shall not be available for payment of the expenses or expenditures of the Floraboard in administering any provisions of any order issued pursuant to the terms of this title.

TITLE XVIII—EFFECTIVE DATE

Sec. 1801. Except as otherwise provided herein, the provisions of this Act shall become effective on enactment.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill.

E DE LA GARZA,
GEORGE E. BROWN, Jr.,
DAVID R. BOWEN,
CHARLIE ROSE,
FRED RICHMOND,
BILL WAMPLER,
PAUL FINDLEY

(On all matters except title IX
of the Senate bill and modifications committed to conference),

TOM HAGEDORN,
TOM COLEMAN,
RON MARLENEE,
WILLIAM M. THOMAS,

ERRATA

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Senate Members of the committee of conference signing the Conference Report on S. 884:

JESSE HELMS,
BOB DOLE,
S. I. HAYAKAWA,
RICHARD G. LUGAR,
THAD COCHRAN,
WALTER D. HUDDLESTON,

Managers on the Part of the Senate.

E DE LA GARZA,
 GEORGE E. BROWN, Jr.,
 DAVID R. BOWEN,
 CHARLIE ROSE,
 FRED RICHMOND,
 BILL WAMPLER,
 PAUL FINDLEY

(On all matters except title IX
 of the Senate bill and modi-
 fications committed to con-
 ference),

TOM HAGEDORN,
 TOM COLEMAN,
 RON MARLENEE,
 WILLIAM M. THOMAS,

The following solely for consideration of section 915 and title XI (except for section 1112 and subtitle B) of the House amendment and sections 1002, 1111, 1113, 1201-1203, and 1205, and title XIII of the Senate bill:

CLEMENT J. ZABLOCKI,
 L. H. FOUNTAIN
 DANTE B. FASCELL,
 LEE H. HAMILTON,
 JONATHAN B. BINGHAM,
 WM. S. BROOMFIELD,
 LARRY WINN, Jr.,
 BENJAMIN A. GILMAN,
 ROBERT J. LAGOMARSINO,

The following solely for consideration of title IX of the Senate bill and modifications thereof committed to conference:

ARLAN STANGELAND,

The following solely for consideration of title VII of the House amendments and title VII of the Senate bill:

JOE SKEEN,

Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the 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, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text. The committee of conference recommends a substitute for both the Senate bill and the House amendment.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the substitute agreed to in the conference are noted below:

SHORT TITLE

The *Senate* bill provides that the Act may be cited as the "Agriculture and Food Act of 1981".

The *House* amendment provides that the Act may be cited as the "Food and Agriculture Act of 1981".

The *Conference* substitute adopts the *Senate* provision.

TITLE I—DAIRY

(1) *Dairy base plans (Sec. 101)**

The *Senate* bill deletes authority for the Class I base plan by not extending the current provision and makes authority for seasonal base plans permanent. (Sec. 101)

The *House* amendment is similar except that the seasonal base plan authority is extended for 4 years. (Sec. 103(a)(1))

The *Conference* substitute adopts the *House* amendment.

(2) *Other marketing agreement Act amendments (Sec. 101)*

(a) The *House* amendment extends the authority under which, if one-third of the producers supplying milk under a marketing order individually petition for a marketing order amendment hearing, the Secretary is required to hold a hearing if the amendment may be legally made to the order. (Sec. 103(a)(2))

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

* The section references after (i) each numbered item, (ii) the description of the *Senate* bill, and (iii) the description of the *House* amendment are references to the *Conference* substitute, S. 884 as passed by the Senate, and the House amendments thereto, respectively.

(b) The *House* amendment extends for four years the pricing criteria used in Federal milk marketing orders under which the price is to ensure a quantity of milk "to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs." (Sec. 103(a)(3))

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(3) *Milk price support (Sec. 103)*

The *Senate* bill provides that for the period beginning October 1, 1981, and ending September 30, 1985, the minimum level of support for milk shall be 70 percent of parity unless the Secretary estimates that the anticipated net cost of CCC purchases will exceed \$750,000,000, in which case the support level may be adjusted as the Secretary determines appropriate, but not less than the support level for the prior marketing year, nor less than \$13.10 per hundredweight of milk. The Secretary is also authorized to adjust the support level in accordance with the foregoing for the remainder of fiscal year 1982 even though a different level of support may have previously been established in accordance with existing law. (Sec. 103)

The *House* amendment provides that upon enactment and for the remainder of fiscal year 1982, the minimum level of support for milk shall be \$13.10 per hundredweight. For fiscal year 1983, the minimum support level would be 72.5 percent of parity. Beginning October 1 of fiscal year 1984 through the end of fiscal year 1985, the minimum support level would be 70 percent of parity except that whenever the Secretary estimates that net CCC purchases during any of such years would be less than 3.5 billion pounds milk equivalent, the minimum support level would be 75 percent of parity as of the beginning of the relevant fiscal year. (Sec. 101)

The *Conference* substitute provides that the minimum level of support for milk (per hundredweight) shall be \$13.10 for fiscal year 1982 (from the date of enactment of the bill through September 30, 1982), \$13.25 for fiscal year 1983, \$14.00 for fiscal year 1984, and \$14.60 for fiscal year 1985. However, for each of the fiscal years 1983 through 1985 the minimum level of support would be set at: (i) 70 percent of parity if, as of the beginning of the relevant fiscal year, the Secretary estimates that the anticipated net cost of CCC purchases will be less than \$1 billion during the fiscal year, and (ii) 75 percent of parity if, as of the beginning of the relevant fiscal year, the Secretary estimates that net CCC purchases (milk equivalent) will be less than 4.0 billion pounds in fiscal year 1983, 3.5 billion pounds in fiscal year 1984, and 2.69 billion pounds in fiscal year 1985.

(4) *Casein imports*

The *Senate* bill expresses the sense of Congress that imports of casein are materially interfering with the operation of the dairy price support program and that a limitation, not more than the average casein imports during the five-year period preceding 1981, should be established under section 22 of the Agricultural Adjustment Act. The Secretary of the Senate is directed to transmit these views to the Chairman of the International Trade Commission to

be made part of the record of the investigation into this issue currently underway. (Sec. 107)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision. The conferees believe, however, that imports of casein are materially interfering with the operation of the dairy price support program and that a limitation should be established, under section 22 of the Agricultural Adjustment Act, at a level not more than the average casein imports during the 5-year period preceding 1981. It is the intent of the conferees that these views be transmitted to the Chairman of the International Trade Commission to be made part of the record of the investigation into this issue currently underway.

(5) Reduction of dairy product inventories (Sec. 106)

The *Senate* bill directs the Secretary to use available authorities to reduce inventories of CCC dairy products so as to reduce net CCC outlays under the dairy price support program to the level of estimated outlays used in developing budget outlays under the Congressional Budget Act of 1974. (Sec. 106)

The *House* amendment encourages the Secretary to use available authorities to reduce excess dairy product inventories held by CCC. (Sec. 106(a))

The *Conference* substitute adopts the *Senate* provision.

(6) Encouragement of casein production

The *House* amendment directs the Secretary to examine the feasibility of using CCC inventories of nonfat dry milk and other excess supplies of dairy products to assist in the production of casein and caseinates. Findings are to be reported to the Chairmen of the House and Senate Agriculture Committees within 90 days after passage of this legislation. (Sec. 106(b))

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(7) Regional food security (Sec. 107)

The *House* amendment directs the Secretary to make recommendations to Congress, within 1 year after enactment of the bill, regarding changes in the design and administration of the milk price support program and Federal milk marketing orders in order to guarantee regional production self-sufficiency and food security. (Sec. 107)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with a modification requiring the Secretary to report to the House and Senate Agriculture Committees by December 31, 1982, on the strengths and weaknesses of existing programs and the consequences that new programs could have on controlling or minimizing surpluses of milk. The report would also contain a regional assessment of the effect of proposed pricing mechanisms and a description of social costs and benefits associated with such programs.

(8) *Dairy product sales to Russia*

The *House* amendment authorizes and encourages the Secretary to enter into an agreement with Russia for the sale of up to 220 million pounds of government stocks of butter at \$1.05 per pound and the sale of such amounts of nonfat dry milk at 50 cents per pound and cheese at 68 cents per pound as can be agreed upon by the respective parties. (Sec. 108)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

TITLE II—WOOL AND MOHAIR

(1) *Price Support (Sec. 201)*

The *Senate* bill extends the price support provisions for shorn wool for 4 years and establishes the price support level at 75 percent of the formula rate prescribed in the statute. (Sec. 202)

The *House* amendment extends for 4 years the shorn wool price support provisions, keeping the present support level at 85 percent of the formula rate. (Sec. 201)

The *Conference* substitute establishes the price support level at 77.5 percent of the formula rate.

The conferees wish to reemphasize the declaration of policy contained in the National Wool Act of 1954. Section 702 of that Act reads as follows:

It is hereby recognized that wool is an essential, strategic, and energy-efficient commodity which is not produced in the United States in sufficient quantities and grades to meet the domestic needs; and that the desired domestic production of wool is impaired by predatory animals and by the depressing effects of wide fluctuations in the price of wool in the world markets. It is hereby declared to be the policy of Congress, as a measure of national security and to promote the general economic welfare, a positive balance of trade, and the efficient use of the Nation's resources, to encourage the continued domestic production of wool at prices fair to both producers and consumers in a manner which will assure a viable domestic wool industry in the future.

(2) *Payments*

The *Senate* bill deletes the provision that the total of all wool price support payments shall not exceed an amount equal to 70 percent of the accumulated totals of gross receipts from duties collected under Schedule 11 of the Tariff Act of 1930. (Sec. 203)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(3) *Reimbursement*

The *Senate* bill repeals the provision which limits the annual appropriation for reimbursement of the Commodity Credit Corporation for any expenditures made in connection with wool price support payments to producers to an amount that does not exceed 70 percent of the gross receipts from duties collected during the calendar year preceding the beginning of the fiscal year on articles subject to duties under Schedule 11 of the Tariff Act of 1930. (Sec. 204)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

TITLE III—WHEAT

(1) *Wheat loan rates (Sec. 301)*

(a) The *Senate* bill provides that loans and purchases for the 1982 through 1985 crops of wheat will be made available to wheat producers at a level, not less than \$3.50 per bushel, that the Secretary determines will maintain the competitive relationship of wheat to other grains. (Sec. 301)

The *House* amendment provides for the Secretary to make available to producers loans and purchases for the 1982 crop of wheat at not less than \$3.55 per bushel, and for each of the 1983 through 1985 crops of wheat at not less than such level as bears the same ratio to the loan level for the preceding year's crop as the target price for each such crop bears to the target price for the preceding year's crop. If the Secretary determines that the average price of wheat received by producers in any marketing year is not more than 105 percent 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 determined necessary to maintain domestic and export markets for grain, but not more than 10 percent in any year nor below \$3 per bushel. (Sec. 301)

The *Conference* substitute provides that the loan and purchase rate for each of the 1982 through 1985 crops of wheat would be such rate, not less than \$3.55 per bushel, as the Secretary determines will maintain the competitive relationship of wheat to other grains. In addition, the *Conference* substitute adopts the *House* amendment authorizing the Secretary to make a downward adjustment in the level of loans and purchases for wheat if the Secretary determines that the average price of wheat received by producers in any marketing year is not more than 105 percent of the level of loans and purchases for wheat for such marketing year.

(b) The *House* amendment also provides that if a set-aside program is in effect, the loan rate otherwise determined under the bill must be increased by 5 percent unless the producer elects to set aside 30 percent of the farm's previous year's plantings in which event the loan rate for such producer must be increased by 15 percent. (Sec. 302)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment. The conferees encourage the Secretary, however, to use the discretionary authority provided by the bill to increase the loan rate to the maximum extent feasible, whenever a set-aside or acreage reduction program is in effect for wheat, for those producers who cooperate with the program.

(2) *Wheat target prices (Sec. 301)*

(a) The *Senate* bill requires that target price payments for each of the 1982 through 1985 crops of wheat be made available to eligible producers. (Sec. 301)

The *House* amendment gives the Secretary discretion to make such payments available unless the domestic carryover from the

previous year's crop exceeds 1 billion bushels, in which event target price payments are mandatory. (Sec. 301)

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill provides that the minimum target prices (per bushel) will be: \$4.00 for the 1982 crop; \$4.20 for the 1983 crop; \$4.40 for the 1984 crop; and \$4.60 for the 1985 crop. The Secretary has discretion to establish a higher target price for any such crop as appropriate to reflect any change in (i) the average adjusted cost of production per acre for the 2 crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the 2 crop years immediately preceding the year previous to the one for which the determination is made. The *Senate* bill also gives the Secretary discretion to use the factors provided in current law in determining the adjusted cost of production. (Sec. 301)

The *House* amendment provides that for the 1982 crop of wheat the target price will be \$4.20 per bushel and for each of the 1983 through 1985 crops of wheat, the target price will be the target price for the previous crop adjusted to reflect any change in (i) the average adjusted cost of production per acre estimated for the 2-year period which includes the crop year for which the target price will be applicable and the immediately preceding crop year, from (ii) the average adjusted cost of production per acre for the 2 crop years immediately preceding the year for which the target price will be applicable. The *House* amendment limits the Secretary to the factors provided in current law in determining the adjusted cost of production. (Sec. 301)

The *Conference* substitute provides that the minimum wheat target prices (per bushel) would be \$4.05 for the 1982 crop, \$4.30 for the 1983 crop, \$4.45 for the 1984 crop, and \$4.65 for the 1985 crop, and that the target price may be increased for each of the 1982 through 1985 crops to reflect changes in costs of production based on the formula set forth in the *Senate* bill.

(c) The *House* amendment provides that if the Secretary adjusts the level of loans and purchases for wheat because in the previous year the average producer price did not exceed 105 percent of the loan rate, the Secretary must provide emergency compensation by increasing the target price payments for wheat 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 necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made. Payments under this provision are not subject to the payment limitation. (Sec. 301)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(d) The *House* amendment provides that in determining the target price and the loan rate for the 1984 and 1985 crops, the Secretary must use as a base in making adjustments the target price and loan rate for the previous year that would have resulted had the actual cost of production figures, as determined by the Secretary for those years, been used. (Sec. 301)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(3) *Wheat disaster payments (Sec. 301)*

(a) The *Senate* bill makes prevented planting and reduced yield disaster payments available, for each of the 1982 through 1985 crops of wheat, for producers for whom Federal crop insurance is not available on their wheat acreage. (Sec. 301)

The *House* amendment makes disaster payments available to wheat producers of the 1982 through 1985 crops in any county in which Federal subsidized crop insurance is not generally offered for that crop prior to planting. (Sec. 301)

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill gives the Secretary discretion to make disaster payments available to any wheat producer for the 1982 through 1985 crops if disaster losses have created an economic emergency that cannot be alleviated by crop insurance and other Federal assistance programs. (Sec. 301)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(4) *Wheat acreage limitations and set-aside program (Sec. 301)*

(a) The *Senate* bill authorizes an acreage limitation to be imposed on the acreage planted to wheat if the Secretary determines that the total supply of wheat will be excessive in the absence of such limitation, taking into account the need for adequate carryover. Producers who knowingly plant wheat in excess of the permitted acreage would not be eligible for wheat loans, purchases, and payments (see paragraph (c) below). (Sec. 301)

The *House* amendment requires a set-aside of cropland for any year if the Secretary estimates that the domestic carryover at the end of the preceding year will exceed 6 percent of total world usage for that year. If a set-aside is in effect, as a condition of eligibility for wheat loans, purchases, and payments, a producer must set aside to conservation uses the required amount of cropland (see paragraph (d) below). (Sec. 302)

The *Conference* substitute authorizes the Secretary to provide either for an acreage limitation program as set forth in the *Senate* bill, or a set-aside program as in the *House* amendment, except that it deletes the requirements in the *House* amendment for a set-aside if the domestic carryover exceeds 6 percent of total world usage.

(b) The *House* amendment requires the set-aside to be announced not later than August 1 prior to the calendar year in which the crop is harvested, except that for the 1982 crop, the announcement must be made as soon as practicable after enactment of the bill. (Sec. 302)

The *Senate* bill contains no comparable provision for the acreage limitation program.

The *Conference* substitute requires the acreage limitation or set-aside program to be announced not later than August 15 prior to the calendar year in which the crop is harvested, except that for the 1982 crop the announcement must be made as soon as practicable after enactment of the bill.

(c) The *Senate* bill provides that any acreage limitation would be based on a uniform percentage reduction applied to the wheat acreage planted to harvest (including acreage prevented from planting

because of a condition beyond the producer's control) in the crop year preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage in the preceding 2 crop years. (Sec. 301)

The *House* amendment retains current law which provides that if a set-aside program is in effect the Secretary may limit the acreage planted to wheat and for the limitation to be applied on a uniform basis to all wheat producing farms. (Sec. 302)

The *Conference* substitute adopts the *Senate* provision to apply if the Secretary elects to provide for an acreage limitation program and the *House* amendment to apply if the Secretary should provide for a set-aside program.

(d) The *Senate* bill provides that in the event of an acreage limitation program there shall be devoted to conservation uses a number of acres determined by dividing (i) the product of the number of acres required to be withdrawn from wheat production times the number of actually planted acres, by (ii) the number of acres authorized to be planted to wheat. (Sec. 301)

The *House* amendment provides that if a set-aside is in effect, producers must set aside to conservation uses cropland acreage at least equal to a specified percent of the farm's previous year's plantings as determined by the Secretary, *but not less than 15 percent of such plantings*. (Sec. 302)

The *Conference* substitute adopts the *Senate* provision to apply if the Secretary elects to provide for an acreage limitation program and the *House* amendment to apply if the Secretary should provide for a set-aside program, except that the *Conference* substitute deletes the minimum required set-aside provided in the *House* amendment.

(e) The *House* amendment requires the Secretary to permit set-aside acreage to be devoted to hay and grazing. (Sec. 302)

The *Senate* bill authorizes the Secretary to permit hay and grazing on the reduced acreage. (Sec. 301)

The *Conference* substitute adopts the *Senate* provision. The conferees expect, however, that the Secretary carefully consider the need for permitting hay and grazing on the set-aside or reduced acreage.

(f) The *House* amendment requires that with respect to land farmed under summer fallow practices in 3 of the last 5 years, the Secretary must consider the effects of soil erosion in determining the amount of land to be idled and that in no case may the Secretary require farmers to idle more than 60 percent of their cropland when included with land already idled by summer fallow practices where summer fallow practices are in effect. (Sec. 302)

The *Senate* bill contains no comparable provision.

The *Conference* substitute provides that whenever a set-aside or acreage limitation program is announced, in determining the amount of land to be idled, the Secretary should consider the effects of soil erosion in areas where summer fallow practices are in effect so that equity may be provided among all producers.

(5) *Wheat paid diversion program (Sec. 301)*

The *Senate* bill authorizes a paid diversion program if needed to assist in obtaining necessary adjustments in the total acreage of

wheat; in which event, the Secretary may require participation in that program as a condition of eligibility for loans, purchases, and any payments under the bill. (Sec. 301)

The *House* amendment also authorizes a paid diversion program but does not authorize the Secretary to condition loans, purchases, and payments under the wheat program on participation in the diversion program. (Sec. 302)

The *Conference* substitute adopts the *House* amendment.

(6) Payments for wildlife food plots and public access (Sec. 301)

The *House* amendment retains current law which authorizes the Secretary to pay an appropriate share of the cost of practices on the set-aside and diverted acreage devoted to wildlife food plots and habitat and authorizes an additional payment if the producer agrees to permit public access to the farm. (Sec. 302)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(7) Authorization to permit local ASC committees to waive program requirements (Sec. 301)

The *Senate* bill authorizes the Secretary to permit county and State ASC committees to waive or modify deadlines and other program requirements in cases in which failure to meet such requirements does not affect the program adversely. (Sec. 301)

The *House* amendment contains no comparable provision, but does authorize the Secretary, in the event of a producer's failure to comply fully with the program, to make program benefits available in such amounts as the Secretary determines equitable. A comparable provision also appears in the *Senate* bill. (Sec. 302)

The *Conference* substitute adopts the *Senate* provision.

(8) Assignment of payments (Sec. 301)

The *Senate* bill makes the assignment of payment provisions of the Soil Conservation and Domestic Allotment Act applicable to payments under the program. These provisions specifically authorize written assignment of payments by producers as security for cash or advances to finance making a crop, handling or marketing the commodity, or performing a conservation practice and set forth the procedures applicable thereto. (Sec. 301)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(9) Cross-compliance (Sec. 301)

The *Senate* bill prohibits program provisions which would require compliance on a farm with the terms and conditions of any other commodity program as a condition of eligibility for program benefits. (Sec. 301)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision for any acreage limitation program that should be announced, but not for any set-aside program that should be announced.

TITLE IV—FEED GRAINS

(1) Corn loan rates (Sec. 401)

The *Senate* bill provides for loans and purchases for each of the 1982 through 1985 crops of corn to be made available to producers of corn at a level, not less than \$2.50 per bushel, that the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains. (Sec. 401)

The *House* amendment provides for the Secretary to make available to producers loans and purchases for the 1982 crop of corn at not less than \$2.65 per bushel, and for each of the 1983 through 1985 crops of corn at not less than such level as bears the same ratio to the loan level for the preceding year's crop as the target price for each such crop bears to the target price for the preceding year's crop. If the Secretary determines that the average price of corn received by producers in any marketing year is not more than 105 percent 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 determined necessary to maintain domestic and export markets for grain, but not more than 10 percent in any year nor below \$2 per bushel. (Sec. 401)

The *Conference* substitute provides that the loan and purchase rate for each of the 1982 through 1985 crops of corn would be such rate, 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. In addition, the *Conference* substitute adopts the *House* amendment authorizing the Secretary to make a downward adjustment in the level of loans and purchases for corn if the Secretary determines that the average price of corn received by producers in any marketing year is not more than 105 percent of the level of loans and purchases for corn for such marketing year.

(2) Grain sorghum loan rates (Sec. 401)

The *Senate* bill provides that the loan and purchase level for grain sorghums would be at such level as is fair and reasonable in relation to the level for corn, taking into consideration the feeding value in relation to corn and the other factors specified in section 401(b) of the Agricultural Act of 1949. (Sec. 401).

The *House* amendment provides that the grain sorghum loan rate would be set at such level as is fair and reasonable in relation to the level for corn, taking into consideration the feeding value and the average transportation costs to market of grain sorghums in relation to corn. (Sec. 401).

The *Conference* substitute adopts the *Senate* provision.

(3) Oats loan rates (Sec. 401)

The *Senate* bill provides that loans and purchases for oats would be at such level as is fair and reasonable in relation to the level for corn, taking into consideration the feeding value in relation to corn and the other factors specified in section 401(b) of the 1949 Act. (Sec. 401)

The *House* amendment provides for loans and purchases for oats at such level as is fair and reasonable in relation to the level that loans and purchases are made available for corn, wheat, and barley, taking into consideration the weight of a bushel of oats as compared to these comparison grains, the value of oats as a specialty animal feed, the value of oats as a human food, the value of oats as a soil conservation crop, and other factors specified in section 401(b) of the 1949 Act. The level of loans and purchases on each crop of oats cannot be less than a rate computed by multiplying the loan rate for each comparison crop by a fraction, the denominator of which is the weight of a bushel of the comparison crop and the numerator of which is the weight of a bushel of oats, adding the resulting numbers and dividing by three. (Sec. 401)

The *Conference* substitute adopts the *Senate* provision.

(4) *Adjustment in feed grain loan rates (Sec. 401)*

The *House* amendment provides that if a set-aside program is in effect, the feed grain loan rates otherwise determined under the bill must be increased by 5 percent, unless the producer at his option elects to set aside 25 percent of the farm's previous year plantings in which event the feed grain loan rates for such producer must be increased by 10 percent. (Sec. 402)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment. The conferees encourage the Secretary, however, as in the case of wheat, to use the discretionary authority provided by the bill to increase the loan rate to the maximum extent feasible, whenever a set-aside or acreage reduction program is in effect for corn, for those producers who cooperate with the program.

(5) *Feed grain target prices (Sec. 401)*

(a) The *Senate* bill requires that target price payments for each of the 1982 through 1985 crops of corn, and grain sorghums, be made available to eligible producers. (Sec. 401)

The *House* amendment gives the Secretary discretion to make such payments available, unless the domestic carryover from the previous year's crop of corn exceeds 1.3 billion bushels, in which event target price payments are mandatory for corn and grain sorghums. (Sec. 401)

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill requires that target price payments be made available for each of the 1982 through 1985 crops of oats. (Sec. 401)

The *House* amendment makes target price payments for oats discretionary with the Secretary. (Sec. 401)

The *Conference* substitute adopts the *Senate* provision.

(c) The *Senate* bill provides that the minimum target price for corn (per bushel) would be: \$2.70 for the 1982 crop; \$2.85 for the 1983 crop; \$3.00 for the 1984 crop; and \$3.15 for the 1985 crop. The Secretary has discretion to establish a higher target price for any such crop as appropriate to reflect any change in (i) the average adjusted cost of production per acre for the 2 crop years immediately preceding the year for which the determination is made, from (ii) the average adjusted cost of production per acre for the 2 crop years immediately preceding the year previous to the one for which

the determination is made. The *Senate* bill gives the Secretary discretion to use the factors provided in current law in determining the adjusted cost of production. (Sec. 401)

The *House* amendment provides that for the 1982 crop of corn, the target price will be \$2.90 per bushel and for each of the 1983 through 1985 crops of corn, the target price will be the target price for the previous crop adjusted to reflect any change in (i) the average adjusted cost of production per acre estimated for the 2-year period which includes the crop year for which the target price will be applicable and the immediately preceding crop year, from (ii) the average adjusted cost of production per acre for the 2 crop years immediately preceding the year for which the target price will be applicable. The *House* amendment limits the Secretary to factors provided in current law in determining the adjusted cost of production. (Sec. 401)

The *Conference* substitute provides that the minimum corn target prices (per bushel) would be \$2.70 for the 1982 crop, \$2.86 for the 1983 crop, \$3.03 for the 1984 crop, and \$3.18 for the 1985 crop, and that the target price may be increased for each of the 1982 through 1985 crops to reflect changes in costs of production based on the formula set forth in the *Senate* bill.

(d) The *House* amendment provides that if the Secretary adjusts the level of loans and purchases for corn because in the previous year the average producer price did not exceed 105 percent of the loan rate, the Secretary must provide emergency compensation by increasing the target price payments for corn 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 necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made. Payments under this provision are not subject to the payment limitation. (Sec. 401)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(e) The *House* amendment provides that in determining the target price and the loan rate for the 1984 and 1985 crops, the Secretary must use as a base in making adjustments the target price and loan rate for the previous years that would have resulted had the actual cost of production figures, as determined by the Secretary for those years, been used. (Sec. 401)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(6) *Feed grain disaster payments (Sec. 401)*

The *Senate* bill makes disaster payments available for feed grains under the same conditions as the *Senate* bill provides for wheat. (Sec. 401)

The *House* amendment makes disaster payments available for feed grains under the same conditions as the *House* amendment provides for wheat. (Sec. 401)

The *Conference* substitute adopts the *Senate* provision.

(7) *Feed grain acreage limitations and set-aside program (Sec. 401)*

(a) The *Senate* bill authorizes an acreage limitation to be imposed on acreage planted to feed grains if the Secretary determines that the supply of feed grains will be excessive in the absence of such limitation, taking into account the need for an adequate carryover. Producers who knowingly plant feed grains in excess of the permitted acreage would not be eligible for feed grain loans, purchases, and payments (see paragraph (c) below). (Sec. 401)

The *House* amendment requires a set-aside of cropland for any year if the Secretary estimates that the domestic carryover of corn at the end of the preceding year will exceed 18 percent of the previous year's total uses. If a set-aside is in effect, as a condition of eligibility for feed grain loans, purchases, and payments, producers must set aside to conservation uses the required amount of cropland (see paragraph (d) below). (Sec. 402)

The *Conference* substitute authorizes the Secretary to provide either for an acreage limitation program as set forth in the *Senate* bill, or a set-aside program as in the *House* amendment, except that it deletes the requirement in the *House* amendment for a set-aside if the domestic carryover exceeds 18 percent of the previous year's total use.

(b) The *House* amendment requires the set-aside to be announced not later than November 1, before the calendar year in which the crop is harvested. (Sec. 402)

The *Senate* bill contains no comparable provision for the acreage limitation program.

The *Conference* substitute requires that any acreage limitation or set-aside program must be announced not later than November 15 prior to the calendar year in which the crop is harvested, except that for the 1982 crop the announcement must be made as soon as practicable after enactment of the bill.

(c) The *Senate* bill provides that any acreage limitation would be based on a uniform percentage reduction applied to the feed grain acreage planted to harvest (including prevented planting acreage) in the preceding crop year or, at the discretion of the Secretary, the average acreage in the preceding 2 crop years. (Sec. 401)

The *House* amendment retains current law which provides that if a set-aside program is in effect, the Secretary may limit the acreage planted to feed grains, and for the limitation to be applied on a uniform basis to all feed grain producing farms. (Sec. 402)

The *Conference* substitute adopts the *Senate* provision to apply if the Secretary elects to provide for an acreage limitation program and the *House* amendment to apply if the Secretary should provide for a set-aside program.

(d) The *Senate* bill provides that in the event of an acreage limitation program there shall be devoted to conservation uses a number of acres determined by dividing (i) the product of the number of acres required to be withdrawn from feed grain production times the number of actually planted acres, by (ii) the number of acres authorized to be planted to feed grains. (Sec. 401)

The *House* amendment provides that if a set-aside is in effect producers must set-aside and devote to conservation use cropland acreage at least equal to a specified percent of the farm's previous

year's plantings, as determined by the Secretary, *but not less than 15 percent.* (Sec. 402)

The *Conference* substitute adopts the *Senate* provision to apply if the Secretary elects to provide for an acreage limitation program and the *House* amendment to apply if the Secretary should provide for a set-aside program, except that the *Conference* substitute deletes the minimum required set-aside in the *House* amendment.

(e) The *Senate* bill authorizes the Secretary to exempt producers of malting barley from complying with the acreage limitation program as a condition of eligibility for program benefits. (Sec. 401)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(8) Feed grain paid diversion program (Sec. 401)

The *Senate* bill authorizes a paid diversion program if needed to assist in obtaining necessary adjustments in the total acreage of feed grains; in which event the Secretary may require participation in that program as a condition of eligibility for program benefits. (Sec. 410)

The *House* amendment also authorizes a paid diversion program but does not authorize the Secretary to condition program benefits on participation in the diversion program. (Sec. 402)

The *Conference* substitute adopts the *House* amendment.

(9) Payments for wildlife food plots and public access (Sec. 401)

The *House* amendment retains current law which authorizes the Secretary to pay an appropriate share of the cost of practices on the setaside and diverted acreage devoted to wildlife food plots and habitat and authorizes an additional payment if the producer agrees to permit public access to the farm. (Sec. 402)

The *Senate* bill contains no comparable provision.

The *conference* substitute adopts the *House* amendment.

(10) Authorization to permit local ASC committees to waive program requirements (Sec. 401)

The *Senate* bill authorizes the Secretary to permit county and State ASC committees to waive or modify deadlines and other program requirements in cases in which failure to meet such requirements does not affect the program adversely. (Sec. 401)

The *House* amendment contains no comparable provision, but does authorize the Secretary, in the event of a producer's failure to comply fully with the program, to make program benefits available in such amounts as the Secretary determines equitable. A comparable provision also appears in the *Senate* bill. (Sec. 402)

The *conference* substitute adopts the *Senate* provision.

(11) Assignment of payments (Sec. 401)

The *Senate* bill makes the assignment of payment provisions of the Soil Conservation and Domestic Allotment Act applicable to payments under the program. These provisions specifically authorize written assignment of payments by producers as security for cash or advances to finance making a crop, handling or marketing the commodity, or performing a conservation practice and set forth the procedures applicable thereto. (Sec. 401)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(12) Cross-compliance (Sec. 401)

The *Senate* bill prohibits program provisions which would require compliance on a farm with the terms and conditions of any other program as a condition of eligibility for program benefits. (Sec. 401)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision for any acreage limitation program that should be announced but not for any set-aside program that should be announced.

Title V—Cotton

(1) Upland cotton target prices (Sec. 502)

The *Senate* bill provides minimum target prices (per pound) of: \$0.71 for the 1982 crop, \$0.76 for the 1983 crop, \$0.81 for the 1984 crop, and \$0.86 for the 1985 crop of upland cotton. The Secretary could establish a higher target price for any such crop as appropriate to reflect changes in (i) the average adjusted cost of production per acre for the 2 crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the 2 crop years immediately preceding the year previous to the one for which the determination is made. The *Senate* bill also gives the Secretary discretion to use the factors provided in current law in determining the adjusted cost of production. (Sec. 502)

The *House* amendment provides that the target price for each of the 1982 through 1985 crops shall be 120 percent of the loan level for the applicable crop. (Sec. 502(2))

The *Conference* substitute provides that for the 1982 through 1985 crops of upland cotton, the established price 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, or (ii) 120 percent of the loan level determined for such crop.

The conferees note that both the *Senate* bill and the *House* amendment provide that the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938, shall again become effective as preliminary allotments for the 1986 crop. It is assumed by the conferees that the Department of Agriculture would handle acreage allotments for wheat in a similar manner.

(2) Upland cotton loan differentials (Sec. 507)

The *Senate* bill provides that beginning with the loan program for the 1982 crop of upland cotton, the Secretary, in establishing loan differentials, is required to give equal weight to (i) loan differences for the preceding crop, and (ii) market differences for the crop in the nine designated U.S. spot markets. The Secretary is also required to establish a committee to study alternative methods for establishing the values of premiums and discounts for grade,

staple, and micronaire under the upland cotton load program that will ensure that the premiums and discounts represent true relative market values and reflect actual market demand. Prior to announcement of loan differentials for the 1982 crop of upland cotton, the Secretary may review the criteria and procedures for determining quality differences (including their recommendations of the study committee and the formula provided above) and, on the basis of the review, revise the procedures and criteria to accurately reflect the actual market value of upland cotton in the United States. (Sec. 507)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(3) *Import duties for special upland cotton quota*

The *Senate* bill provides that any upland cotton described in items 955.01 through 955.03 of the Appendix to the Tariff Schedules of the United States imported into the United States when a special quota is in effect under the upland cotton program, shall be deemed an import under the special quota until that quota is filled and any such cotton shall be free of duty. (Sec. 502)

The *House* amendment contains no comparable provision.

(NOTE.—A similar provision was deleted by the House from the *House* amendment because of the requirements of Article 1, Section 7 of the Constitution that all bills for raising revenue shall originate in the House. The provisions were included instead in H.R. 4566, as passed by the House.)

The *Conference* substitute deletes the *Senate* provision.

(4) *Upland cotton disaster payment (Sec. 502)*

The *Senate* bill makes disaster payments available for upland cotton under the same conditions as the *Senate* bill provides for wheat (except as to the formula for payments). (Sec. 502)

The *House* amendment makes disaster payments available for upland cotton under the same conditions as the *House* amendment provides for wheat (except as to the formula for payments). (Sec. 502(3))

The *Conference* substitute adopts the *Senate* provision.

(5) *Upland cotton acreage limitations (Sec. 502)*

(a) The *Senate* bill uses as the base for any acreage reduction program the acreage planted on the farm for harvest (including any prevented planting acreage) in the preceding crop year or, at the discretion of the Secretary, the average acreage planted to upland cotton for harvest in the 2 crop years preceding the year for which the determination is made. (Sec. 502)

The *House* amendment provides that the base shall be the acreage planted to cotton in the preceding year, or if no cotton was so planted (i) the larger of the acreages planted to cotton in the 2 years prior to that year or (ii) the average acreage planted to cotton in such 2 years, as determined by the Secretary. (Sec. 502(6))

The *Conference* substitute adopts the *Senate* provision.

It is the intention of the conferees that the Secretary give substantial weight and consideration to conservation uses recommended by the State Agricultural Stabilization and Conservation com-

mittee. Also, for any area where wind and water erosion of cropland is not a problem, the Secretary shall authorize clean tillage as an approved conservation practice.

(b) The *Senate* bill authorizes the Secretary to make adjustments to provide for an equitable acreage base. (Sec. 502)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(6) Upland cotton paid diversion program (Sec. 502)

The *Senate* bill authorizes a paid diversion program if needed to assist in obtaining necessary adjustments in the total acreage of upland cotton; in which event, the Secretary may require participation in that program as a condition of eligibility for loans, purchases, and any payments under the bill. (Sec. 502)

The *House* amendment also authorizes a paid diversion program but does not authorize the Secretary to condition loans, purchases, and any payments under the cotton program on participation in the diversion program. (Sec. 502(6))

The *Conference* substitute adopts the *House* amendment.

(7) Payments for wildlife food plots and public access (Sec. 502)

The *House* amendment authorizes the Secretary to pay an appropriate share of the cost of practices on the diverted acreage devoted to wildlife food plots and habitat and authorizes an additional payment if the producer agrees to permit public access to the farm. (Sec. 502)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(8) Failure to comply fully with program requirements (Sec. 502)

The *Senate* bill authorizes the Secretary in cases of a producer's failure to comply fully with program provisions to make loans and payments in such amounts as determined to be equitable in relation to the seriousness of the failure. In addition, the *Senate* bill authorizes the Secretary to permit State and county ASC Committees to waive or modify time deadlines and other program requirements where it would not adversely affect the program. (Sec. 502)

The *House* amendment requires the Secretary in cases of a producer's failure to comply with the terms and conditions of the program, including time deadlines prescribed under the program, to permit State and county committees to make loans and payments in such amounts as they determine are equitable in relation to the seriousness of the default. (Sec. 502(8))

The *Conference* substitute adopts the *Senate* provision.

(9) Offsetting compliance prohibition (Sec. 502)

The *House* amendment prohibits any regulations that condition loans and payments on offsetting compliance procedure. (Sec. 502)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

It is the intention of the conferees that persons who own or operate more than one farm would be eligible for program benefits on complying farms as long as the cotton acreage on the noncomply-

ing farms does not exceed the cotton acreage base as determined under the acreage limitation provision.

(10) Extra long staple cotton (Sec. 508)

The *House* amendment decreases the loan level for the 1982 and subsequent crops of extra long staple cotton from a range under current law of between 85 percent and 135 percent to a range of not less than 75 percent or more than 125 percent in excess of the loan level for Strict Low Middling one and one-sixteenth inch upland cotton. This loan level is made available to cooperators of any crop for which marketing quotas have not been disapproved. The *House* amendment also deletes provisions of current law relating to price support payments. (Sec. 507)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

TITLE VI—RICE

(1) Rice target prices (Sec. 602)

The *Senate* bill provides that the minimum target prices (per hundredweight) for rice will be: \$10.73 for the 1982 crop; \$11.23 for the 1983 crop; \$11.73 for the 1984 crop; and \$12.23 for the 1985 crop. The Secretary has discretion to establish a higher target price for any such crop as appropriate to reflect any change in (i) the average adjusted cost of production per acre for the 2 crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the 2 crop years immediately preceding the year previous to the one for which the determination is made. The *Senate* bill also gives the Secretary discretion to use the factors provided in current law in determining the adjusted cost of production. (Sec. 602)

The *House* amendment provides that the target price for each of the 1982 through 1985 crops will be the target price for the previous year's crop adjusted to reflect any changes in (i) the average adjusted cost of production per acre estimated for the 2 crop year period immediately preceding the year for which the determination is made, from (ii) the average adjusted cost of production per acre for the 2 crop years immediately preceding the year previous to the one for which the target price is being determined, divided by the normal yield. The *House* amendment limits the Secretary to the factors provided in current law in determining the adjusted cost of production. (Sec. 602)

The *Conference* substitute provides that the minimum rice target prices (per hundredweight) would be \$10.85 for the 1982 crop, \$11.40 for the 1983 crop, \$11.90 for the 1984 crop, and \$12.40 for the 1985 crop, and that the target price may be increased for each of the 1982 through 1985 crops to reflect changes in costs of production based on the formula set forth in the *Senate* bill.

(2) Farm yield (Sec. 602)

The *House* amendment provides that if no rice was produced on a farm during the 3-year period prior to the year for which a yield is established, the yield shall be determined taking into considera-

tion comparable farm yields in the area and other appropriate factors. (Sec. 602)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(3) *Rice disaster payments (Sec. 602)*

(a) The *Senate* bill makes disaster payments available to rice producers under the same conditions as the *Senate* bill provides for wheat producers, except as to the formula for payments. (Sec. 602)

The *House* amendment makes disaster payments available to rice producers under the same conditions as the *House* amendment provides for wheat producers, except as to the formula for payments. (Sec. 602)

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill provides for the computation of prevented planting disaster payments on the basis of 75 percent of the farm program payment yield times one-third of the target price for rice. (Sec. 602)

The *House* amendment provides for the computation of prevented planting disaster payments on the basis of 100 percent of the yield established for the farm times one-third of the target price for rice. (Sec. 602)

The *Conference* substitute adopts the *Senate* provision.

(4) *Rice acreage limitation and set-aside (Sec. 602)*

(a) The *Senate* bill authorizes acreage limitations to be imposed on the acreage planted to rice if the Secretary determines that the total supply of rice will be excessive in the absence of such limitation, taking into account the need for an adequate carryover. Producers who knowingly produce rice in excess of the permitted acreage would not be eligible for rice loans, purchases, and payments (see paragraph (c) below). (Sec. 602)

The *House* amendment requires a set-aside of cropland for any marketing year if the Secretary determines that the total supply of rice will be excessive in the absence of such limitation, taking into account the need for an adequate carryover. If a set-aside is in effect, as a condition of eligibility for rice loans, purchases, and payments, producers must set aside to conservation uses the required amount of cropland and meet program limitations on the rice acreage planted to harvest (see paragraphs (c) and (d) below). (Sec. 602)

The *Conference* substitute adopts the *Senate* provision.

(b) The *House* amendment requires the Secretary to announce any set-aside program not later than January 31 of the calendar year in which the crop for which the announcement is made is harvested. (Sec. 602)

The *Senate* bill contains no comparable provision for the acreage limitation program.

The *Conference* substitute adopts the *House* amendment.

(c) The *Senate* bill provides that any acreage limitations would be based on a uniform percentage reduction applied to the rice acreage planted on the farm to rice for harvest (including acreage prevented from planting because of a condition beyond the control of the producer) in the year preceding the year for which the determi-

nation is made or at the Secretary's discretion, the average acreage in the preceding 2 crop years. (Sec. 602)

The *House* amendment provides that in the event of a set-aside program, producers on a farm must limit the rice acreage planted for harvest for the crop year to an acreage that when added to the acreage required to be set aside will not exceed the sum of the acreage planted for harvest plus the rice program set-aside acreage, if any, for the previous crop year. If the planted acreage was abnormal in the previous crop year for reasons beyond the producer's control, the Secretary must adjust the acreage used in such determination based on fair and equitable factors. (Sec. 602)

The *Conference* substitute adopts the *Senate* provision.

(d) The *Senate* bill provides that in the event of an acreage limitation program there shall be devoted to conservation uses on the farm a number of acres determined by dividing (i) the product of the number of acres required to be withdrawn from production times the number of actually planted acres, by (ii) the number of acres authorized to be planted to rice. (Sec. 602)

The *House* amendment provides that if there is a set-aside program there shall be set aside and devoted to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the rice acreage planted for harvest for the crop year for which the set-aside is in effect. (Sec. 602)

the *Conference* substitute adopts the *Senate* provision.

(5) Paid diversion program (Sec. 602)

The *Senate* bill authorizes a paid diversion program if needed to assist in obtaining necessary adjustments in the total acreage of rice; in which event, the Secretary may require participation in that program as a condition of eligibility for program benefits. (Sec. 602)

The *House* amendment authorizes a paid diversion program if the Secretary determines it necessary to assist in adjusting the national acreage of rice to desirable goals, but does not authorize the Secretary to require participation in the program as a condition of eligibility for program benefits. (Sec. 602)

The *Conference* substitute adopts the *House* amendment.

(6) Payments for wildlife food plots and public access (Sec. 602)

The *House* amendment retains current law which authorizes the Secretary to pay an appropriate share of the cost of practices on the set-aside and diverted acreage devoted to wildlife food plots and habitat and authorizes an additional payment if the producer agrees to permit public access to the farm. (Sec. 602)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(7) Authorization to permit local ASC committees to waive program requirements (Sec. 602)

The *Senate* bill authorizes the Secretary to permit county and State ASC committees to waive or modify deadlines and other program requirements in cases in which failure to meet such requirements does not adversely affect the program. (Sec. 602)

The *House* amendment contains no comparable provision, but does authorize the Secretary, in the event of a producer's failure to comply fully with the program, to make program benefits available in such amounts as the Secretary determines equitable. A comparable provision also appears in the *Senate* bill. (Sec. 602)

The *Conference* substitute adopts the *Senate* provision.

(8) Assignment of payments (Sec. 602)

The *Senate* bill makes the assignment of payment provisions of the Soil Conservation and Domestic Allotment Act applicable to payments under the program. These provisions specifically authorize written assignment of payments by producers as security for cash or advances to finance making a crop, handling or marketing the commodity, or performing a conservation practice and set forth the procedures applicable thereto. (Sec. 602)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(9) Cross-compliance (Sec. 602)

The *Senate* bill prohibits program provisions which would require compliance on a farm with the terms and conditions of any other commodity program as a condition of eligibility for program benefits. (Sec. 602)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(10) Safeguards for tenants and sharecroppers (Sec. 602)

The *Senate* bill requires the Secretary to provide adequate safeguards to protect the interests of tenants and sharecroppers. (Sec. 602)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(11) Report on trading in rice futures (Sec. 603)

The *House* amendment requires the Secretary to submit a report to Congress, on or before July 31, 1983, evaluating the trading of rice futures on the commodity exchanges. The report shall contain an assessment as to whether rice futures prices effectively reflect market prices, and as to the feasibility of using the seasonal average price received by farmers for rough rice or the futures price as a basis for calculating the loan rate for rice. (Sec. 604)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

TITLE VII—PEANUTS

(1) Suspension of marketing quotas and acreage allotments (Sec. 701)

The *Senate* bill suspends, effective only for the 1982-1985 crops, the marketing quota and acreage allotment provisions of the Agricultural Adjustment Act of 1938 relating to peanuts. (Sec. 701)

The *House* amendment repeals, effective beginning with the 1982 crop, the marketing quota and acreage allotment provisions of the Agricultural Adjustment Act of 1938 relating to peanuts. (Sec. 701)

The *Conference* substitute adopts the *Senate* provision. The conferees expect the Secretary to maintain adequate records to permit effective implementation of the suspended provisions of the Agricultural Adjustment Act of 1938 should they become applicable at some time in the future.

(2) *National poundage quota and farm poundage quota (Sec. 702)*

For the 1982-1985 crops of peanuts:

(a) The *Senate* bill directs the Secretary to announce a minimum national poundage quota for peanuts of not less than 1,240,000 tons, reduced in each crop year by the amount of any forfeited farm poundage quotas. (Sec. 702)

The *House* amendment contains no comparable provision.

The *Conference* substitute establishes the national poundage quota at 1,200,000 tons for 1982, 1,167,300 tons for 1983, 1,134,700 tons for 1984, and 1,100,000 tons for 1985. It also provides that the annual reductions in the national poundage quota are to be achieved, to the extent possible, by reducing the farm poundage quotas for farms that do not produce peanuts, and therefore, eliminates any reference to reduction in the national poundage quota by the amount of any forfeited farm poundage quotas.

(b) The *Senate* bill requires that (1) the minimum national poundage quota be apportioned to each State on the basis of the percentage of the national poundage quota that was allocated to farms in the State for 1981, and (2) the State poundage quota be allocated among counties in the State in accordance with regulations established by the Secretary and other provisions of the bill. (Sec. 702)

The *House* amendment contains no comparable provision.

The *Conference* substitute provides that the national poundage quota for each year shall be apportioned to the States on the basis of the percentage of the national poundage quota that was allocated to farms in the State for 1981, and that the year-to-year reductions in the State poundage quotas shall be achieved by reducing farm poundage quotas for farms in the State to the extent that such quotas are not produced on the farms to which the quotas are assigned. The *Conference* substitute also provides for calculating State poundage quotas for 1981 since, under legislation then in effect, State poundage quotas were not established for that year.

The *Conference* substitute would, in implementing the farm poundage quota reduction concept adopted by the conferees, except from the category of farms not producing peanuts farms on which the farm poundage quota was not produced because of natural disasters or other reasons as the Secretary may by regulation prescribe, such as transfers of quotas from one farm to another farm of the same owner.

Further, because under legislation governing the 1977 through 1981 crops of peanuts acreage allotments rather than farm poundage quotas were subject to transfer, the *Conference* substitute contains a reference to transfers of allotments for purposes of applying provisions relating to production in past years; however, only farm poundage quotas will be subject to transfer for the 1982 through 1985 crops.

(c) The *Senate* bill requires that farm base production poundage be established for each farm that had an acreage allotment for the

1981 crop. The farm base production poundage is to be the same for the 1982-1985 crops as it was for the 1981 crop, except that if any of such poundage is permanently transferred, the receiving farm is to be considered as possessing the poundage of the transferring farm for all subsequent marketing years. If any of the farm base production poundage is allocated to a farm on which there is inadequate cropland available to produce the amount of the base production poundage on the farm, or if peanuts are not actually produced on the farm in at least one of any three consecutive crop years, the portion of such poundage that cannot be produced or that is not produced is to be forfeited. To the extent that such poundage is comprised of quota poundage, it is to be deducted from the national poundage quota for all subsequent years, except that if any of the farm base production poundage was leased for production in 1980 or 1981, or any subsequent year, the leased portion is to be allocated to the person to whom it was most recently leased if such person has adequate tillable cropland to produce such poundage. (Sec. 702)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision. The conferees note that establishment of farm base production poundages and the forfeiture thereof are unnecessary inasmuch as the farm poundage quota is the basic element in the structure of the *Conference* substitute. Also, the *Conference* substitute abolishes all distinctions between additional peanuts produced by poundage quota holders (old growers) and those produced by new growers.

(d) The *Senate* bill requires that, for each farm for which a farm base poundage quota was established for the 1981 crop, and when otherwise necessary, a farm yield be determined for the farm. The yield is to be the average actual yield per acre for the farm for the three crop years in which yields were highest on the farm out of the five crop years 1973-1977. If peanuts were not produced on the farm in at least three years of such five-year period or if there was a substantial change in the operation of the farm during that period, the Secretary is to have a yield appraised for the farm that is to be an amount determined to be fair and reasonable considering yields for similar farms in the area. (Sec. 702(n))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with a conforming amendment substituting the term "farm poundage quota" for the term "farm base production poundage".

(e) The *Senate* bill requires the Secretary to establish a farm poundage quota for each farm for which a farm base production poundage was established for the 1981 crop. Such quota is to be equal to the farm base production poundage multiplied by a factor determined by dividing the State poundage quota by the sum of all farm base production poundages in the State for the 1981 marketing year. The poundage quota so determined is to be increased by the pounds by which marketings of quota peanuts from the farm during marketing years beginning with the marketing year for the 1980 crop were less than the farm poundage quota. Further, for any crop, a quantity of peanuts equal to the quantity undermarketed during such previous years may be produced and marketed in subsequent years and be considered quota peanuts if the producer

planted an acreage on the farm to peanuts in such previous year that, when multiplied by the farm yield, should have yielded 75 percent of the quota poundage for the farm for such previous year. However, if the total of all the increases in individual farm poundage quotas for undermarketings exceed 10 percent of the national poundage quota for a marketing year, the Secretary is to adjust the increases so that the total will not exceed such percentage. (Sec. 702(o))

The *House* amendment contains no comparable provision.

The *Conference* substitute requires the establishment of a farm poundage quota for each farm that had an acreage allotment for the 1981 crop, and provides that such quota shall be the same as that for the immediately preceding marketing year, with adjustments as described above to reflect year-to-year reductions in the national and State poundage quotas. The conferees recognize that the total of farm poundage quotas so established will not precisely equal the national poundage quota due to factors such as rounding. Such total, however, shall be equal, as nearly as practicable, to the national poundage quota. The *Conference* substitute also provides for the carrying forward to subsequent years of undermarketings from a farm for prior years, up to an annual limit of not more than 10 percent of the national poundage quota.

The *Conference* substitute provides that any increases in farm poundage quotas through the "carry forward" provisions are not to be counted against the national poundage quota. The conferees intend that undermarketings likewise not be considered a part of the base farm poundage quota otherwise established for the farm for purposes of determining poundage quotas under other provisions of the bill.

(f) The *Senate* bill directs the Secretary, by December 15 of each calendar year, to conduct a referendum of farmers producing quota peanuts in that year to determine whether the producers favor or oppose poundage quotas for peanuts produced in the four subsequent calendar years, except that if as many as two-thirds of those voting favor such quotas, no referendum is to be held for the other three years of the period. If more than one-third of those voting oppose quotas, the Secretary is to proclaim that quotas will not be in effect for the following year. (Sec. 702(p))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with an amendment providing that if the referendum is held after December 31, 1981, it shall be deemed to have been held in calendar 1981.

(g) The *Senate* bill defines certain terms as follows:

(1) "quota peanuts" means, for any marketing year, any peanuts produced on a farm having a farm base production poundage that are eligible for domestic edible use, are marketed or considered marketed, and do not exceed the farm poundage quota for the farm;

(2) "additional peanuts" means (i) any peanuts, for any marketing year, that are marketed from a farm having a farm base production poundage and which are in excess of the marketings of quota peanuts from the farm, and (ii) all peanuts marketed from a farm having no farm base production poundage;

(3) "crushing" means the processing of peanuts to extract oil for food use and meal for feed use, or the processing of peanuts by crushing or otherwise; and

(4) "domestic edible use" means use for milling to produce domestic food peanuts and seed, and use on a farm, except the Secretary may exempt from this definition seeds of peanuts used to produce peanuts which were not picked or threshed or which were marketed as boiled peanuts, are unique strains, and are not commercially available. (Sec. 702(q))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with an amendment adding the processing of peanuts into flakes to the definition of "crushing", making a conforming change in the definition of "domestic edible use", and substituting "farm poundage quota" for "farm base production poundage".

(3) Sale, lease, or transfer of farm poundage quota (Sec. 703)

For the 1982-1985 crops of peanuts:

(a) The *Senate* bill permits the owner or operator of any farm having a farm base production poundage to sell or lease any part of the right to all or any part of such poundage to any other owner or operator of a farm within the same State, and permits the owner of a farm to transfer all or part of such poundage to any other farm owned or controlled by such person. (Sec. 703(i))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with an amendment (1) generally limiting transfers of farm poundage quotas (rather than farm base production poundage) to other farms within the same county; (2) permitting the owner or operator of a farm to transfer such poundage to another farm owned or controlled by such owner or operator if it is within the same county or a contiguous county within the same State and had a farm poundage quota for 1981; and (3) in States having a State poundage quota of less than 10,000 tons for the 1981 crop, allowing transfers of farm poundage quotas to any other farm within the State.

(b) The *Senate* bill subjects transfers of farm base production poundage to the following conditions:

(1) no transfer may be made from a farm subject to a mortgage or other lien without agreement by the lienholders; (2) no transfer may be made if the county committee determines that the receiving farm does not have adequate acreage to produce the farm poundage quota; (3) no transfer may be effective until a record thereof is filed with the county committee and the committee determines that the transfer complies with applicable provisions of law; and (4) the transfer meets other terms and conditions prescribed by the Secretary. (Sec. 703(j))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with a conforming amendment substituting "farm poundage quota" for "farm base production poundage".

(4) Marketing penalties; disposition of additional peanuts (Sec. 704)

For the 1982-1985 crops of peanuts:

(a) The *Senate* bill subjects the marketings of any peanuts for domestic edible use in excess of the farm poundage quota to a penalty at the rate of 140 percent of the support price for quota peanuts for the marketing year (August 1 through July 31). It also subjects the marketings of any additional peanuts from a farm to the same penalty unless such peanuts are (1) placed under loan at the additional loan rate and not redeemed; (2) marketed through a designated area marketing association; or (3) marketed under a contract between handlers and producers pursuant to provisions specified elsewhere in the bill. The penalty is to be paid by the person who acquires the peanuts from the producer or by the agent through whom the producer markets the peanuts, and such person or agent may deduct the amount of the penalty from the price paid the producer. If the person required to collect the penalty fails to do so, such person and all persons entitled to share in the peanuts or their proceeds are made jointly and severally liable for the penalty. Peanuts produced in a calendar year in which poundage quotas are in effect for the marketing year beginning therein are subjected to penalties even if they are marketed prior to the date on which such marketing year begins. Further, if a producer falsely identifies or fails to certify planted acres or fails to account for the disposition of peanuts produced on such acres, a quantity of peanuts equal to the calculated production on such acreage is subjected to penalty. (Sec. 704(f)(1))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill directs the Secretary to authorize county committees to waive or reduce marketing penalties in cases in which they determine that violations were unintentional or without the knowledge of the parties concerned. Errors in weight not exceeding one tenth of one percent on any one marketing document are not to be considered violations except in cases of fraud or conspiracy. (Sec. 704 (f)(2))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision. The conferees intend, however, that regulations issued by the Secretary to implement this provision will provide for application of existing administrative review procedures to decisions of county committees in such matters.

(c) The *Senate* bill imposes, upon the person liable for the payment or collection of penalties, liability for interest thereon, at the rate charged the Commodity Credit Corporation by the Treasury on the date the penalty became due. (Sec. 704(f)(3))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(d) The *Senate* bill makes its penalty provisions inapplicable to peanuts produced on a farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts do not share in peanuts produced on any other farm. (Sec. 704(f)(4))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(e) The *Senate* bill imposes, until the penalty is paid, a lien in favor of the United States on any crop of peanuts subject to penal-

ty and on any subsequent crop subject to quotas in which the person liable for the penalty has an interest. (Sec. 704(f)(5))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(f) The *Senate* bill provides that the liability for and amount of any penalty shall be determined by procedures prescribed by the Secretary, and that the facts on which the determination is made as provided by the Secretary, shall be final and conclusive and not reviewable. It provides, however, that nothing therein precludes review of any determination by the Secretary as to whether the decision was made in conformity with applicable law and regulations. And it provides that all penalties imposed under its terms are to be considered civil penalties. (Sec. 704(f)(6))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with an amendment authorizing the Secretary to reduce any penalty assessed against handlers if the violation was minor or inadvertent, and will not impair operation of the peanut program.

(g) The *Senate* bill permits only quota peanuts to be retained for seed and other uses on a farm and provides that peanuts so retained shall be considered marketings of quota peanuts unless the Secretary exempts from this provision seeds of peanuts used to produce peanuts which are not picked or threshed or which are marketed as boiled peanuts, are unique strains, and are not commercially available. It prohibits the retention of additional peanuts for use on a farm and the marketing of such peanuts for domestic edible use. And it requires that seed for planting any domestic peanut acreage be obtained solely from quota peanuts. (Sec. 704(g))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(h) The *Senate* bill subjects any peanut handler to a penalty of 120 percent of the loan level for quota peanuts with respect to any quantity of peanuts marketed for domestic edible use by the handler from any crop and that the Secretary determines is in excess of the quantity, grade, or quality which could reasonably have been produced from the quantity of peanuts having the grade, kernal content, and quality of quota peanuts acquired by the handler. (Sec. 704(h))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(i) The *Senate* bill directs the Secretary to require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by designated area marketing associations. It permits quota and additional peanuts of like type and segregation or quality to be commingled and exchanged on a dollar value basis to facilitate warehousing, handling and marketing. (Sec. 704(i))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision, with an amendment to make clear that, as under current law, 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 penalty at the rate of 120 percent of the loan level for quota peanuts.

(j) The *Senate* bill permits handlers to contract with producers for the purchase of additional peanuts for crushing and export. It requires that the contracts be completed and submitted to the Secretary for approval before April 15 of the year in which the crop is produced, except that if a handler contracts with a producer for additional peanuts produced on a farm having a farm base production poundage at a price equal to or in excess of 105 percent of the loan rate for quota peanuts, the peanuts may be used as quota peanuts if the contract is approved before April 15 of the crop year and all of the producer's quota peanuts have been contracted for before or at the same time that the producer's additional peanuts are contracted for. (Sec. 704(j))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with an amendment striking the provision giving old producers (those having farm poundage quotas), but not new producers, the opportunity to contract for the sale of additional peanuts for domestic edible use.

(k) The *Senate* bill permits, subject to the minimum sales price provisions of the Agricultural Act of 1949, any peanuts owned or controlled by the Commodity Credit Corporation to be made available for domestic edible use. It requires that additional peanuts received under loan be offered for sale for domestic edible use at prices that cover at least all costs incurred with respect to the peanuts plus not less than (1) 100 percent 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) 105 percent of such value if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; and (3) 107 percent of such value if the additional peanuts are sold after December 31, except that additional peanuts produced outside the farm base production poundage shall not be sold into domestic channels until all quota peanuts and additional peanuts produced within the farm base production poundage have been contracted for. From the date additional peanuts are delivered for loan to April 1 of the calendar year following the year in which the peanuts were harvested, the designated area marketing associations are given sole authority to accept or reject bids when the sales price determined as provided above equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of peanuts unless an association and the Commodity Credit Corporation agree that bids may otherwise be accepted or rejected to facilitate the orderly marketing of the peanuts. (Sec. 704(k))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with an amendment striking the prohibition, in connection with the sale of additional loan peanuts for domestic edible use, on the sale for such use of additional peanuts produced by new growers until quota peanuts and additional peanuts produced by old producers have been contracted for. The *Conference* substitute also makes a conforming change substituting "farm poundage quota" for "farm base production poundage", and changes the April 1 date to March 1.

(5) *Price support program (Sec. 705)*

(a) For the 1982-1985 crops of peanuts, unless otherwise noted:

(1) The *Senate* bill directs the Secretary to make price support available to producers on quota peanuts through loans, purchases or other operations. It fixes the national average quota support rate for 1982-crop quota peanuts at the national average cost of production, including land, but not less than \$596 per ton. Such rate for each of the 1983, 1984 and 1985 crops is fixed at the rate for the preceding crop, adjusted to reflect the change of the cost of production, excluding the cost of land, between January 1 and December 31 of the calendar year preceding the marketing year for which the level of support is being determined. The levels of support, once announced, may not be reduced by any deductions, but the Secretary may make adjustments for location and other factors specified in the Agricultural Act of 1949.

(2) The *Senate* bill directs the Secretary to make price support available to producers on additional peanuts produced on a farm having a farm base production poundage, and that do not exceed such poundage, through loans, purchases or other operations. It directs the Secretary to set the level of support as the Secretary finds appropriate, taking into consideration the demand for peanut oil and meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, but provides that the support rate shall be set at a level the secretary estimates will insure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts. The Secretary is directed to announce the support level for each crop not later than February 15 preceding the marketing year for which support is being determined.

(3) The *Senate* bill authorize the Secretary to make price support available to producers on additional peanuts that are in excess of a farm's base production poundage or are produced on a farm having no such poundage through loans, purchases, or other operations. It authorizes the Secretary to set the level of support, taking into consideration the same factors to be considered in establishing the level of support for other additional peanuts, but at a level the Secretary estimates will result in no loss to the Commodity Credit Corporation on the program. The Secretary is directed to announce the level of support, if any, by February 15 preceding the marketing year for which the level of support is to be in effect. (Sec. 705(1)(2) and (3))

The *House* amendment, effective beginning with the 1982 crop, includes peanuts among the designated non-basic commodities for which the Secretary is directed to make price support available, and provides that the price of peanuts shall be supported at such level as the Secretary considers appropriate, taking into consideration the eight factors specified in section 401(b) of the Agricultural Act of 1949, the cost of production, any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period of January 1-December 31 of the calendar year preceding the crop year for which the level of support is being determined, the demand for peanut oil and meal, expected prices for other vegetable oils and protein meals, and the demand for peanuts in foreign markets. (Sec. 702)

The *Conference* substitute reduces the minimum support rate for 1982 crop quota peanuts to 27.5 cents per pound, farmers stock basis; (2) provides that the support rate for each of the 1983 through 1985 crops of quota peanuts shall be the rate for the preceding crop, adjusted to reflect any increase in the national average cost of peanut production, excluding any increase in cost of land; (3) limits any increase in the national average quota support rate for such crops to six percent of such rate for the preceding crop; and (4) requires the Secretary to support the price of additional peanuts of the 1982 through 1985 crops on the same basis without regard to whether such peanuts are produced by old or new producers.

(b) The *Senate* bill directs the Secretary to make warehouse storage loans available in each of the three producing areas to an area marketing association selected and approved by the Secretary. It prohibits the Secretary from making such loans available to any cooperative engaged in operations or activities concerning peanuts other than those specified above and in section 359 of the Agricultural Act of 1938. It requires that the area marketing associations be used in administrative and supervisory activities relating to peanut marketing and price support. Loans to the associations are to include, in addition to the price support value of peanuts, other costs reasonably incurred in carrying out their peanut marketing and price support activities. (Sec. 705(4)(A))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(c) The *Senate* bill directs the Secretary to require the area marketing associations to establish pools and maintain complete records by type for quota and additional peanuts under loan and for additional peanuts produced without a contract between handlers and producers, and to establish separate pools for such additional peanuts (1) marketed in excess of farm poundage quotas but not in excess of farm base production poundages, and (2) marketed in excess of such poundages or from farms having no base production poundage. Net gains on peanuts in each pool are to consist of (1) for quota peanuts, net gains over the loan indebtedness and other costs or losses incurred on pool peanuts plus an amount from the additional peanut pool to the extent that net gains from the sales from such pool for domestic food use equal any loss on disposition of all peanuts in the quota peanut pool, and (2) for additional peanuts, net gains over the loan indebtedness and other costs or losses incurred on pool peanuts less any amounts allocated to offset any loss incurred on the quota peanut pool. Any distribution of net gains on additional peanuts of any type to any producer is to 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. (Sec. 705 (4)(B))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with an amendment (1) directing the Secretary to require each area marketing association to establish pools and maintain records for loan peanuts by area and segregation as well as by type, and (2) removing any distinction, for loan pool purposes, between additional pea-

nuts produced by old producers and those produced by new producers.

(d) The *Senate* bill prohibits the Secretary from making price support available for any crop with respect to which poundage quotas have been disapproved by producers. (Sec. 705(5))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(6) Reports and records (Sec. 706)

The *Senate* bill extends for four years provisions of law requiring peanut producers to keep such records and make such reports as the Secretary finds necessary to enable the Secretary to carry out responsibilities under the Agricultural Adjustment Act of 1938. (Sec. 706)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(7) Suspension of certain price support provisions (Sec. 707)

The *Senate* bill suspends, for the 1982-1985 crops, permanent provisions of law relating to price supports for peanuts as a basic agricultural commodity. (Sec. 707)

The *House* amendment, effective beginning with the 1982 crop, repeals permanent provisions of law relating to price supports for peanuts as a basic agricultural commodity and strikes peanuts from the list of commodities designated by law as basic agricultural commodities. (Sec. 701(b))

The *Conference* substitute adopts the *Senate* provision.

TITLE VIII—SOYBEANS

(1) Soybean price support (Sec. 801)

(a) The *Senate* bill requires the Secretary to make available to producers for each of the 1982 through 1985 crops price support for soybeans at a level equal to 75 percent of the simple average price received by farmers for soybeans for each of the preceding 5 marketing years, excluding the high and the low valued years. (Sec. 801)

The *House* amendment is the same except that the level of support would be equal to 75 percent of the average Chicago quoted cash price for number 1 yellow soybeans for each of the preceding 5 marketing years, excluding the high and the low valued years. (Sec. 801)

The *Conference* substitute adopts the *Senate* provision.

(b) The *House* amendment provides that if the Secretary determines that the average price of soybeans received by producers in any marketing year is not more than 105 percent of the support level 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. However, the level of loans and purchases may not be reduced by more than 10 percent in any year nor below \$4.50 per bushel. (Sec. 801)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.