



Conference Report to Accompany Food, Agriculture, Conservation, and Trade Act of 1990

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SEC. 2393. LIMITATION ON CONDITIONS FOR WATER AND SEWER GRANTS AND LOANS.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding after the paragraph added by section 2329 of this Act the following new paragraph:

"(21) In making or insuring loans or making grants under this subsection, the Secretary may not condition approval of such loans or grants upon any requirement, condition or certification other than those specified under this Act."

SEC. 2394. ENCOURAGEMENT OF PRIVATE CONTRACTING.

(a) **IN GENERAL.**—For the purpose of promoting local job creation and private sector investment in rural communities, the Secretary of Agriculture is encouraged, where appropriate and feasible, to use private enterprise concerns located in rural areas, rather than government employees or government enterprises, to provide commercial activities or products to carry out the purposes of this title.

(b) **PLAN REQUIRED.**—The Secretary shall develop and implement a plan that will result in increasing the use of contracts awarded to private firms by the Department of Agriculture, and maximizing the use of grant, loan, or other financial assistance made for the purpose of rural development to provide the goods and services purchased to carry out the purposes of this title.

SEC. 2395. PRESERVATION OF ELIGIBILITY.

Notwithstanding any other provision of law, this title shall not be construed to adversely affect the eligibility, as it existed on the date of enactment of this Act, of cooperatives and other entities for any other credit assistance under Federal law.

SEC. 2396. REGULATIONS.

Except as otherwise provided in this title, no later than 180 days after the date of the enactment of this Act, the Secretary shall promulgate such regulations as may be necessary to carry out this title and the amendments made by this title.

TITLE XXIV—GLOBAL CLIMATE CHANGE

SEC. 2401. SHORT TITLE.

This title may be cited as the "Global Climate Change Prevention Act of 1990".

SEC. 2402. GLOBAL CLIMATE CHANGE PROGRAM.

(a) **ESTABLISHMENT.**—For the purpose of having within the Department of Agriculture a focal point for coordinating all issues of climate change, the Secretary of Agriculture (hereafter in this title referred to as the "Secretary") shall establish a Global Climate Change Program (hereafter in this section referred to as the "Program"). The Secretary shall designate a director of the Program who shall be responsible to the Secretary for carrying out the duties specified in subsections (b) and (c).

(b) **GENERAL DUTIES.**—The Director shall—

(1) coordinate policy analysis, long range planning, research, and response strategies relating to climate change issues;

(2) provide liaison with other Federal agencies, *including the Office of Science and Technology Policy*, regarding issues of climate change;

(3) inform the Department of scientific developments and policy issues relating to the effects of climate change on agriculture and forestry, including broader issues that affect the impact of climate change on the farms and forests of the United States;

(4) recommend to the Secretary alternative courses of action with which to respond to such scientific developments and policy issues; and

(5) ensure that recognition of the potential for climate change is fully integrated into the research, planning, and decision-making processes of the Department.

(c) **SPECIFIC RESPONSIBILITIES.**—The Director shall—

(1) coordinate the global climate change studies required by section 2403;

(2) provide, through such other agencies as the Secretary determines appropriate, competitive grants for research in climatology relating to the potential impact of climate change on agriculture;

(3) coordinate the participation of the Department in inter-agency climate-related activities;

(4) consult with the National Academy of Sciences and private, academic, State, and local groups with respect to climate research and related activities;

(5) represent the Department to the Office of Science and Technology Policy and coordinate the activities of the Department in response to requirements of this title;

(6) represent the Department on the Intergovernmental Panel on Climate Change; and

(7) review all Department budget items relating to climate change issues, including specifically the research budget to be submitted by the Secretary to the Office of Science and Technology Policy and the Office of Management and Budget.

SEC. 2403. STUDY OF GLOBAL CLIMATE CHANGE, AGRICULTURE, AND FORESTRY.

(a) **CROPS.**—

(1) **IN GENERAL.**—The Secretary shall study the effects of global climate change on agriculture and forestry. The study shall, at a minimum address—

(A) the effects of simultaneous increases in temperature and carbon dioxide on crops of economic significance;

(B) the effects of more frequent or more severe weather events on such crops;

(C) the effects of potential changes in hydrologic regimes on current crop yields;

(D) the economic effects of widespread and increased drought frequency in the south, midwest, and plains States; and

(E) changes in pest problems due to higher temperatures.

(2) **FURTHER STUDIES.**—If the results of the study conducted under paragraph (1) warrant, the Secretary shall conduct fur-

ther studies that address the means of mitigating the effects of global climate change on crops of economic significance that shall, at a minimum—

(A) identify whether climate change tolerance can be bred into these crops, the amount of time necessary for any such breeding, and the effects on the income of farmers;

(B) evaluate existing genetic resource and breeding programs for crops for their ability to develop new varieties that can tolerate potential climate changes; and

(C) assess the potential for the development of crop varieties that are tolerant to climate changes and other environmental stresses, such as drought, pests, and salinity.

(b) **FORESTS.**—The Secretary shall conduct a study on the emissions of methane, nitrous oxide, and hydrocarbons from tropical and temperate forests, the manner in which such emissions may affect global climate change; the manner in which global climate change may affect such emissions; and the manner in which such emissions may be reduced through management practices. The study shall, at a minimum—

(1) obtain measurements of nitrous oxide, methane, and non-methane hydrocarbons from tropical and temperate forests;

(2) determine the manner in which the nitrous oxide, methane, and nonmethane hydrocarbon emissions from temperate and tropical forest systems will respond due to climate change; and

(3) identify and address alternative management strategies for temperate and tropical forests that may mitigate any negative effects of global climate change.

(c) **REPORTS.**—The Secretary shall submit reports of the studies conducted under subsections (a) and (b) within 3 and 6 years, respectively, after the date of enactment of this Act to the Committee on Agriculture and the Committee on Science, Space, and Technology of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate. In addition, interim reports regarding such studies shall be provided by the Secretary to such Committees annually, with recommendations for actions which may be taken to mitigate the negative effects of global climate change and to adapt to global climate changes and related phenomena.

SEC. 2404. TECHNICAL ADVISORY COMMITTEE.

(a) **ESTABLISHMENT.**—The Secretary of Agriculture shall establish a technical advisory committee to provide advice to the Secretary concerning the major study areas required under this title.

(b) **MEMBERS.**—The committee established under subsection (a) shall be composed of such representatives of universities, professional societies, government laboratories, and agricultural, environmental and other organizations as the Secretary of Agriculture, in consultation with the Office of Science and Technology Policy and the Administrator of the Environmental Protection Agency, determines appropriate based on an assessment by the Secretary of qualifications required for service on such committee. Appointments to such committee shall be made not later than 90 days after the date of the enactment of this Act. Such committee shall have a chairperson

who shall be elected by the members of the committee from among such members.

SEC. 2405. OFFICE OF INTERNATIONAL FORESTRY.

(a) **ESTABLISHMENT.**—The Secretary, acting through the Chief of the Forest Service, shall establish an Office of International Forestry within the Forest Service within six months after the date of enactment of this Act.

(b) **DEPUTY CHIEF DESIGNATION.**—The Chief shall appoint a Deputy Chief for International Forestry.

(c) **DUTIES.**—The Deputy Chief shall—

(1) be responsible for the international forestry activities of the Forest Service;

(2) coordinate the activities of the Forest Service in implementing the provisions of this title; and

(3) serve as Forest Service liaison to the director for the program established pursuant to section 2402.

SEC. 2406. LINE ITEM.

The President's proposed budget to Congress for the first fiscal year beginning after the date of enactment of this Act and for each subsequent fiscal year shall specifically identify funds to be spent on Forest Service international cooperation and assistance.

SEC. 2407. INSTITUTES OF TROPICAL FORESTRY.

The Secretary is authorized and directed to establish an Institute of Tropical Forestry in Puerto Rico and an Institute of Pacific Islands Forestry (hereafter in this section referred to as the "Institutes"). The Institutes shall conduct research on forest management and natural resources that shall include—

(1) management and development of tropical forests;

(2) the relationship between climate change and tropical forests;

(3) threatened and endangered species;

(4) recreation and tourism;

(5) development of tropical forest resources on a sustained yield basis;

(6) techniques to monitor the health and productivity of tropical forests;

(7) tropical forest regeneration and restoration; and

(8) the effects of tropical deforestation on biodiversity, global climate, wildlife, soils, and water.

SEC. 2408. THE FOREST AND RANGELAND RENEWABLE RESOURCES PLANNING ACT OF 1974.

(a) **RENEWABLE RESOURCE ASSESSMENT.**—Section 3(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1601(a)) is amended—

(1) in paragraph (3), by striking "and" at the end thereof;

(2) in paragraph (4), by striking the period and inserting "; and"; and

(3) by adding at the end thereof the following new paragraphs:

(5) an analysis of the potential effects of global climate change on the condition of renewable resources on the forests and rangelands of the United States; and

"(6) an analysis of the rural and urban forestry opportunities to mitigate the buildup of atmospheric carbon dioxide and reduce the risk of global climate change,".

(b) **RENEWABLE RESOURCE PROGRAM.**—Section 4 of such Act (16 U.S.C. 1602) is amended in paragraph (5)—

(1) by striking "and" at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(F) account for the effects of global climate change on forest and rangeland conditions, including potential effects on the geographic ranges of species, and on forest and rangeland products."

SEC. 2409. URBAN FORESTRY DEMONSTRATION PROJECTS.

The Secretary is authorized to undertake, through the Forest Service's Northeastern Area State and Private Forestry program, a study and pilot implementation project to demonstrate the benefits of retaining and integrating forests in urban development. The focus of such a study and implementation project should be to protect the environment and associated natural resource values, for current and future generations.

SEC. 2410. BIOMASS ENERGY DEMONSTRATION PROJECTS.

The Secretary, in consultation with the Secretary of Energy, may carry out projects that demonstrate the potential of short-rotation silvicultural methods to produce wood for electricity production and industrial energy needs. In carrying out such projects, the Secretary shall cooperate with private industries, Federal and State agencies, and other organizations.

SEC. 2411. INTERAGENCY COOPERATION TO MAXIMIZE BIOMASS GROWTH.

The Secretary may enter into an agreement with the Secretary of Defense to—

(1) conduct a study of reforestation and improved management of Department of Defense military installations and lands; and

(2) develop a program to manage such forests and lands so as to maximize their potential for biomass growth and sequestering carbon dioxide.

SEC. 2412. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1991 through 1996, to carry out this title.

TITLE XXV—OTHER RELATED PROVISIONS

SEC. 2501. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

(a) **OUTREACH AND ASSISTANCE.**—

(1) **IN GENERAL.**—The Secretary of Agriculture (hereafter referred to in this section as the "Secretary") shall provide outreach and technical assistance to encourage and assist socially

disadvantaged farmers and ranchers to own and operate farms and ranches and to participate in agricultural programs. This assistance should include information on application and bidding procedures, farm management, and other essential information to participate in agricultural programs.

(2) **GRANTS AND CONTRACTS.**—The Secretary may make grants and enter into contracts and other agreements in the furtherance of this section with the following entities—

(A) any community based organization that—

(i) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

(ii) provides documentary evidence of its past experience of working with socially disadvantaged farmers and ranchers during the two years preceding its application for assistance under this section; and

(iii) does not engage in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986; and

(B) 1890 Land-Grant Colleges including Tuskegee Institute, Indian tribal community colleges and Alaska native cooperative colleges, Hispanic serving post-secondary educational institutions, and other post-secondary educational institutions with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.

(3) **FUNDING.**—There are authorized to be appropriated \$10,000,000 for each fiscal year to carry out this section.

(b) **DESIGNATION OF FEDERAL PERSONNEL.**—

(1) **IN GENERAL.**—The Secretary shall designate from existing Federal personnel resources in the county or region a qualified person who shall, in cooperation with the State cooperative extension services, implement the policies and programs established or modified in accordance with this section.

(2) **ADDITIONAL PERSONNEL.**—In counties or regions in which the number of socially disadvantaged farmers and ranchers exceeds 25 percent of the total number of farmers and ranchers in the county or region, the Secretary shall designate additional personnel to implement the policies and programs established or modified in accordance with this section.

(c) **REPORT TO CONGRESS.**—

(1) **IN GENERAL.**—Not later than September 30, 1992, and every two years thereafter, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, regarding—

(A) the efforts of the Secretary to enhance participation by members of socially disadvantaged groups in agricultural programs;

(B) the specific participation goals established for each agricultural program;

(C) the results achieved for each agricultural; and

(D) the progress of the Department towards meeting each of the purposes described in paragraph (2)(C).

(2) **CONTENTS.**—In addition to the information specified in paragraph (1), the report required by paragraph (1) shall include—

(A) a comparison of the participation goals and the actual participation rates of members of socially disadvantaged groups in each agricultural program;

(B) an analysis and explanation of the reasons for the success or failure of the Secretary to achieve the goals, and the overall purposes of this section;

(C) a listing, on a State-by-State and county-by-county basis, of—

(i) the amount of funds loaned to members of socially disadvantaged groups; and

(ii) the amount of funds used to guarantee loans to members of socially disadvantaged groups compared to the total amount of such guarantees;

(D) a breakdown in allocation of crop base in each program crop compared to the target participation rates established pursuant to sections 355(a)(1) and 355(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(a)(1)), on a State-by-State and county-by-county basis; and

(E) a review and analysis of participation by members of socially disadvantaged groups, compared to participation by all others, in agricultural programs, on a State-by-State and county-by-county basis, including a survey representative of all farmers and ranchers, including socially disadvantaged farmers and ranchers, to identify reasons for participation and nonparticipation in agricultural programs.

(d) **AFFIRMATIVE ACTION, APPEALS, AND CONTRACTING REVIEW.**—

(1) **PURPOSE.**—It is the purpose of this subsection to direct the Secretary to analyze within the Department of Agriculture the design and implementation of affirmative action programs and policies, the appeals process for complaints of discrimination, and contracting and purchasing practices employed by the Department.

(2) **SCOPE.**—The study shall include—

(A) an assessment of the successes and failures of these affirmative action programs and policies;

(B) a review of the reasons for the successes and failures described in subparagraph (A);

(C) a review of procurement, contracting, and purchasing policies of the Department, the level of participation of socially disadvantaged businesses in such activities, and the impact of those policies on the participation of members of socially disadvantaged groups in such contracting with the Department;

(D) a review of the reasons for participation or lack of participation of businesses owned by members of socially disadvantaged groups in the activities described in subparagraph (C); and

(E) a review of the appeals process for all complaints or allegations regarding acts, practices, or patterns of discrimination filed with the Department by individuals or any other entities that shall include—

(i) the number of complaints or allegations regarding acts, practices, or patterns of discrimination;

(ii) the manner in which the complaints were investigated and resolved by the Department; and

(iii) the longest, shortest, and average periods of time taken to investigate and resolve the complaints or allegations regarding acts, practices, or patterns of discrimination.

(3) **REPORT.**—Not later than 1 year after the date of enactment of this Act, the Secretary shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the information described in paragraph (2).

(e) **DEFINITIONS.**—

(1) **SOCIALLY DISADVANTAGED GROUP.**—As used in this section, the term “socially disadvantaged group” means a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

(2) **SOCIALLY DISADVANTAGED FARMER OR RANCHER.**—As used in this section, the term “socially disadvantaged farmer or rancher” means a farmer or rancher who is a member of a socially disadvantaged group.

(3) **AGRICULTURE PROGRAMS.**—As used in this section, the term “agriculture programs” are those established or authorized by—

(A) the Agricultural Act of 1949;

(B) the Consolidated Farm and Rural Development Act;

(C) the Agricultural Adjustment Act of 1938;

(D) the Soil Conservation Act;

(E) the Domestic Allotment Assistance Act;

(F) the Food Security Act of 1985; and

(G) other such Acts as the Secretary deems appropriate.

(f) **AMENDMENT TO CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.**—Section 355 of the Consolidated Farm and Rural Development Act is amended—

(1) by striking out subsection (d);

(2) by redesignating subsection (c) as subsection (d);

(3) by inserting after subsection (b) the following new subsection:

“(c) **OPERATING LOANS.**—

“(1) **ESTABLISHMENT.**—The Secretary shall establish annual target participation rates, that shall ensure that socially disadvantaged farmers or ranchers will receive loans made or insured under subtitle B. In establishing such target rates, the Secretary shall consider the number of socially disadvantaged farmers and ranchers in a State in proportion to the total number of farmers and ranchers in that State.

"(2) **RESERVATION AND ALLOCATION.**—The Secretary shall, to the greatest extent practicable, reserve and allocate the proportion of each State's loan funds made available under subtitle B that is equal to that State's target participation rate for use by the socially disadvantaged farmers or ranchers in that State. The Secretary shall, to the extent practicable, distribute the total so derived on a county by county basis according to the number of socially disadvantaged farmers or ranchers in the county. Any funds reserved and allocated for purposes of this paragraph, but not used shall be reallocated within such State."; and

(4) by inserting after subsection (d) (as so redesignated) the following new subsection:

"(e) **DEFINITIONS.**—

"(1) **SOCIALLY DISADVANTAGED GROUP.**—As used in this section, the term 'socially disadvantaged group' means a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

"(2) **SOCIALLY DISADVANTAGED FARMER OR RANCHER.**—As used in this section, the term 'socially disadvantaged farmer or rancher' means a farmer or rancher who is a member of a socially disadvantaged group.";

(g) **RESERVATIONS.**—

(1) **CONSOLIDATED SUBOFFICE.**—The Secretary shall require the Agricultural Stabilization and Conservation Service, Soil Conservation Service, and Farmers Home Administration offices, and such other offices and functions the Secretary may choose to include, in each county that has a reservation within its borders, to establish a consolidated suboffice at the tribal headquarters of said reservation and to staff said suboffice as needed, using existing staff, but no less than one day a week or under such other arrangement agreed to by the tribe and the Department of Agriculture offices. The tribe shall be required to provide the necessary office space if it wishes to participate in this program.

(2) **COOPERATIVE AGREEMENTS.**—For those reservations that are located in more than one county, the Secretary, the relevant county offices and the tribe shall enter into a cooperative agreement to provide the services required by paragraph (1) that avoids duplication of effort.

SEC. 2502. NARROWING THE DEFENSE EXCEPTION TO THE FARMLAND PROTECTION POLICY ACT.

Section 1547(b) of the Farmland Protection Policy Act (7 U.S.C. 4208) is amended by inserting "during a national emergency" after "purposes".

SEC. 2503. PROTECTION OF PETS.

The Animal Welfare Act (7 U.S.C. 2131 et seq.) is amended—

(1) in section 16(c), (7 U.S.C. 2146) by inserting after "Act" the first place it appears the following: "and the regulations and standards promulgated under this Act"; and

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

"SEC. 28. PROTECTION OF PETS.

"(a) HOLDING PERIOD.—

"(1) REQUIREMENT.—*In the case of each dog or cat acquired by an entity described in paragraph (2), such entity shall hold and care for such dog or cat for a period of not less than five days to enable such dog or cat to be recovered by its original owner or adopted by other individuals before such entity sells such dog or cat to a dealer.*

"(2) ENTITIES DESCRIBED.—*An entity subject to paragraph (1) is—*

"(A) each State, county, or city owned and operated pound or shelter;

"(B) each private entity established for the purpose of caring for animals, such as a humane society, or other organization that is under contract with a State, county, or city that operates as a pound or shelter and that releases animals on a voluntary basis; and

"(C) each research facility licensed by the Department of Agriculture.

"(b) CERTIFICATION.—

"(1) IN GENERAL.—*A dealer may not sell, provide, or make available to any individual or entity a random source dog or cat unless such dealer provides the recipient with a valid certification that meets the requirements of paragraph (2) and indicates compliance with subsection (a).*

"(2) REQUIREMENTS.—*A valid certification shall contain—*

"(A) the name, address, and Department of Agriculture license or registration number (if such number exists) of the dealer;

"(B) the name, address, Department of Agriculture license or registration number (if such number exists), and the signature of the recipient of the dog or cat;

"(C) a description of the dog or cat being provided that shall include—

"(i) the species and breed or type of such;

"(ii) the sex of such;

"(iii) the date of birth (if known) of such;

"(iv) the color and any distinctive marking of such; and

"(v) any other information that the Secretary by regulation shall determine to be appropriate;

"(D) the name and address of the person, pound, or shelter from which the dog or cat was purchased or otherwise acquired by the dealer, and an assurance that such person, pound, or shelter was notified that such dog or cat may be used for research or educational purposes;

"(E) the date of the purchase or acquisition referred to in subparagraph (D);

"(F) a statement by the pound or shelter (if the dealer acquired the dog or cat from such) that it satisfied the requirements of subsection (b); and

"(G) any other information that the Secretary of Agriculture by regulation shall determine appropriate.

"(3) **RECORDS.**—The original certification required under paragraph (1) shall accompany the shipment of a dog or cat to be sold, provided, or otherwise made available by the dealer, and shall be kept and maintained by the research facility for a period of at least one year for enforcement purposes. The dealer shall retain one copy of the certification provided under this paragraph for a period of at least one year for enforcement purposes.

"(4) **TRANSFERS.**—In instances where one research facility transfers animals to another research facility a copy of the certificate must accompany such transfer.

"(5) **MODIFICATION.**—Certification requirements may be modified to reflect technological advances in identification techniques, such as microchip technology, if the Secretary determines that adequate information such as described in this section, will be collected, transferred, and maintained through such technology.

"(c) **ENFORCEMENT.**—

"(1) **IN GENERAL.**—Dealers who fail to act according to the requirements of this section or who include false information in the certification required under subsection (b), shall be subject to the penalties provided for under section 19.

"(2) **SUBSEQUENT VIOLATIONS.**—Any dealer who violates this section more than one time shall be subject to a fine of \$5,000 per dog or cat acquired or sold in violation of this section.

"(3) **PERMANENT REVOCATIONS.**—Any dealer who violates this section three or more times shall have such dealers license permanently revoked.

"(d) **REGULATION.**—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

"SEC. 29. AUTHORITY TO APPLY FOR INJUNCTIONS.

"(a) **REQUEST.**—Whenever the Secretary has reason to believe that any dealer, carrier, exhibitor, or intermediate handler is dealing in stolen animals, or is placing the health of any animal in serious danger in violation of this Act or the regulations or standards promulgated thereunder, the Secretary shall notify the Attorney General, who may apply to the United States district court in which such dealer, carrier, exhibitor, or intermediate handler resides or conducts business for a temporary restraining order or injunction to prevent any such person from operating in violation of this Act or the regulations and standards prescribed under this Act.

"(b) **ISSUANCE.**—The court shall, upon a proper showing, issue a temporary restraining order or injunction under subsection (a) without bond. Such injunction or order shall remain in effect until a complaint pursuant to section 19 is issued and dismissed by the Secretary or until an order to cease and desist made thereon by the Secretary has become final and effective or is set aside on appellate review. Attorneys of the Department of Agriculture may, with the approval of the Attorney General, appear in the United States district court representing the Secretary in any action brought under this section."

SEC. 2504. CONTROL AND ERADICATION OF PLANT PESTS.

Section 102(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 147a(b)) is amended—

(1) by striking "all countries of the Western Hemisphere" and inserting "foreign countries"; and

(2) by inserting "foreign or" before "international".

SEC. 2505. COOPERATION IN ANIMAL DISEASE CONTROL.

Section 1 of chapter 8, of the Act of February 28, 1947 (21 U.S.C. 114b) is amended—

(1) by striking "Mexico, Guatemala, El Salvador, Costa Rica, Honduras, Nicaragua, Belize, Panama, Colombia, and Canada, the Bahama Islands, the Greater Antilles, and the Lesser Antilles" and inserting "foreign countries"; and

(2) by inserting "foreign or" before "international".

SEC. 2506. PSEUDORABIES ERADICATION.

(a) **FINDINGS.**—Congress finds that efforts to eradicate pseudorabies in United States swine populations by the Department of Agriculture in cooperation with State agencies and the pork industry have a high priority and should be continued until pseudorabies is completely eradicated in the United States.

(b) **ESTABLISHMENT OF PROGRAM.**—The Secretary of Agriculture shall establish and carry out a program for the eradication of pseudorabies in United States swine populations.

(c) **USE OF FUNDS FOR TESTING AND CONTROL OF PSEUDORABIES.**—The Secretary shall ensure that not less than 65 percent of the funds appropriated for the program established under subsection (b) shall be used for testing and screening of animals and for other purposes directly related to the eradication or control of pseudorabies. This requirement on the use of appropriated funds for this program shall not be implemented in a manner that would adversely affect any other animal or plant disease or pest eradication or control program.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated for each of the fiscal years 1991 through 1995 such sums as may be necessary for the purpose of carrying out the program established under subsection (b).

SEC. 2507. REGULATION GOVERNING INSPECTION OF IMPORTED POULTRY.

(a) **FINDINGS.**—Congress finds that—

(1) in 1985 the Poultry Products Inspection Act, an Act to maintain the integrity and wholesomeness of this Nation's food supply, was amended by the Food Security Act of 1985;

(2) the 1985 amendment provided that poultry products offered for importation into the United States shall be subject to the same inspection, sanitary, quality, species verification, and residue standards applied to products produced in the United States and that such products shall have been processed in facilities and under conditions that are the same as those under which similar products are processed in the United States; and

(3) on October 30, 1989, the Secretary of Agriculture, through the Food Safety and Inspection Service, the agency in the Department of Agriculture charged with the responsibility of administering the provisions of the Poultry Products Inspection

Act, promulgated a regulation implementing the 1985 amendment to that Act providing that a foreign inspection system seeking certification for export of poultry to the United States merely impose requirements at least equal to those applicable in the United States.

(b) **SENSE OF CONGRESS.**—It is the sense of the Congress that—

(1) the regulation promulgated by the Secretary of Agriculture, through the Food Safety and Inspection Service, with respect to poultry products offered for importation into the United States does not reflect the intention of the Congress; and

(2) to urge the Secretary, through the Food Safety and Inspection Service of the Department of Agriculture, to repeal the October 30, 1989, regulation and promulgate a new regulation reflecting the intention of the Congress.

SEC. 2508. ADDITIONAL INSPECTION SERVICES.

The Secretary of Agriculture, in carrying out regulations prohibiting or restricting the entry of materials that may harbor pests, or diseases, is authorized to enter into agreements with operators or owners of vessels or aircraft for the purpose of providing inspection services at points of entry in the United States in addition to the regular or on-call basis currently available in connection with such vessels or aircraft. Any such agreement shall provide for the payment by the operator or owner of an amount determined by the Secretary to be necessary to defray the costs of providing additional service pursuant to such agreement.

SEC. 2509. COLLECTION OF FEES FOR INSPECTION SERVICES.

(a) **QUARANTINE, INSPECTION AND TRANSPORTATION FEES.**—

(1) **QUARANTINE AND INSPECTION.**—The Secretary of Agriculture (hereafter referred to in this section as the "Secretary") may prescribe and collect fees to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port in the customs territory of the United States, or the preclearance or preinspection at a site outside the customs territory of the United States, of a commercial vessel, commercial aircraft, commercial truck, or railroad car,

(2) **TREASURY.**—Any person who collects a fee under this subsection shall remit such fee to the Treasury of the United States prior to the date that is 31 days after the close of the calendar quarter in which such fee is collected.

(3) **AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.**—

(A) **ESTABLISHMENT.**—There is established in the Treasury of the United States a no-year fund, to be known as the "Agricultural Quarantine Inspection User Fee Account" (hereafter referred to in this section as the "Account"), for the use of the Secretary for quarantine or inspection services under this section.

(B) **AMOUNTS IN ACCOUNT.**—

(i) **DEPOSITS.**—All of the fees collected under this subsection shall be deposited in the Account.

(ii) **REIMBURSEMENT.**—The Secretary of Treasury shall use the Account to provide reimbursements to any

appropriations accounts that incur the costs associated with the services authorized in paragraph (1).

(iii) **PROCEDURE.**—The Secretary of the Treasury shall make reimbursement under clause (ii) on a quarterly basis. Amounts required to be reimbursed under clause (ii), shall be made on the basis of estimates made by the Secretary of the expenses described in clause (ii) that are incurred by the Secretary in the 3-month period immediately preceding such reimbursement.

(iv) **ADJUSTMENTS.**—Adjustments of reimbursements made under clause (ii) shall be made to the extent necessary to correct prior estimates that were in excess of, or less than, the amount required to be reimbursed under clause (iii).

(4) **ADJUSTMENT IN FEE AMOUNTS.**—The Secretary shall adjust the amount of the fees to be assessed under this subsection to reflect the cost to the Secretary in administering such subsection, in carrying out the activities at ports in customs territory of the United States and preclearance and preinspection sites outside the customs territory of the United States in connection with the provision of agricultural quarantine inspection services, and in maintaining a reasonable balance in the Account.

(b) **PLANT INSPECTION.**—Subsection (f) of section 102 of the Act of September 21, 1944 (7 U.S.C. 147a(f)), is amended to read as follows:

“(f)(1) Notwithstanding paragraph (2), there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Unless otherwise specifically authorized or provided for in appropriations Acts, no part of such sums shall be used to pay the cost or value of property injured or destroyed.

“(2) The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of providing for the inspection of plants and plant products offered for export or transiting the United States and certifying to shippers and interested parties as to the freedom of such plants and plant products from plant pests according to the phytosanitary requirements of the foreign countries to which such plants and plant products may be exported, or to the freedom from exposure to plant pests while in transit through the United States. Any person for whom such an activity is performed shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary of Agriculture shall assess a late payment penalty, and such overdue fees shall accrue interest, as required by section 3717 of title 31, United States Code. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation. The Secretary of Agriculture shall have a lien for the fees, any late payment penalty, and any accrued interest assessed against the plant or plant product for which services have been provided. In the case of any person who fails to make payment when due, the Secretary of Agriculture shall also have a lien against any plant or plant product thereafter attempted to be exported by such person. The Secretary of Agriculture may, in case of nonpayment of the fees, late payment penalty, or accrued interest, after giving reasonable notice of default to the person

liable for payment of such assessments, sell at public sale after reasonable public notice, or otherwise dispose of, any such plant or plant product upon which the Secretary of Agriculture has a lien pursuant to this section. If the sale proceeds exceed the fees due, any late payment penalty assessed, any accrued interest and the expenses of the sale, the excess shall be paid, in accordance with regulations of the Secretary of Agriculture, to the owner of the plant or plant product sold upon the owner making application therefore with proof of ownership, within six months after such sale, and otherwise the excess shall be credited to accounts that incur the costs and shall remain available until expended. The Secretary of Agriculture shall, pursuant to regulations as prescribed by the Secretary of Agriculture, suspend performance of services to persons who have failed to pay such fees, late payment penalty and accrued interest."

(c) ANIMAL INSPECTION AND VETERINARY DIAGNOSTICS.—

(1) ANIMAL INSPECTION.—The Secretary may prescribe and collect fees to reimburse the Secretary for the cost of carrying out the provisions of the Federal Animal Quarantine Laws that relate to the importation, entry, and exportation of animals, articles, or means of conveyance.

(2) VETERINARY DIAGNOSTICS.—Section 11 of the Act of May 29, 1884 (58 Stat. 734, as amended, 21 U.S.C. 114a), is amended by inserting immediately following the first sentence: "The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of carrying out the provisions of this section which relate to veterinary diagnostics."

(3) FEES.—All fees collected pursuant to this subsection and any late payment penalties or accrued interest collected pursuant to this subsection shall be credited to the accounts that incur the cost and shall remain available until expended without fiscal year limitation.

(4) LIABILITY.—Any person for whom an activity related to the importation, entry, or exportation of an animal, article, or means of conveyance or relating to veterinary diagnostics, is performed pursuant to the section, shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary shall assess a late payment penalty, and such overdue fees shall accrue interest, as required by section 3717 of title 31, United States Code. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation.

(5) LIENS.—

(A) IN GENERAL.—The Secretary shall have a lien against the animal, article, means of conveyance, or facility for which services have been provided under this section for the fees, any late payment penalty, and any accrued interest assessed under this subsection.

(B) OTHER ANIMALS, ETC.—In the case of any person who fails to make payment when due under this subsection, the Secretary shall have a lien against any animal, article, or means of conveyance thereafter imported, moved in interstate commerce, or attempted to be exported by the person after the date of such failure until the date on which such

owner or operator make full payment to the Secretary under this subsection.

(C) SALES OF ANIMALS, ETC.—

(i) **AUTHORITY.**—The Secretary may, if a person does not pay fees, late payment penalties, or accrued interest on such, after providing reasonable notice of default to such person, sell at public sale after reasonable public notice, or otherwise dispose of, any such animal, article, means of conveyance or facility on which the Secretary has a lien under this paragraph.

(ii) **EXCESS PROCEEDS.**—If the sale proceeds under clause (i) exceed the fees due, any late payment penalty assessed, any accrued interest on such, and the expenses associated with the sale, such excess shall be paid to the owner of the animal, article, means of conveyance, or facility if such owner submits an application for such excess together with proof of ownership not later than 6 months after the date of such sale. If no such application is made, such excess shall be credited to accounts that incur the costs associated with the fees collected and shall remain available until expended, without fiscal year limitation. The Secretary shall suspend performance of services to persons who have failed to pay fees, late payment penalty, or accrued interest under this section.

(d) **REGULATIONS.**—The Secretary may prescribe such regulations as the Secretary determines necessary to carry out the provisions of this section.

(e) **RECOVERY OF AMOUNTS OWED.**—An action may be brought for the recovery of fees, late payment penalties, and accrued interest which have not been paid in accordance with this section against any person obligated for payment of such assessments under this section in any United States district court or other United States court for any territory or possession in any jurisdiction in which such person is found or resides or transacts business, and such court shall have jurisdiction to hear and decide such action.

(f) **DEFINITIONS.**—

(1) **ANIMAL QUARANTINE LAWS.**—For purposes of this section, the term "animal quarantine laws" means—

(A) section 306 of the Tariff Act of 1930 (19 U.S.C. 1306);

(B) sections 6 through 10 of the Act of August 30, 1890 (26 Stat. 416, chapter 839; 21 U.S.C. 101-105);

(C) section 2 of the Act of February 2, 1903 (32 Stat. 792, chapter 349; 21 U.S.C. 111);

(D) the Act of May 29, 1884 (23 Stat. 32, chapter 60; 21 U.S.C. 112 to 114a-1, 115, 117-119, and 130) (commonly known as the "Animal Industry Act");

(E) the Act of February 28, 1947 (61 Stat. 7, chapter 8; 21 U.S.C. 114b, 114c, and 114d-1);

(F) the Act of June 16, 1948 (62 Stat. 458, chapter 477; 21 U.S.C. 114e and 114f);

(G) Public Law 87-209 (21 U.S.C. 114g and 114h);

(H) the Act of May 31, 1920 (41 Stat. 699, chapter 217; 21 U.S.C. 116);

(I) the Act of February 2, 1903 (32 Stat. 791, chapter 349; 21 U.S.C. 112 and 120-122) (commonly known as the "Cattle Contagious Diseases Act of 1903");

(J) the Act of March 3, 1905 (33 Stat. 1264, chapter 1496; 21 U.S.C. 123-127) (commonly known as the "Cattle Contagious Diseases Act of 1905");

(K) the matter under the heading "Bureau of Animal Industry" of the Act of June 30, 1914 (38 Stat. 419, chapter 131; 21 U.S.C. 128);

(L) section 101 of Public Law 92-73 (21 U.S.C. 129);

(M) the matter under the heading "Miscellaneous" of the Act of May 26, 1910 (36 Stat. 440, chapter 256; 21 U.S.C. 131);

(N) sections 1 through 6 and 11 through 13 of Public Law 87-518 (21 U.S.C. 134-134h); or

(O) any other Act administered by the Secretary relating to plant or animal diseases or pests, other than the first section of Public Law 91-239 (21 U.S.C. 135).

(2) **CUSTOMS TERRITORY.**—For the purposes of subsection (a), the term "customs territory of the United States" means the 50 States, the District of Columbia, and Puerto Rico.

(3) **PERSON.**—For the purposes of this section, the term "person" means an individual, corporation, partnership, trust, association, or any other public or private entity, or any officer, employee, or agent thereof.

(4) **UNITED STATES.**—For the purposes of subsection (b), the term "United States" means the several States of the United States, the District of Columbia, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and all other territories and possessions of the United States.

(5) **VESSEL.**—For the purposes of subsection (a), the term "vessel" does not include any ferry.

SEC. 2510. USER FEES FOR REPORTS, PUBLICATIONS, AND SOFTWARE.

Section 1121 of the Agriculture and Food Act of 1981 (7 U.S.C. 2242a) is amended by adding at the end the following new subsection:

"(d) **INVESTMENT.**—Any fees collected, late payment penalties, and interest earned shall be credited to the account referred to in this section and may be invested by the Secretary of Agriculture in insured or fully-collateralized interest-bearing accounts or, at the discretion of the Secretary of Agriculture, by the Secretary of the Treasury in United States Government debt instruments. Fees and charges, including late payment penalties and interest earned from the investment of such funds shall be credited to such account."

SEC. 2511. TOBACCO ADJUSTMENT ACT OF 1983.

Section 213(d) of the Tobacco Adjustment Act of 1983 (7 U.S.C. 511r) is amended by adding at the end the following new sentences: "Any fees collected, late payment penalties, and interest earned shall be credited to the account referred to in this section and may be invested by the Secretary of Agriculture in insured or fully-collateralized interest-bearing accounts or, at the discretion of the Secretary of Agriculture, by the Secretary of the Treasury in United

States Government debt instruments. Fees and charges, including late payment penalties, and interest earned from the investment of such funds shall be credited to the account referred to in this section."

SEC. 2512. COSTS OF PRODUCTION.

(a) **IMPROVING THE ACCURACY OF COMMODITY PROGRAM BUDGET FORECASTS.**—Congress finds that, to improve the accuracy of commodity program benefit forecasts, the Secretary of Agriculture should designate a single organization to manage its commodity program forecasting and establish a quality control program to—

- (1) systematically identify the source of forecasting errors;
- (2) maintain records of data used for supply and demand forecasts;
- (3) document its forecasting methods; and
- (4) correct weaknesses in its various forecasting components.

(b) **RETURN ON ASSETS.**—The Secretary of Agriculture shall annually publish a report analyzing the return on assets resulting from the production of upland cotton, rice, wheat, corn, oats, barley, grain sorghum, soybeans, peanuts, sugar from sugar beets, and raw sugar from sugar cane. In conducting this analysis, the Secretary shall consider returns from agricultural price support programs, the effects of agricultural price support programs on cost of production, the factors currently used in Department of Agriculture cost of production data, current value of land, and any other information that he considers necessary to reflect accurately return on the production of such crops.

SEC. 2513. FARM VALUE OF AGRICULTURAL PRODUCTS.

(a) **IN GENERAL.**—The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall develop a system for informing the ultimate consumer of the approximate amount of money (in terms of United States currency) paid the agricultural producer for each primary commodity, contained in retail products. For the purposes of this subsection, the term "primary commodity" means any of 135 United States agricultural commodities the Secretary determines are of dietary significance (including all of the commodities for which Federal agricultural programs exist under the Agricultural Act of 1949).

(b) **ANNUAL REPORT BY SECRETARY.**—The Secretary shall annually submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, by type of commodity or product, a report containing the information required to be made available to the consumer under subsection (a). In developing such report, the Secretary may seek assistance from such persons as the Secretary deems appropriate.

SEC. 2514. COMMODITY REPORTS.

(a) **CROP REPORTS.**—The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall gather data from producers to be used to develop crop reports to be distributed by the Secretary during the growing season. The report shall contain statements of the conditions of those crops by State, with such explana-

tions, comparisons, and information as may be useful for illustrating such reports.

(b) **SPECIAL REPORTS.**—

(1) **IN GENERAL.**—In addition to the reports compiled pursuant to subsection (a), the Secretary shall annually survey producers for information for reports regarding supply, acreage, production, disposition, and prices for the following commodities as determined by the Secretary:

- (A) 25 fresh market vegetables;
- (B) 3 processing vegetables;
- (C) 6 fruits and nuts;
- (D) 17 forage and turf seeds;
- (E) 50 vegetable seeds; and
- (F) maple syrup.

(2) **ADMINISTRATIVE.**—The Secretary shall annually prepare a report containing results of the surveys described in paragraph (1) in such States as determined by the Secretary. Such reports shall be submitted to and officially approved by the Secretary of Agriculture before being issued or published.

(c) **TREE INVENTORIES.**—The Secretary shall survey producers for information for reports regarding fruit and nut tree inventories. Such surveys and reports shall be conducted, printed, and distributed on a regular basis every 3 to 5 years as determined by the Secretary. Reports shall be submitted to and officially approved by the Secretary before being issued or published.

(d) **CONFORMING AMENDMENTS.**—The proviso under the heading "Bureau of Crop Estimates" in the Act of March 4, 1917 (ch. 179; 39 Stat. 1157) and the first proviso under the heading of the "Bureau of Statistics" in the Act of March 4, 1909 (ch. 301; 35 Stat. 1053) (7 U.S.C. 411a) are repealed.

(e) **AUTHORIZATION.**—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 2515. SCARCE FEDERAL RESOURCES.

Notwithstanding any other provision of this Act, to conserve scarce Federal resources, the Secretary of Agriculture may after concurrence with the Chairman and Ranking Member of the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Chairman and Ranking Member of the Committee on Agriculture of the House of Representatives, rank by priority the studies or reports authorized by this Act and determine which of those studies or reports shall be completed. The Secretary shall complete at least 12 such studies or reports.

SEC. 2516. RECORDKEEPING IMPROVEMENT.

(a) **SHORT TITLE.**—This section may be cited as the "Agricultural Program Reporting and Recordkeeping Improvement Act of 1990".

(b) **GOAL.**—To the extent practicable, it shall be the goal of this section to bring about, within 3 years following the date of enactment of this Act, a substantial reduction in the volume of documentation, and in the amount of time devoted and the number of visits to Department of Agriculture offices, that are necessary to complete paperwork required of the typical producer participating in programs administered by the Secretary of Agriculture.

(c) **REPORTED.**—Not later than 240 days after the date of enactment of this Act, the Secretary of Agriculture (hereafter referred to in this section as the "Secretary") shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing specific proposals for reducing and simplifying the recordkeeping and other paperwork required of agricultural producers and cooperatives (hereinafter referred to in this section as "producers") who apply for participation in, or in complying with the requirements of—

(1) agricultural price and income support programs administered by the Secretary, including programs under the Agricultural Act of 1949 (7 U.S.C. 1421, et seq.);

(2) voluntary or mandatory soil or water conservation programs administered by the Secretary, including programs under the Food Security Act of 1985 (7 U.S.C. 1281, note, et seq.); and

(3) any other related programs administered by the Secretary, including programs under the Consolidated Farm and Rural Development Act (7 U.S.C. 1981, et. seq.) and programs of crop insurance under the Federal Crop Insurance Corporation.

(d) **CONTENTS OF REPORT.**—

(1) **IN GENERAL.**—In the report required by subsection (c), the Secretary shall set forth the results of a thorough examination of the feasibility of reducing current levels of paperwork and recordkeeping required of producers by providing such producers with access to a computerized departmental network or system (including the utilization of computer capability and equipment which has been or will be acquired by the Department of Agriculture) that could be used by producers to—

(A) communicate by voice, data, video, or a combination thereof for the purpose of submitting electronically all of, or a significant portion of, any necessary and appropriate applications, reports, or other documentation; and

(B) provide updated electronic information and data pertinent to the producer's agricultural operation and marketing activities, or information sharing by means of video conferencing.

For the purpose of preparing the report required by this subsection, the Secretary is authorized to retain the consulting service of at least one private sector business firm having experience and possessing technical expertise in the fields of wide area computer network design, function, installation, and maintenance, integrated video conferencing, and data base management systems.

(2) **SCHEDULE OF FEES.**—In determining the feasibility and costs of providing a computerized network or system as described in paragraph (1), the Secretary may recommend a schedule of nominal fees which could be charged to producers and others for a pro rata share of a portion of the costs associated with the producers' access to and use of such system. Such fees would partially or entirely defray the costs (after taking into consideration any ongoing savings to the Department of Agriculture) associated with the operation and maintenance and

future expansion of such portion of the network or system and its capabilities, but shall not be applied in a manner that would include any reimbursement for existing equipment and capabilities or for the costs associated with the initial establishment of the network or system. The report should also contain recommendations outlining additional categories of users who might be permitted access to the network or system for a fee, and the types of safeguards which would be reasonably necessary to limit file access as may be necessitated in accordance with provisions of the Privacy Act of 1974 (5 U.S.C. 552a) and other relevant authorities governing the disclosure of individual or proprietary information.

(e) RECOMMENDATIONS OF NATIONAL COMMISSION.—

(1) GENERALLY.—To the maximum extent practicable, in preparing the report required by subsection (c), the Secretary shall take into consideration and incorporate the recommendations of the commission created by title V, section 501 of the Farm Credit Amendments Act of 1985 as contained in the Report of the National Commission on Agricultural Finance, dated February 22, 1989, to the extent that such recommendations relate to the need to develop a universal loan application form and uniform accounting standards for farm businesses. In considering such recommendations, the Secretary shall attempt to design and adopt forms and standards that are as brief and succinct as possible, and shall consult with representatives of the Farm Credit System, the commercial banking system, and other significant providers of farm ownership and operating credit.

(2) PAPERWORK REDUCTION.—In order to increase the efficiency of agricultural programs administered by the Secretary and to reduce the burden of paperwork on participants in such programs, the Secretary shall design and adopt, to the maximum extent practicable, one brief application form to be used by applicants for participation in the agricultural programs administered by the Secretary, including, the programs described in subsection (c). The report required by subsection (c) shall include information with regard to the progress made by the Department toward compliance with this subsection, and shall also identify any statutory impediments to the use of such single brief form.

(f) INTEGRATION OF DATA BASES.—Notwithstanding any other provisions of this section, the Secretary of Agriculture shall take appropriate action to integrate the various data bases of the Department of Agriculture relating to agricultural program data, and shall facilitate the sharing of relevant data among the various agencies of the Department of Agriculture.

SEC. 2517. STUDY OF THE TRANSPORTATION OF FERTILIZER AND AGRICULTURAL CHEMICALS TO FARMERS.

(a) STUDY.—The Secretary of Agriculture shall conduct a study regarding the transportation of fertilizer, agricultural pesticides, and agricultural use hazardous materials such as fuel to the farm. Such study shall include a review and analysis of—

(1) the transportation of fertilizer, fuels (such as liquid propane gas, diesel, gasoline heating oil, methane, and others), and agricultural pesticides to farms by farmers, hired farm labor, and agribusiness, including—

(A) safety practices used, the type of the equipment used, roads traveled, and employees engaged in such transportation; and

(B) any significant distinctions between transportation by retail dealers and transportation by farmers;

(2) Federal and State requirements imposed on the transportation of fertilizer, fuels, and agricultural pesticides by farmers, hired farm labor, and agribusiness retail dealers to farms (and exemptions, exclusions or waivers authorized under such requirements), including—

(A) commercial driver's license requirements;

(B) driver qualification requirements;

(C) alcohol and drug testing requirements; and

(D) worker safety requirements;

(3) the compliance by farmers and retail dealers and their employees with such Federal and State requirements and the costs associated with compliance;

(4) the safety history associated with the transport of fertilizers, fuel, and pesticides by farmers and retail dealers and their employees; and

(5) the impact on rural communities, employment, and the cost and availability of fertilizer, fuel, and agricultural pesticides associated with complying with such Federal and State requirements.

(b) **REPORT.**—Not later than 18 months after the date of the enactment of this Act, the Secretary of Agriculture shall publish a report of such study and analyses (including comments on the adequacy of existing Federal and State requirements or exemptions) and submit the report to the appropriate committees of Congress.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of fulfilling the study, analyses, and reporting requirements under this section, there is authorized to be appropriated not more than \$75,000.

SEC. 2518. ESTABLISHING QUALITY AS A GOAL FOR COMMODITY CREDIT CORPORATION PROGRAMS.

In carrying out its activities the Commodity Credit Corporation shall, to the extent practicable, provide for program provisions that promote quality in the production and marketing of crops and livestock in the United States.

SEC. 2519. SEVERABILITY.

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Act which can be given effect without regard to the invalid provision or application, and to this end the provisions of this Act are severable.

And the House agree to the same.

E DE LA GARZA,
GEORGE E. BROWN, Jr.,
CHARLIE ROSE,

GLENN ENGLISH,
JERRY HUCKABY,
DAN GLICKMAN,
CHARLIE STENHOLM,
HAROLD L. VOLKMER,
CHARLES HATCHER,
LEON E. PANETTA,

Mr. Panetta for subtitle G of title XII, title XIV (except sec. 1414 and subtitles C and D), and title XVII of the House amendment, and title XVII (except sec. 1730), subtitle I of title XIX, sec. 1973, subtitle G of title XXI, and title XXIV of the Senate bill,

RICHARD STALLINGS,

Mr. Stallings in lieu of Mr. Panetta for titles II, XXVIII, and XXIX of the House amendment and title IX, title XIII (except sec. 1303), and subtitle B of title XX of the Senate bill,

JIM OLIN,

Mr. Olin in lieu of Mr. Panetta, for title IV, title XIII (except for subtitle H), subtitle D of title XIV, and sec. 1843 of the House amendment and title I, sec. 1283, title XIV (except sec. 1496), and title XVI of the Senate bill,

TIM JOHNSON,

Mr. Johnson of South Dakota in lieu of Mr. Panetta for title V (except sec. 502) and subtitle A of title VI of the House amendment and title II and subtitle C of title X of the Senate bill,

JILL L. LONG,

Ms. Long in lieu of Mr. Panetta for title X, title XI (except sec. 1109), and subtitle A of title VII of the House amendment, and for title IV, title VIII, title X (except subtitle C), sec. 301 (insofar as it adds a new sec. 107A(e)(4)(E) to the Agricultural Act of 1949), sec. 501 (insofar as it adds a new sec. 103A(e)(4)(D) to the Agricultural Act of 1949), and sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949),

ROY DYSON,

Mr. Dyson in lieu of Mr. Panetta for sec. 502, subtitle B of title VI, subtitle B of title VII, sec. 1414, subtitle C of title XIV, and sec. 1841 of the House amendment, and title XXI (except subtitle G) and sec. 1730 of the Senate bill,

H. MARTIN LANCASTER,

Mr. Lancaster in lieu of Mr. Panetta for title VIII of the House amendment and title VII of the Senate bill,

JIM JONTZ,

Mr. Jontz in lieu of Mr. Panetta for subtitle A of title XVIII, and sec. 1508 of the House amendment, and subtitle B of title XIX and title XVIII of the Senate bill,

GARY CONDIT,

Mr. Condit in lieu of Mr. Panetta for sec. 1109, title XII (except subtitle G), and sec. 1833 of the House amendment and title XI (except subtitle E), sec. 1551, and title XXIII of the Senate bill,

CLAUDE HARRIS,

Mr. Harris in lieu of Mr. Panetta for title XV (except for sec. 1508) and title XXVII of the House amendment and title XV (except sec. 1551) of the Senate bill,

MIKE ESPY,

Mr. Espy in lieu of Mr. Panetta for title III of the House amendment, and title VI (except new sec. 101A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 601), and subtitle K of title XIX of the Senate bill,

BILL SARPALIUS,

Mr. Sarpalius in lieu of Mr. Panetta for titles I, IX, and XXX of the House amendment and title III (except new sec. 107A(e)(4)(E) of the Agricultural Act of 1949, as added by sec. 301), title V (except new sec. 103A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 501), and subtitle E of title XI of the Senate bill,

TIMOTHY J. PENNY,

Mr. Penny in lieu of Mr. Panetta for title XVI, sec. 1844, and subtitle H of title XIII of the House amendment, and title XII (except sec. 1283), sec. 1303, and subtitle A of title XIX of the Senate bill,

ROBIN TALLON,

Mr. Tallon in lieu of Mr. Panetta for titles XIX, XXII, XXIII, XXIV, and XXVI, and sec. 1857 of the House amendment, and title XX (except subtitles A, B, and F), and title XXII of the Senate bill,

HARLEY O. STAGGERS, Jr.,

Mr. Staggers in lieu of Mr. Panetta for title XVIII (except subtitle A, secs. 1833, 1841, 1843, 1844, and 1857), title XX, and title XXI of the House amendment and sec. 1496, subtitles H and J (except sec. 1973) of title XIX, and subtitles A and F of title XX of the Senate bill,

BOB WISE,

Mr. Wise in lieu of Mr. Panetta for title XXV of the House amendment,

EDWARD R. MADIGAN,

TOM COLEMAN,

RON MARLENEE,

ARLAN STANGELAND,

LARRY J. HOPKINS,

PAT ROBERTS,

BILL EMERSON,

Mr. Emerson in lieu of Mr. Marlenee on sec. 502, title XIV, title XVII and sec. 1841 in lieu of Mr. Hopkins for subtitle B of title VII and subtitle B of title VI of the House amendment and subtitles A and B of title XVII, sec. 1730, subtitle I of title XIX, sec. 1973, subtitle G of title XXI and title XXIV of the Senate bill,

SID MORRISON,

Mr. Morrison in lieu of Mr. Hopkins on titles XV and XXVII of the House amendment and title XV (except sec. 1551) and subtitle B of title XIX of the Senate bill,

STEVE GUNDERSON,

Mr. Gunderson in lieu of Mr. Marlenee on titles IV, V (except sec. 502), title VI (except subtitle B) of the House

amendment and titles I and II and subtitle C of title X of the Senate bill,

R.F. SMITH,

Mr. Smith of Oregon in lieu of Mr. Hopkins on title IX and title XI (except sec. 1109) of the House amendment and title III, title X (except subtitle C) and sec. 301 (insofar as it adds a new sec. 107A(e)(4)(E) to the Agricultural Act of 1949), sec. 501 (insofar as it adds a new sec. 103A(e)(4)(D) to the Agricultural Act of 1949), and sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949) of the Senate bill,

TOM LEWIS,

Mr. Lewis in lieu of Mr. Marlenee on title II of the House amendment and title IX of the Senate bill,

LARRY COMBEST,

Mr. Combest in lieu of Mr. Marlenee on title I of the House amendment and title V (except new sec. 103A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 501) of the Senate bill,

BILL SCHUETTE,

Mr. Schuette in lieu of Mr. Hopkins on subtitle A of title XVIII of the House amendment and title XVII of the Senate bill,

FRED GRANDY,

Mr. Grandy in lieu of Mr. Hopkins on title X and in lieu of Mr. Marlenee on titles XVI and XXIX and sec. 1857 of the House amendment and title IV, title XII and title XIII of the Senate bill,

WALLY HERGER,

Mr. Herger in lieu of Mr. Marlenee on sec. 1109 and title XII except for subtitle G of the House amendment and title XI (except subtitle E), title XIII and sec. 1551 of the Senate bill,

CLYDE C. HOLLOWAY,

Mr. Holloway in lieu of Mr. Hopkins on title III of the House amendment and title VI except sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949) of the Senate bill,

JAMES T. WALSH,

Mr. Walsh in lieu of Mr. Hopkins on title XVIII except subtitle A of the House amendment and subtitle H (except sec. 1962), subtitle J (except sec. 1973), and subtitle K of title XIX of the Senate bill,

BILL GRANT,

Mr. Grant in lieu of Mr. Marlenee on title VIII of the House amendment and title VII of the Senate bill,

R.F. SMITH,

Mr. Robert F. Smith is appointed in lieu of Mr. Marlenee for title XII of the Senate bill and title XVI of the House amendment,

SID MORRISON,

Mr. Morrison of Washington is appointed in lieu of Mr. Marlenee for title XIII of the Senate bill and title XXIX of the House amendment,

FRED GRANDY,

Mr. Grandy is appointed in lieu of Mr. Hopkins for all provisions except title VII and sec. 1962 of the Senate bill, and title VIII and sec. 1249 of the House amendment, on which Mr. Hopkins will remain a conferee, and Mr. Lewis of Florida is appointed in lieu of Mr. Hopkins for subtitle A of title XVII of the Senate bill and title XIV of the House amendment,

From the Committee on Foreign Affairs, for consideration of titles XI (except secs. 1124, 1125, 1134, 1137, and subtitle E), XXIII (except sec. 2306), secs. 114, 1423, 1551, 1751-60, 1763, and 1765 of the Senate bill, and title XII (except secs. 1241 and 1243-46) and secs. 415, 1312(a), and 1833 of the House amendment, and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
STEPHEN J. SOLARZ,
HOWARD WOLPE,
GEO. W. CROCKETT, Jr.,
SAM GEJDENSON,
MERVYN M. DYMALLY,
PETER H. KOSTMAYER,
WM. S. BROOMFIELD,
BEN GILMAN,
JIM LEACH,
TOBY ROTH,
DOUG BEREUTER,

From the Committee on Foreign Affairs, for consideration of subtitle E of title XI, secs. 1931-35 and 1937-39 of the Senate bill, and title XXX of the House amendment, and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
SAM GEJDENSON,
WM. S. BROOMFIELD,
TOBY ROTH,

From the Committee on Merchant Marine and Fisheries, for consideration of subtitle E of title XI of the Senate bill, and title XXX of the House amendment, and modifications committed to conference:

WALTER B. JONES,
GERRY E. STUDDS,
CARROLL HUBBARD,
BILLY TAUZIN,
DENNIS M. HERTEL,
WILLIAM O. LIPINSKI,
BOB DAVIS,
DON YOUNG,
NORMAN F. LENT,
JACK FIELDS,

From the Committee on Merchant Marine and Fisheries, for consideration of secs. 1238, 1286, and 1422 of the Senate bill, and secs. 1314 and 1602 of the House amendment, and modifications committed to conference:

WALTER B. JONES,
GERRY E. STUDDS,
DENNIS M. HERTEL,
BOB DAVIS,
DON YOUNG,

From the Committee on Ways and Means, for consideration of sec. 902, those portions of sec. 1121 adding new secs. 101(5), 103(5), 113(c)(2), 114, 204(c)(2)(B), 404.05, 503(b)(3), 504, and 601 (c) and (f) to the Agricultural Trade Act of 1978, secs. 1122, 1124-25, 1137, 1716(c), that portion of sec. 2123 adding a new sec. 7A(e) to the Cotton Research and Promotion Act, secs. 2140, 2155(g), 2178, 2188, 2203 2306, 2452, and 2454 of the Senate bill, and sec. 614, those portions of sec. 1221 adding new secs. 101(4), 105(a), 106, 402(c) and (f) to the Agricultural Trade Act of 1978, secs. 1223(i), 1241, 1243, 1245-47, 1428, 1445(g), 1468, 1475(3), 1485(d) and 1494 of the House amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
ED JENKINS,
BILL ARCHER,
PHIL CRANE,
ANDREW JACOBS, Jr.

(except, that, for consideration of secs. 2203, 2452, and 2454 of the Senate bill, Mr. Jacobs is appointed in lieu of Mr. Jenkins),

From the Committee on Ways and Means, for consideration of secs. 1134, 1721, and 1730A of the Senate bill, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
J.J. PICKLE,
ED JENKINS,
TOM DOWNEY,
DONALD J. PEASE,
MARTY RUSSO,
FRANK J. GUARINI,
ROBERT T. MATSUI,
BERYL ANTHONY, Jr.,
BILL ARCHER,
GUY VANDER JAGT,
PHILIP M. CRANE,
BILL FRENZEL,
RICHARD T. SCHULZE,
W.M. THOMAS,

From the Committee on Energy and Commerce, for consideration of secs. 1761 and 1762 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
JIM SCHEUER,
RON WYDEN,
TERRY L. BRUCE,
J. ROY ROWLAND,
RALPH M. HALL,
DENNIS E. ECKART,
NORMAN F. LENT,
BILL DANNEMEYER,
BOB WHITTAKER,
TOM TAUKE,
TOM BLILEY,
JACK FIELDS,

From the Committee on Energy and Commerce, for consideration of secs. 1495, 1497, and 1498J-L of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
J. ROY ROWLAND,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of sec. 1437 of the Senate bill, and sec. 1367(b) of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
DENNIS E. ECKART,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of title XVI (except secs. 1615-16, 1620 (b), (c), (d), and (f)) and sec. 1716 of the Senate bill, and secs. 1495J-95L, 1495M (a), (e) and (g) and 1495N-95V of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
TERRY L. BRUCE,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of subtitle C of title XVII of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
RON WYDEN,
NORMAN F. LENT,
TOM BLILEY,

From the Committee on Energy and Commerce, for consideration of sec. 1773 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
J. ROY ROWLAND,
NORMAN F. LENT,
BOB WHITTAKER,

From the Committee on Energy and Commerce, for consideration of sec. 1772 of the Senate bill, and sec. 1376A of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
THOMAS A. LUKE,
AL SWIFT,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of sec. 1948 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
THOMAS A. LUKE,
AL SWIFT,
NORMAN F. LENT,
BOB WHITTAKER,

From the Committee on Energy and Commerce, for consideration of secs. 2033(3)(F), 2079, and 2081 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
ED MARKEY,
AL SWIFT,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of section 1399 of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
EDOLPHUS TOWNS,
NORMAN F. LENT,
TOM BLILEY,

From the Committee on Agriculture, for consideration of those positions of sec. 1121 adding new secs. 101(5), 103(5), 113(c)(2), 114, 204(c)(2)(B), 404-05, 503(b)(3), 504, and 601 (c) and (f) of the Agricultural Trade Act of 1978, of the Senate bill, and those portions of sec. 1221 adding new secs. 101(4), 105(a), 106, 203, and 402 (c) and (f) to the Agricultural Trade Act of 1978, of the House amendment, and modifications committed to conference:

MIKE ESPY,
CLAUDE HARRIS,
BILL SARPALIUS,
BILL EMERSON,
R.F. SMITH,

From the Committee on Education and Labor, for consideration of secs. 1496(b), 1498-1498N, 1965, 1966, 2471, 2474, 2476, and 2479 of the Senate bill, and secs. 1382, 1774, 1842(b) of the House amendment, and modifications committed to conference:

AUGUSTUS F. HAWKINS,
WILLIAM D. FORD,
JOSEPH M. GAYDOS,
BILL GOODLING,

THOMAS J. TAUKE,
 From the Committee on Science, Space, and Technology,
 for consideration of secs. 1921-30, 1940, and 1944-46 of the
 Senate bill, and modifications committed to conference:

ROBERT A. ROE,
 JAMES H. SCHEUER,
 TOM McMILLEN,
 BOB WALKER,
 CLAUDINE SCHNEIDER,

From the Committee on Banking, Finance and Urban Af-
 fairs for consideration of sec. 1350 of the Senate bill, and
 modifications committed to conference:

BEN ERDREICH,
 PAUL E. KANJORSKI,
 THOMAS R. CARPER,
 DOUG BEREUTER,
 TOBY ROTH,

Managers on the Part of the House.

PAT LEAHY,
 DAVID PRYOR,
 D.L. BOREN,
 RICHARD G. LUGAR,
 BOB DOLE,
 THAD COCHRAN,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The Managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes, submit the following joint statement to the Senate and House 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 Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.¹

Short Title

The Senate bill provides that the Act may be cited as the "Food, Agriculture, Conservation, and Trade Act of 1990".

The House amendment provides that the Act may be cited as the "Food and Agricultural Resources Act of 1990".

The Conference substitute adopts the Senate provision.

TITLE I—DAIRY

(1) Findings

The Senate bill provides findings including that—(1) U.S. dairy policy should foster an economic environment in which milk producers have the opportunity to receive a satisfactory return for their labor and investment; (2) the Federal dairy program should foster the use of a component based price support system to more readily reflect market demands and better communicate the economic composition of milk and products derived from milk; (3) market forces, together with appropriate adjustments in the government support price and standby milk production reduction programs should balance supply and demand for milk and dairy prod-

¹ The reference to "SB" and "HB" are references to the Senate bill and House amendment, respectively. In general, the Statement of Managers is arranged in order by title of the conference substitute, and by the Senate bill within the title.

ucts; (4) Federal and State dairy policy must be consistent; (5) dairy policy should protect against widely fluctuating consumer prices and producer income; (6) wholesome dairy products should be available for domestic and international nutrition programs; and (7) the dairy program should encourage greater protein production in milk and discourage additional butterfat production through the use of incentives and disincentives. (Section 101)

The House amendment provides findings including identical findings to the Senate's findings (1), (2), and (3), and the following: (1) the Federal support price should establish a minimum price which guarantees an adequate supply of wholesome milk; (2) Federal dairy support programs should embody the notion that the market for dairy products is national in scope; (3) U.S. milk producers should be treated equally under Federal laws that compel the Secretary to purchase dairy products under the price support program; (4) an alternative milk production reduction program should be used only when price changes alone will not balance supply with demand within a reasonable time period without greatly disrupting the market for dairy products; and (5) factors such as the cost of the program, the program's effect on other agricultural segments, the economic conditions in agriculture and fiscal goals should be considered when an alternative inventory management program is considered. (Section 401)

The Conference substitute deletes both provisions.

(2) Commodity Credit Corporation (CCC) bid prices

The Senate bill contains no comparable provision.

The House amendment requires that CCC purchase prices be the same for all purchases of each product and that such prices be sufficient to enable plants of average efficiency to, on average, pay a price to producers not less than the support price. (Section 402)

The Conference substitute adopts the House provision (Sec. 101).

(3) Maximum purchase price for butter

The Senate bill sets the maximum CCC purchase price for butter at \$0.983 per pound in calendar year 1991, \$0.815 in calendar years 1992 and 1993, and \$0.788 in calendar years 1994 and 1995. (Section 102)

The House amendment sets the maximum CCC purchase price for butter at \$.9825 in fiscal year 1991; \$.8150 in fiscal years 1992 and 1993; \$.7875 in fiscal years 1994 and 1995. (Section 402)

The Conference substitute deletes both provisions.

(4) Alternative allocation

The Senate bill provides that the Secretary may set butter and nonfat dry milk prices at different levels to reduce CCC program costs. The Secretary is required to notify the House and Senate agriculture committees of any change. (Section 102).

The House amendment is similar to the Senate provision. (Section 402)

The Conference substitute adopts the Senate provision. (Sec. 101)

(5) Timing of purchase price adjustments

The Senate bill provides that the Secretary may make adjustments in the CCC purchase prices for nonfat dry milk and butter but not more than twice in each calendar year. (Section 102)

The House amendment contains no similar provision.

The Conference substitute adopts the Senate provision (Sec. 101).

(6) Support rate adjustment dates

The Senate bill provides that any adjustments in support rate take effect on January 1 for calendar years 1991 through 1995. (Section 102)

The House amendment provides that any adjustments in support rate take effect on October 1 for fiscal years 1992 through 1996. (Section 402)

The Conference substitute adopts the Senate provision. (Sec. 101)

(7) Support rate reductions

The Senate bill provides for a support price reduction of 25 cents to 50 cents if CCC purchases are estimated to exceed 5 billion pounds and requires that the House and Senate agriculture committees be notified in advance of any increase. In no event may the support price fall below \$10.10 per hundredweight (Section 102).

The House amendment is identical to Senate provision with the exception of the adjustment dates (Sec. 402).

The Conference substitute adopts the Senate provision with technical amendments. (Sec. 101)

(8) Increases in support rate

The Senate bill provides a minimum of \$.25 increase if Commodity Credit Corporation purchases are estimated not to exceed 3.5 billion pounds and requires that the House and Senate agriculture committees be notified in advance of any increase. (Section 102)

The House amendment is identical to Senate provision with the exception of the adjustment dates. (Section 402)

The Conference substitute adopts the Senate provision with technical amendments. (Sec. 101)

(9) No adjustment in support rate

The Senate bill provides that if Secretary does not adjust the support rate, it will be the same as for the current year. (Section 102)

The House amendment provides that if Commodity Credit Corporation purchases are estimated to be greater than 3.5 billion and less than 5 billion pounds, the Secretary shall not reduce the support rate. (Section 402)

The Conference substitute adopts the House provision with technical amendments. (Sec. 101)

(10) Definition of "milk equivalent, total milk solids"

The Senate bill provides that "milk equivalent, total milk solids basis", of milk and the products of milk, purchased by the Commodity Credit Corporation, shall be equal to the weighted average of (1) the milk equivalent of the products, as computed on a milk

fat basis (up to 40 percent); and (2) the milk equivalent of the products, as computed on a milk solids, not fat basis (up to 70 percent); provides that weighting factors must total 100 percent. (Section 102)

The House amendment is similar to the Senate provision: "milk equivalent, total milk solids basis" means the weighted average of the milk equivalents as computed on a milkfat basis and on a nonfat solids basis with weighting factors of not more than 40 percent of milkfat and not more than 70 percent of nonfat solids; provides that weighting factors must total 100 percent. (Section 402)

The Conference substitute adopts the House provision with technical amendments. (Sec. 101)

(11) Treatment of import levels in calculation of Commodity Credit Corporation purchases

The Senate bill requires that imports in any year that exceed the average level of imports from 1986 through 1990 be deducted from the Secretary's estimate of the level of Commodity Credit Corporation purchases. (Section 102)

The House amendment provides that in calculating Commodity Credit Corporation purchases, the Secretary is to deduct the amount by which the level of imports of milk products in the most recent calendar year exceeds the annual average imports from 1986 through 1990, milk equivalent, total milk solids basis. (Section 402)

The Conference substitute adopts the House provision (Sec. 101).

(12) Inventory management study [SB 102, HB 402]

The Senate bill provides that by July 1, 1991, the Secretary must prepare a report and recommendations on milk marketing adjustment programs to be implemented if purchases exceed 7 billion pounds, milk equivalent, total milk solids basis.

The Secretary must use a notice and comment procedure to solicit comments from the dairy industry concerning these proposals and notify industry and the public of the Secretary's evaluation of those proposals (time deadlines of 90 days on original notice and 180 days on evaluation are established).

The Secretary must evaluate the proposals received concerning a milk marketing adjustment program using the following criteria: (1) speed and effectiveness of reducing excess milk production; (2) effectiveness in sustaining reduced milk production for at least a five year period with and without the continuation of the program; (3) regional impact on milk prices, producer revenue and milk supplies; (4) impact on national producer income and government expenditures; (5) impact on rural economy and maintaining family farms; (6) impact on the availability of wholesome dairy products for domestic and foreign nutrition and food assistance programs; (7) technological innovations; (8) effectiveness in reducing butter fat production and increasing protein content in milk; (9) impact of temporary increases and decreases of milk production; (10) impact on the U.S. cattle industry; and (11) all other issues the Secretary deems appropriate.

The report, and its annual updates, must be presented to Congress. (Section 102)

The House amendment provides that within 180 days of enactment, Secretary must submit a report that: (1) recommends an inventory management program for implementation when purchases are projected to exceed 7 billion pounds, milk equivalent, total milk solids basis; (2) evaluates two-tier pricing systems or a plan to achieve equivalent results; (3) does not evaluate any termination or diversion program or any program that relies on producer assessments; (4) seeks methods to reduce surpluses, lower costs, and provide for orderly marketing of surplus.

The report must include, but is not limited to, the following topics: (1) the difficulties and possible resolutions associated with the disposition and orderly marketing of milk priced below world market prices through export, domestic feeding programs, and other marketing channels; (2) the establishment of a Class IV price for milk and its impact on the Federal milk marketing order system and on non-Federal milk marketing order milk; (3) plans to achieve desired results other than through a two-tiered pricing system. (Section 402)

The Conference substitute requires the Secretary, in order to develop a program to limit further growth in government purchases of dairy products, to prepare a report and recommendations on various milk inventory management programs for submission to Congress by August 1, 1991. Not later than 60 days after the date of enactment of this Act, the Secretary should solicit proposals through notice in the Federal Register. The Secretary is to analyze and make recommendations on alternative milk inventory management programs, including an alternative classification under the Federal milk marketing order system (such as a Class IV), a program for the support of dairy farmer income through a system of established prices and deficiency payments, and any other milk inventory management programs which the Secretary determines—in consultation with the House and Senate agriculture committees—should be evaluated.

The Secretary's analysis shall not include consideration of any program for mandatory cattle slaughter or support price reductions. With respect to the study of a proposal for income support through a system of established prices and deficiency payments in subparagraph (3)(B), the Managers intend that the prohibition against studies reducing the support price in subparagraph (4) shall not apply if the income support program maintains producer per unit income protection at a level equal to, or greater than, that level resulting from the minimum price support level contained in the Title. In preparing the analysis, the Secretary must evaluate policy options using the following criteria: (1) the ability of the program to limit Commodity Credit Corporation purchases of milk products to 6 billion pounds, milk equivalent, total milk solids basis, per year; (2) speed and effectiveness of reducing excess milk production; (3) effectiveness in sustaining reduced milk production for at least a five-year period with and without the continuation of the program; (4) regional impact on milk prices, producer revenue and milk supplies; (5) impact on national producer income and government expenditures; (6) impact on the rural economy and maintenance of family farms; (7) impact on the availability of wholesome dairy products for domestic and foreign nutrition and food as-

sistance programs; (8) technological innovations; (9) effectiveness in reducing butter fat production and increasing protein content in milk; (10) impact of temporary increases and decreases of milk production; (11) impact on the United States livestock industry; and (12) all other issues the Secretary deems appropriate.

The Secretary must provide for a period of notice and comment by no later than June 1, 1991.

The Conference substitute requires that the Secretary report to Congress by August 1 and November 20 of each of the calendar years 1991 through 1995 on the estimated volume of dairy product purchases for the upcoming calendar year (Sec. 101).

(13) Implementation of inventory management

The Senate bill provides that if, on November 1 of each of the calendar years 1991 through 1995, the Secretary estimates that the level of Commodity Credit Corporation purchases of milk and the products of milk for the following calendar year will exceed 7 billion pounds, milk equivalent, total milk solids basis, the Secretary must implement a milk marketing adjustment program for the purpose of controlling the level of the purchases of milk and milk products by the Commodity Credit Corporation during such calendar year.

By July 1, the Secretary must notify the Congress as to what milk marketing adjustment program will be implemented if the Secretary estimates Commodity Credit Corporation purchases will exceed 7 billion pounds, milk equivalent, total milk solids basis, in the next calendar year. The Secretary must implement such milk marketing adjustment program if purchases will exceed 7 billion pounds, milk equivalent, total milk solids basis, unless a bill is enacted disapproving of such program.

The Secretary must estimate and notify Congress by November 1 of each year whether Commodity Credit Corporation purchases will exceed 7 billion pounds, milk equivalent, total milk solids basis.

If the Secretary implements a milk marketing adjustment program, the Secretary must not offer to enter into a contract with any producer of milk in the U.S. for the purpose of selling for slaughter of any dairy cattle in which the producer owns an interest. (Section 102)

The House amendment provides that if, for any fiscal year 1992 through 1996, Commodity Credit Corporation purchases are estimated to exceed 6 billion pounds, milk equivalent, total milk solids basis, the Secretary shall implement an inventory management program. However, such program shall not be implemented prior to January 1, 1992 or 6 months after submission of the inventory management report, whichever is later. The amendment also prohibits the consideration of any whole-herd buyout or diversion programs.

The Secretary must notify the House and Senate agriculture committees of the type of inventory management program to be implemented by August 1 of the fiscal year preceding the fiscal year in which the program is to be implemented.

By January 1 of the fiscal year for which a plan is to be in effect, the Secretary must submit to Congress a certification containing a statement of facts that the plan will achieve reductions in produc-

tion to bring purchases below 7 billion pounds, milk equivalent, total milk solids basis.

The House amendment would prohibit the Secretary from entering into contracts with any producer for the purpose of selling for slaughter any dairy cattle in which such producer owns an interest. (Section 402)

As described above, the Conference substitute adopts a procedure under which the Secretary shall develop a program of milk inventory management for submission to Congress for consideration.

The Conference substitute directs the Secretary to institute program of producer assessments for calendar years 1992 through 1995. The Managers intend that the assessment program will only be employed in the event that Congress fails to enact a milk inventory management program. Under the assessment program provided for in the bill the Secretary is required to estimate projected purchases for the year on November 20 of the preceding calendar year. If Commodity Credit Corporation purchases are expected to exceed 7 billion pounds, milk equivalent, total milk solids basis, an assessment is to be imposed on all milk marketed during the year. The amount of the assessment shall be calculated to cover all costs incurred with respect to Commodity Credit Corporation purchases in excess of 7 billion pounds, milk equivalent, total milk solids basis, during that year. If actual purchases of the Commodity Credit Corporation for a year are less than 7 billion pounds, milk equivalent, total milk solids basis, the Secretary shall provide each producer a full refund of the assessment amounts paid. If actual purchases vary from estimated purchases over 7 billion pounds, the Secretary may either refund to each producer any excess assessments collected or adjust future years assessment levels. This provision is intended to increase or decrease funds collected from the producer, in order to ensure that assessments over time reflect the cost of actual purchases in excess of 7 billion pounds.

The Managers note that Congress is currently considering the enactment of assessments on milk marketings as part of deficit reduction legislation for fiscal years 1991 through 1995. As distinguished from the assessments contained in this bill, those contained in the deficit reduction legislation are expected to be refundable for individual producers who, from one year to the next, can demonstrate that their marketings of milk have not increased.

The Managers include this provision with the expectation that the Secretary of Agriculture will submit to Congress various proposals for programs of inventory management in time for Congress to take action to prevent the implementation of the authorized assessments. (Sec. 102)

(14) Make allowance [SB 103, HB 403]

The Senate bill provides that no State may use a greater allowance than that provided for in Federal programs to establish a Grade A price for milk for manufacturing butter, nonfat dry milk, and cheese. (Section 103)

The House amendment is identical to the Senate provision. (Section 403)

The Conference substitute provides that, effective 12 months after the date of enactment, no State or individual plant may col-

lect, directly or indirectly, a manufacturing or "make" allowance for the processing of milk that is in excess of that permitted under a Federal program to establish a Grade price for manufacturing butter, nonfat dry milk, or cheese unless the net return to producers exceeds the level of price support which is provided for under the dairy price support program.

The Conference substitute provides enforcement and penalty provisions for States or plants that do not comply with the provision. If the Secretary determines that an individual's claim is supported by evidence that a handler has failed to comply with this section, the handler shall be liable for liquidated damages in an amount equal to the product of twice the make allowance and the quantity of milk involved. The Secretary may issue rules and regulations as may be necessary to enforce this section. The Secretary may undertake investigations to ensure effective administration of this section. In the course of any such investigation, the Secretary may administer oaths, employ subpoenas, require records, and invoke the aid of the District Courts of the United States.

The Managers determined that all State and Federal programs should work in concert to achieve goals established for Federal dairy policy.

The Managers intend that the Department of Agriculture's specification of a manufacturing margin for milk should apply to all areas of the United States. Therefore, the bill requires that no State may have a higher allowance than that provided for in Federal programs for manufacturing milk products. (Sec. 103).

(15) M-W pricing series reform [SB 104, HB 404]

The Senate bill requires the Secretary, within 60 days following enactment, to begin a study of alternative pricing formulas used to determine the minimum prices paid under milk marketing orders.

The data used to compare the alternative pricing formulas shall be made available to the public.

By October 1, 1991, the Secretary shall prepare and provide a report to the House and Senate agriculture committees regarding the results of the study.

If the Secretary determines, as a result of the study, that changes should be made in the mechanism used to compute minimum prices paid under Federal milk marketing orders, the Secretary shall give notice and a reasonable opportunity for public comment on any such proposed changes. (Section 104)

The House amendment requires the Secretary, within 60 days, to commence to accept alternative pricing formula recommendations; requires the publication of a proposed replacement by October 1, 1991; requires data used for comparing alternative pricing formulas to current price series for study be compiled and made available; requires implementation after notice and comment and a thirty legislative day congressional review period; and requires the Secretary to consider a price series based on prices paid by milk processors for Grade A milk used in manufacturing and manufacturing grade milk. (Section 404)

The Conference substitute adopts the House provision with an amendment to require that not later than October 1, 1991, the Secretary shall announce a hearing to consider replacing the Minneso-

ta-Wisconsin price series. The Managers expect the Secretary to act expeditiously and to complete the process, including any amendment or marketing orders required by the final determination, by June 1, 1992, to the maximum extent practicable. (Sec. 104)

(16) Hearings on FMMOs

The House amendment requires the Secretary to conclude the national hearings on Federal milk marketing orders in time to effect, by January 1, 1992, any changes in prices to producers for Grade A milk. (Section 405)

The Senate bill contains no similar provision.

The Conference substitute adopts the House provision with an amendment. Under the provision, the Secretary of Agriculture shall, to the maximum extent practicable and consistent with applicable statutes, effect any systemwide changes resulting from the national hearings by January 1, 1992. It is the intent of the Managers that this provision not be construed to suggest whether or not changes should be made in Grade A prices under the Federal milk marketing orders. (Sec. 105)

(17) Export sales [SB 111, HB 412]

The Senate bill amends section 1163 of the Food Security Act of 1985 (7 U.S.C. 1731e) by extending (1) the sales requirement through fiscal year 1995, and (2) the requirement to report semiannually on the volume of sales to the House and Senate agriculture committees September 30, 1995. (Section 111)

The House amendment is similar to the Senate provision but also provides that the Secretary must sell 184 million pounds of butter for export in fiscal year 1991. Through fiscal year 1995, the Secretary must report semiannually to the House and Senate agriculture committees on the volume of sales made under section 412. (Section 412)

The Conference substitute adopts the Senate provision. (Sec. 112)

(18) Trusts held for benefit of milk producers [SB 118, HB 416]

The Senate bill provides that the Secretary study the need for and impact of a Federal dairy producer trust on the dairy industry, comparable to trusts for the benefit of livestock and poultry producers under the Packers and Stockyards Act, 1921 (7 U.S.C. 191 et seq.). The Secretary must consider: (1) economic losses of dairy producers as a result of bankrupt dairy processing facilities since 1975; (2) State dairy plant security programs; (3) economic costs and benefits to producers and dairy processing facilities of the trust; (4) the need for Federal laws to protect dairy producer and processor income; (5) the need for alternative Federal legislative approaches, including security arrangements or a producer-funded guaranty trust; (6) the likely changes in existing State dairy plant security laws; and (7) the economic impact of excluding dairy cooperatives from the trust fund. The Secretary must consult with the Packers and Stockyards Administration, the Agricultural Cooperative Service, the Agricultural Marketing Service and representatives of the dairy and agricultural lending industries. The Secretary must report to the House and Senate agriculture committees by October 1, 1991 on the results of the study. (Section 118)

The House amendment amends the Packers and Stockyards Act to require milk handlers to hold milk delivered by producers and the receipts from sale of any such milk in trust for unpaid producers or handlers. The trust must be preserved by providing notice to debtor handler and the Secretary within 30 days of the payment due date or within 15 days of receipt of dishonored payment instrument. The provision also vests U.S. district courts with enforcement jurisdiction. (Section 416)

The Conference substitute deletes both provisions.

The Managers deferred the adoption of any provision related to the protection of dairy farmers in the event of a dairy plant bankruptcy pending further analysis of industry needs and potential legislative remedies.

However, the Managers also recognize that dairy producers remain vulnerable in the event of a dairy plant bankruptcy. Thirty-one states do not have statutory protection for dairy producers in the event of a plant bankruptcy. In those states with statutory protection, it is unclear that the degree of protection provided can sufficiently protect dairy producers in the event of a plant bankruptcy. While the Senate provision giving dairy producers a priority position under the Federal bankruptcy code would provide valuable, albeit limited, Federal protection for dairy producers, the Managers would prefer that the range of Federal legislative remedies be more fully analyzed before adoption of either the House or Senate provision.

(19) Multiple Component Pricing Study [SB 116]

The Senate bill requires the Secretary to study the extent to which milkfat is being produced in the U.S. in excess of commercial market needs as a result of current policy of the Federal or State milk pricing program. The Secretary shall assess the impact of multiple component pricing programs to achieve balance in the production, marketing and domestic commercial use of milkfat. Within 180 days, the Secretary shall report on this study and submit recommendations to the House and Senate agriculture committees. A national hearing shall be held to consider the adoption of multiple component pricing provisions in individual Federal milk marketing orders, with an invitation for industry and consumer proposals. (Section 116)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision (Sec. 117).

(20) Subsidized Inputs/Surplus Dairy Production Study [SB 117]

The Senate bill provides that the Secretary shall report on whether subsidized inputs contribute to fluid milk production in excess of demand in States and regions served by the U.S. Bureau of Reclamation. Subsidized inputs include low-cost alfalfa, other hay, pastureland and other forage irrigated with below-cost water from Federal reclamation projects. If the Secretary determines a causal link exists, the Secretary shall make recommendations to address such surplus production. The report shall be submitted to the House and Senate agriculture committees and the House Committee on Interior and Insular Affairs within one year. (Section 117)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(21) Priority Status of Dairy Producers in Dairy Processor Bankruptcies [SB 119]

The Senate bill provides that dairy producers be given priority status as unsecured creditors against a debtor who owns or operates a dairy processing facility and declares bankruptcy. (Section 119)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

TITLE II—WOOL AND MOHAIR

(1) Payment limitations

The Senate bill applies a \$250,000 per year payment limitation for wool or mohair per person. The Secretary must develop regulations consistent with regulations issued by the Secretary in accordance with sections 1001, 1001A, and 1001B of the Food Security Act of 1985 to define a "person" when determining payment limitation. (Section 201(b))

The House amendment limits the total amount of payments any one person may receive under the Act to \$200,000 in the 1991 marketing year, \$167,000 in the 1992 marketing year, \$133,000 in the 1993 marketing year, and \$100,000 beginning with the 1994 marketing year. The amendment contains a similar provision to the Senate bill on the definition of "person". (Section 503)

The Conference substitute adopts the House provision with an amendment to limit the wool or mohair payments any one person may receive under the Act to \$200,000 for the 1991 marketing year, \$175,000 for the 1992 marketing year, \$150,000 for the 1993 marketing year, and \$125,000 beginning with the 1994 marketing year.

(2) Established price

The Senate bill extends the program to 1995 and provides that, notwithstanding other provisions, the established price will be \$1.82 per pound for wool and \$4.532 per pound for mohair for the 1991 through 1995 marketing years (April 1 through March 31). (Section 201(c))

The House amendment also extends the program but contains no provision changing the established price from the current formula.

The Conference substitute deletes the Senate provision.

TITLE III—WHEAT

(1) Price Support Loans

(a) Basic Levels or Plan (A)

The Senate bill states that the basic level shall be, under Plan (A), the loan and purchase level not be less than 75 percent, nor more than 85 percent, of the five year olympic average. The loan rate for a crop may not be reduced by more than 5 percent from the level determined for the preceding crop nor below \$2.44 per bushel. (New Section 107A(a)(3)(A))

The House amendment states that for the 1991-1995 crops, the loan level shall be not less than 85 percent of the preceding five year olympic average price received by producers of corn, except that the loan level may not be reduced by more than 5 percent from the level determined for the preceding crop. (New Section 107A(a)(2)(A))

The Conference substitute adopts the House provision.

(b) Adjustment to Basic Loan Levels

The Senate bill states that the adjusted level shall be, under Plan (B), the established loan rate as in Plan (A). The level may, however, be adjusted. If the Secretary determines that the average price received by producers for wheat in the previous marketing year was not more than 110 percent of the loan and purchase level, or if the Secretary determines that action is necessary to maintain a competitive market position for wheat, the Secretary may reduce the loan rate by not more than 20 percent in any year. Any reduction in the loan and purchase level for wheat under this subparagraph shall not be considered in determining the loan and purchase level for wheat for subsequent years. If the Secretary elects to reduce the loan rate under (B), the Secretary shall, within 30 days of the election, submit a report to the House and Senate Agriculture Committees containing the following:

- (1) a report outlining the budget implications of the election;
- (2) a description of the anticipated effect on farm income of the election;
- (3) a description of why an adjustment is necessary to prevent the build-up of stocks and to maintain price competitiveness;
- (4) and a description of the anticipated effect on the orderly marketing of the crop of wheat of the election.

(New Section 107A(a)(2))

The House amendment adjusts the Basic Loan Rate by allowing the Secretary to reduce the loan and purchase level for wheat for the marketing year, if the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

- (1) equal to or greater than 30 percent, by an amount not to exceed 10 percent; and
- (2) less than 30 percent but not less than 15 percent, by an amount not to exceed 5 percent.

The Secretary is prohibited from reducing the loan and purchase level, if the Secretary estimates that the ratio of ending stocks of wheat to total use will be less than 15 percent. (New Section 107D(a)(3)(A)) If the Secretary makes such adjustments to the loan level for wheat—

- (1) the Secretary must submit to the House and Senate Agriculture Committees a report that certifies the adjustment as necessary to prevent the build-up of stocks and to retain market share, a report that contains a description of the need for the adjustment; and

(2) allowing the adjustment to become effective no earlier than 60 calendar days after the date of submission of the report to the committees. (New Section 107A(a)(3)(B))

If the Secretary determines, not later than 60 days prior to the beginning of the marketing year, that the effective loan rate established for a crop will not maintain a competitive market position for wheat, the Secretary may reduce the loan and purchase level for wheat for the marketing year by an amount not to exceed 10 percent in any year, in addition to any reductions based on stocks to use ratios under section 107A(a)(3)(A). (New Section 107A(a)(3)(C)) Any reduction in the loan and purchase level for wheat will not be considered in determining the loan and purchase level for wheat for subsequent years. (New Section 107A(a)(3)(D)) The loan rate for wheat shall not be less than \$2.44 per bushel, unless such rate would exceed 80% of the five-year average market price determination. (New Section 107A(a)(3)(E))

The Conference substitute adopts the House provision.

(c) Advance Compensation

The Senate bill states that if the loan rate is reduced utilizing Plan (B), the Secretary shall make advance compensation available to producers. The advance compensation shall not be less than an amount determined by multiplying—

(1) the estimated individual farm program acreage for the crop; by

(2) the farm program payment yield for the crop; by

(3) an amount determined by multiplying 0.75 by the amount of the reduction in the loan level for the crop under Plan (B). The advance compensation is to be provided to producers between October 1 and October 31 of the year in which the crop is harvested.

The advance compensation must be repaid not later than 270 days after the beginning of the marketing year for the crop. (New Section 107A(a)(2)(B)(v))

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(2) Loan Repayment

(a) In General

The Senate bill states that the Secretary shall permit a producer to repay a wheat price support loan for a crop at the lesser of—

(1) the loan level determined for the crop; or

(2) the prevailing world market price for wheat (adjusted to U.S. quality and location). (New Section 107A(a)(3))

The House amendment states that the Secretary may allow a producer to repay a loan at a level that is the lesser of—

(1) the loan level determined for such crop; or

(2) the higher of—

(A) 70 percent of the loan level;

(B) if the loan level for a crop was reduced, 70 percent of the loan level that would have been in effect but for this reduction; or

(C) the prevailing world market price for wheat. (New Section 107A(a)(4))

The Conference substitute adopts the House provision with technical amendment.

(b) Prevailing World Market Price

The Senate bill states that the Secretary must prescribe a formula to define the prevailing world market price for wheat, adjusted to U.S. quality and location; and provide a mechanism to periodically announce the prevailing world market price for wheat. (New Section 107A(a)(3)(B))

The House amendment provides a prevailing world market price similar to current law. (New Section 107A(a)(4)(B))

The Conference substitute adopts the House provision.

(c) Alternative Repayment Rates

The Senate bill provides that if the world market price for wheat is less than the loan level, the Secretary may permit a producer to repay a price support loan at a level (not in excess of the loan level determined for the crop) that the Secretary determines will—

(1) minimize potential loan forfeitures;

(2) minimize the accumulation of wheat stocks by the Federal Government;

(3) minimize the cost incurred by the Federal Government in storing wheat; and

(4) allow wheat produced in the U.S. to be marketed freely and competitively, both domestically and internationally. (New Section 107A(a)(3)(C))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(3) Loan Deficiency Payments

The Senate bill is similar to current law, however, the producer may obtain this payment on any quantity of wheat that the producer is eligible to place under loan (or obtain a purchase agreement) but instead forgoes obtaining such loan in return for payments. (New Section 107A(b))

The House provision is the same as current law. (New Section 107A(b))

The Conference substitute adopts the Senate provision.

(4) Deficiency Payments

(a) Payment Rate

The Senate bill states that the deficiency payment rate for wheat is the amount by which the established price for the crop exceeds the higher of:

(1) the national average market price received by producers during the first five months of the marketing year for the crop, or

(2) the loan level determined for the crop. (New Section 107A(c)(1)(B))

The House amendment, in subparagraph (C), provides that the payment rate for wheat will be the amount by which the established price for the crop of wheat exceeds the higher of—

(1) the national weighted average market price received by producers during the first six months of the marketing year for such crop, or

(2) the loan level determined for such crop, prior to any adjustment made under section 107A(a)(3) for the marketing year for that crop of wheat. (New Section 107D(c)(1)(C))

The Conference substitute adopts the Senate provision with an amendment. For the 1991 through 1993 crop years, deficiency payments are to be based on the five month average market price. Upon enactment of a Fiscal Year 1991 reconciliation bill, for the 1994 and 1995 crops, the deficiency payment will be computed based on the 12 month season average price. Provisions are made in the section 1121 of the act with respect to the timing of deficiency payments. Payments are to be made as follows: forty to fifty per cent of estimated deficiency payments at time of sign-up, seventy-five per cent of the remaining estimated deficiency payment after the end of the first five months and the remainder to be paid at the end of the marketing year. The Conference substitute also adjusts the method of calculation of deficiency payments to account for the 'triple-base' provision. (Upon enactment of the Fiscal Year 1991 reconciliation bill, the payment acres for purposes of computing deficiency payments shall be reduced by 15 percent of the crop acreage base and for any planting of a crop other than wheat on the crop acreage base under the flexibility provisions of section 1101 of the act.)

(b) Adjustment in Established Price for Acreage Reduction Programs

The Senate bill contains no provision.

The House amendment states that if the Secretary announces an acreage limitation program or a set-aside program in excess of 22.5 percent, the established price shall be increased by an amount not less than 2.55 percent of the established price for that crop for each 2.5 percent increase of the percentage reduction or set aside in excess of 22.5 percent. (New Section 107A(c)(1)(E))

The Conference substitute adopts the Senate provision.

(5) Emergency Compensation

The Senate bill states that if the Secretary adjusts the level of loans and purchases for wheat under Plan (B) below minimum loan levels, the Secretary shall provide emergency compensation similar to current law; except

(1) the Secretary must use the national weighted average market price for the first five months of the marketing year for each of the 1991-95 crops to determine the payment rate.

(2) There is no Senate provisions regarding deadlines for the Secretary's estimate or availability of payments to producers. (New Section 107A(c)(1)(D))

The House amendment provides that if the Secretary adjusts the level of loans and purchases for wheat under section 107A(a)(3),

that there shall be similar emergency compensation as provided under current law. (New Section 107D(c)(1)(D))

The Conference substitute adopts the House provision.

(6) 0/92 Program

(a) Use of Conserving Use Acreage

The Senate bill is similar to current law, except that listed crops include mung beans and milkweed. In a change from current law, the Secretary shall permit, subject to terms that the Secretary may prescribe, that conserving use acres may be devoted to sunflowers, rapeseed, canola, safflower, flaxseed and other minor oilseed designated by the Secretary (excluding soybeans). Producers that participate in this program shall agree to forgo eligibility to receive a loan for such oilseed produced on the farm. (New Section 107A(c)(1)(F))

The House amendment is similar to current law, except that listed crops do not include safflower, sunflower, mustard seed, or flaxseed. (New Section 107A(c)(1)(G))

The Conference substitute adopts the Senate provision, including the provision to allow for the planting of minor oilseeds on conserving use acres. Acreage planted to minor oilseeds shall be eligible for either deficiency payments, or for the loan provisions included in the act for minor oilseeds, but not both, at the producer's option. The provisions in current law providing Secretarial discretion for the planting of experimental, industrial and other crops are retained.

(7) Discretionary Disaster Payments

The Senate bill is similar to current law, except that it does not have an explicit provision that prevented planting payments be made in the form of cash or from CCC wheat stocks. (New Section 107A(c)(2))

The House amendment is similar to current law, except that it defines that a condition beyond the control of the producers may result from adjudication of Indian water settlement disputes. (New Section 107A(c)(2))

The Conference substitute adopts the Senate provision.

(8) National Program Acreage

The Senate bill contains no provision.

The House amendment is similar to current law. (New Section 107A(d))

The Conference substitute adopts the Senate provision.

(9) Acreage Reduction Program

(a) Stock Triggers

The Senate bill provides that, if the Secretary estimates that the ratio of wheat-ending stocks to total disappearance of wheat for the preceding marketing year will be—

(1) more than 40 per cent, the Secretary shall provide for an Acreage Reduction Program (ARP) of not less than 12.5 per cent nor more than 20 per cent; or

(2) 40 per cent or less, the Secretary may provide for an ARP of not more than 12.5 per cent. The Secretary is authorized to offer a 0 per cent ARP.

For the purpose of this subparagraph, the term "total disappearance" means all wheat utilization, including total domestic, total export, and total residual disappearance. (New Section 107A(e)(1)(F))

The House amendment provides that if the Secretary estimates that the ratio of ending stocks of wheat to total use of wheat for the marketing year will be—

(1) more than 40 per cent, the Secretary shall provide for an ARP of not less than 20 per cent nor more than 30 per cent; or

(2) 40 per cent or less, the Secretary may provide for an ARP of not more than 20 per cent. (New Section 107A(f)(1)(B))

The Conference substitute adopts the Senate provision with an amendment setting ARP triggers based on the ratio of ending stocks to total use as:

(1) more than 40 per cent, the Secretary shall provide for an Acreage Reduction Program (ARP) of not less than 10 per cent nor more than 20 per cent; or

(2) 40 per cent or less, the Secretary may provide for an ARP of not more than 15 per cent.

The Secretary is authorized to offer a 0 per cent ARP. For the 1991 crop of wheat the ARP is established as 15 percent.

(b) Reduced Acreage

The Senate bill modifies the definition established in current law. Reduced acres is defined as the number of acres determined by multiplying the respective wheat crop acreage base by the percentage reduction required by the Secretary. The remaining acreage is referred to as "permitted acreage."

The House provision is the same as current law. (New Section 107A(f)(2))

The Conference substitute adopts the Senate provision.

(c) Use of Reduced Acreage

The Senate bill provides that producers may plant an oilseed, or other such crop considered appropriate by the Secretary, on no more than one-half of the reduced acreage on the farm. The amount of deficiency payments that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted to the oilseeds or other crops, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated to all of such program crops. Reductions in acreage used to compute deficiency payments under this provision must be sufficient to ensure that this provision will result in no additional cost to the CCC. (New Section 107A(e)(2))

The House amendment contains comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the provision discretionary.

(d) Use of Reduced Acreage—Planting of Industrial Crops

The Senate bill provides that the producers on a farm may elect to—

(1) devote reduced acreage to an experimental or industrial nonprogram crop; or

(2) harvest a conserving crop determined and announced by the Secretary (hereinafter referred to as an approved crop) on reduced acreage. The amount of the deficiency payment that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted for harvest to an approved crop, by an amount equal to the deficiency payment that would be made with respect to one acre (or portion thereof) of the crop. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. (New Section 107A(e)(2))

The House amendment contains no provision.

The Conference substitute adopts the Senate provision with an amendment making it discretionary, and allowing the Secretary to adjust penalty for participating in the provision. Further, it adds the Senate provision listing crops which may be planted on Reduced Acres.

(10) Set-aside Program

The Senate bill contains no provision.

The House amendment is the same as current law. (New Section 107A(f)(3))

The Conference substitute adopts the Senate provision.

*(11) Targeted Option Payments, and Acre-For-Acre Program**(a) In General*

The Senate bill states that if the Secretary implements an acreage limitation program for wheat of 20 per cent or less, the Secretary shall allow producers who are not participating in the 0/92 program to increase or decrease the acreage limitation percentage applicable to the crop of wheat in return for adjustments in the level of deficiency payments. (New Section 107A(e)(2)(F))

The House amendment allows for a Target Option Program to be established if—

(i) an acreage limitation program is effective for a crop of wheat; and

(ii) producers devote a portion of the permitted wheat acreage of the farm to conservation uses (not to exceed 10 per cent of the crop acreage base of the farm). (New Section 107A(f)(2)(H))

The Conference substitute adopts the Senate provision with an amendment to make the provision subject to the Secretary's discretion. Further, the Conference substitute provides that if the program is offered, the Secretary must offer producer the option of both increasing and decreasing the ARP level for the crop.

(b) Increase in ARP

The Senate bill states that for each voluntary 1 per cent increase in the ARP above the percentage announced by the Secretary, the producer shall be eligible to receive an increase in the established price by an amount determined by the Secretary, but not less than 0.5 per cent, nor more than 1 per cent. A producer may not increase the acreage limitation percentage above the required percentage by more than 10 percentage points for the 1991 crop and 15 percentage points for each of the 1992-95 crops. A producer shall not establish an individual acreage limitation of more than 25 per cent total.

The House amendment allows that producers shall be eligible for an increase of up to 1 per cent in the established price of wheat for each 1 per cent of the permitted wheat acreage of the farm devoted to conservation uses.

The Conference substitute adopts the Senate provision.

(c) Decrease in ARP

The Senate bill states that for each 1 per cent decrease in the ARP (but not below 1/2 of the announced acreage limitation percentage), the established price will be decreased by an amount to be determined by the Secretary, but not less than 0.5 per cent, nor more than 1 per cent.

The House amendment contains an Acre-For-Acre Program which allows the Secretary to permit producers on a farm to plant wheat on a portion of the acreage otherwise required to be devoted to conservation uses under acreage reduction programs if the producers agree to a corresponding reduction, on an acre-for-acre basis, in the farm program acreage used to compute deficiency payments. The Secretary shall implement the program in such a manner that no greater outlays by the CCC result. The crop acreage base and the farm program payment yield for the farm may not be increased or reduced due to the fact that such portion of the CUA for the farm was planted to wheat as authorized in this program. (New Section 107A(g)(2))

The Conference substitute adopts the Senate provision.

(d) Participation and Effects

The Senate bill states that the Secretary shall, to the extent practicable, ensure that the TOP does not have a significant effect on program participation or total production, and shall be offered in such a manner as to not result in additional budget outlays.

The House amendment allows that such increase in the established price shall not result in a producer receiving more in payments than the maximum amount such producers would be eligible to receive under sec. 107A(c)(1)(B). The crop acreage base and program payment yield for the farm may not be reduced because such permitted acreage of the farm was devoted to conserving uses.

The Conference substitute adopts the Senate provision.

*(12) Management of Conservation Use Acreage**(a) Annual/Perennial Cover*

The Senate bill states that if they are participating in the ARP, producers must plant to an annual or perennial cover 50 per cent of the reduced acreage, but not to exceed 5 per cent of the crop acreage base. The CCC shall pay 25 per cent of the cost of establishing perennial cover (on not more than 50 per cent of the reduced acreage or 5 per cent of the acreage base) if the producer establishes a perennial cover on the reduced acreage. If a producer establishes a perennial cover on the reduced acreage and receives cost-share assistance from the CCC, the perennial cover shall be maintained for at least 3 years. (New Section 107A(e)(4)(B))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that the perennial cost-share shall be limited to cover crops capable of improving water quality or wildlife habitat and requiring consultation with State Technical Committees. Also, if the ARP percentage is reduced to a level less than the portion of the producer's crop acreage base planted to the perennial cover crop, and if the perennial cover crop received cost-share, the Secretary shall make deficiency payments on perennial crop acres.

(b) Conserving Crops

The Senate bill is similar to current law, but adds mung beans and milkweed to the list of commodities. (New Section 107A(e)(4)(B))

The House bill is the same as current law. (New Section 107A(f)(4)(B))

The Conference substitute adopts the Senate provision adding mung beans and milkweed to list of conserving crops.

(c) Haying and Grazing

The Senate bill is similar to current law, except the determination regarding economic effects is deleted. (New Section 107A(e)(4)(C))

The House amendment is similar to the Senate provision, except special provisions are included for irrigated or irrigable acreage not planted in alfalfa under natural disaster conditions. (New Section 107A(f)(4)(C))

The Conference substitute adopts the House provision.

(d) Water Storage Uses

The Senate bill states that land converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the last 5 years. The land shall be considered to be devoted to conservation uses while it remains in water storage uses, but not to exceed 5 years after its conversion. (New Section 107A(e)(4)(E))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that the area devoted to water storage uses may not be devoted to any commercial use, including commercial

fish production, that the water stored on the land may not be ground water, and that the farm on which the land is located on must have been irrigated with ground water during at least 1 in the preceding 5 crop years.

(13) Participation Agreements

(a) Termination and Modification

Under the Senate bill, the modification provision authority is similar to current law; however, the definition of a "shortage of commodities" is clarified to mean that there has been a significant change in the estimated stocks of wheat since the Secretary announced the final terms and conditions of the program for the crop. (New 107A(e)(7)(B))

The House amendment is the same as current law. (New Section 107A(f)(7)(B))

The Conference substitute adopts the Senate provision.

(14) Bushel Production Targets

The House amendment is the same as current law. (New Section 107A(f)(8))

The Senate bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(15) Special Oats Plantings

The House amendment provides in any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand, the Secretary—

(i) shall provide that any reduced and set-aside acreage may be planted to oats for harvest;

(ii) may make program benefits (including, but not limited to, loans, purchases and payments) available under the annual program to producers with respect to acreage planted to oats under this paragraph; and

(iii) shall not make other program benefits available to producers with respect to acreage planted to oats under this paragraph.

If the Secretary estimates that oats planted to such acreage will result in projected domestic production of oats exceeding the projected domestic demand of oats, the Secretary shall limit the amount of such acreage that producers may plant to oats for harvest to an amount that will result in projected domestic production fulfilling projected domestic demand. Such limitation may be achieved by applying a uniform percentage reduction to such acreage for each farm. (New Section 107A(f)(9))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with amendment making the program discretionary.

(16) Pilot Voluntary Production Limitation Program

The Senate bill provides that the Secretary is required to carry out, for the 1991 or 1992 crop of wheat, and the 1993 through 1995 crops if the Secretary so determines, a pilot program in at least 15 counties in at least 4 States (60 total) where producers express an

interest in participating. Under this program, producers shall be considered to have met the requirements of an acreage limitation or land diversion program if producers limit their marketings of wheat to the wheat production limitation quantity for the farm for the marketing year.

The production limitation quantity for a marketing year for a farm shall equal the product obtained by multiplying—

(1) the acreage permitted to be planted to wheat under the ARP or land diversion program in effect for the crop for the farm; by

(2) the higher of—

(i) the farm program payment yield for the farm; or

(ii) the 5 year olympic average yield per harvested acre for the farm, excluding any crop year in which the commodity was not planted on the farm.

In order to participate in this pilot program, producers shall—

(1) enter into an agreement with the Secretary providing that the producers shall comply with the program;

(2) not plant program commodities for harvest in a quantity in excess of the normal crop acreage; and

(3) be considered to have complied with the terms and conditions of the wheat ARP or land diversion program for the crop, even though the acreage planted to wheat on the farm exceeds the permitted acreage provided under the acreage reduction or land diversion program.

Any quantity of wheat produced in excess of the production limitation quantity may be stored by the producer for a period of not to exceed 5 marketing years. The restricted uses of such excess wheat are specifically described.

In carrying out the pilot program, the Secretary—

(1) shall issue necessary regulations;

(2) may require increased acreage reduction or land diversion requirements with respect to producers who have had excess wheat production in order to allow the producers to market, barter, or use the production in subsequent years;

(3) shall take appropriate measures to prevent the circumvention of this program, including the imposition of penalties;

(4) may require producers who participate in the program, but who fail to comply with the terms and conditions, to refund all or a part of any deficiency payments received with respect to the crop;

(5) may require the forfeiture to the CCC of any wheat produced in excess of the production limitation quantity that is not marketed, bartered, or used within 5 marketing years; and

(6) shall ensure equitable treatment for producers who participate in the pilot program if the Secretary allows increases (based on actual production levels) in program payment yields.

The Comptroller General of the U.S. shall prepare a report evaluating the pilot program and make recommendations concerning whether the program should be offered to all producers for the 1993 through 1995 crops of wheat in the United States. The report shall be submitted to the Agriculture Committees and the Secretary. (New Section 107A(g))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment starting the program with the 1992 crop in fifteen counties in each of two states. The managers believe that the program should be offered in a state that traditionally produces significant quantities of spring and winter wheat, and in a predominantly corn and soybean producing state.

(17) Defaults and Waivers

The Senate bill is the same as current law. (New Section 107A(h))

The House amendment is similar to current law, however includes a provision allowing the Secretary to consider whether the producer made a good faith effort to comply with the terms and conditions of the program. The waiver of deadlines is similar to current law. (New Section 107A(h))

The Conference substitute adopts the House provision with an amendment.

(18) Cross Compliance

The Senate bill states that compliance on a farm with respect to the terms and conditions for any other commodity, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition for eligibility in the wheat program. Compliance with terms and conditions of the wheat program on another farm operated by a producer may not be required as a condition for eligibility in the wheat program. (New Section 107A(n))

The House amendment is similar to Senate provisions, with a new provision on base increases. If a producer on a farm is participating in the wheat program, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

(i) the terms and conditions of the applicable commodity program for such commodity; or

(ii) the crop acreage base requirements of the applicable commodity program for such commodity.

The compliance on other farms is similar to Senate provision. (New Section 107A(n))

The Conference substitute adopts the Senate provision.

(19) Public Comment on Wheat Program

The Senate bill requires the Secretary to provide a reasonable period for public comment on program provisions for the annual program determinations for the wheat program. The Secretary is required to provide information on a range of issues when seeking public comment including estimates of planted acres, projected price and government costs among other items.

The House amendment contained no comparable provision.

The Conference substitute adopts the Senate provision, waiving the requirement for the 1991 crop.

(20) Miscellaneous Provisions

The Senate bill is the same as current law. (New Section 107A(i)-(m))

The House amendment is the same as current law. (New Section 107A(i)-(m))

The Conference substitute adopts the Senate provisions.

TITLE IV—FEED GRAINS

(1) Price Supports

(a) Basic Levels or Plan (A)

The Senate bill states that under Plan (A), the basic loan and purchase level for corn is established in the same manner as the basic loan rate in current law. However, in no case shall the loan rate be less than \$1.96 per bushel. (New section 105A(a)(5).)

The House amendment, provides that the loan level shall be not less than 85 percent of the preceding five year olympic average price received by producers of corn, except that the loan level may not be reduced by more than 5 percent from the level determined for the preceding crop. (New section 105A(a)(6)).

The Conference substitute adopts the House provision.

(b) Adjustments to Basic Loan Rate

The Senate bill states, under Plan (B), that the loan rate is established as in Plan (A), however the level may be adjusted in a manner similar to that provided for in current law. If the Secretary elects to reduce the loan level for corn under (B), the Secretary shall, within 30 days of the election, submit to the House and Senate Agriculture Committees—

(1) outlining the budget implications of the election;

(2) describing the anticipated effect on farm income of the election;

(3) describing why an adjustment is necessary to prevent the build-up of stocks and to maintain price competitiveness; and

(4) describing the anticipated effect on the orderly marketing of the crop of corn on the election. (New section 105A(a)(2)(b)).

The House amendment authorizes the Secretary to reduce the loan level for corn for the marketing year, if the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(1) equal to or greater than 25 percent, the loan rate may be reduced by up to 10 percent; and

(2) less than 25 percent but not less than 12.5 percent, the loan rate may be reduced by up to 5 percent in any year.

The Secretary is prohibited from reducing the loan level if the Secretary estimates that the ratio of ending stocks of corn to total use for the marketing year will be less than 12.5 percent. In addition, if the Secretary makes these adjustments to the loan level,

(1) the Secretary must submit to the House and Senate Agriculture Committees a report certifying that the adjustment is necessary to prevent stock build-up and to retain market share. The report will also contain a description of the need for the adjustment; and

(2) the adjustment will become effective no earlier than 60 calendar days after submission of the report. If the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the loan rate will not maintain a competitive market position for corn, the Secretary may

reduce the loan level by an additional amount not to exceed 10 percent in any year. Any reduction in the loan and purchase level for corn will not be considered in determining the loan and purchase level for corn for subsequent years. The minimum loan rate for corn shall not be less than \$1.76 per bushel unless such rate exceeds 80 percent of the five-year average market price determination. (New section 105 A(a)(3)).

The Conference substitute adopts the House provision.

(c) Advance Compensation

The Senate bill states, that if the loan level is reduced from the basic loan level under Plan (B), the Secretary shall make advance compensation available to producers. The advance compensation shall not be less than an amount determined by multiplying—

- (1) the estimated individual farm program acreage for the crop; by
- (2) the farm program payment yield; by
- (3) an amount determined by multiplying 0.75 by the amount of the reduction in the loan level under option (B).

The advance compensation is to be provided to producers between October 1 and October 31 of the year in which the crop is harvested. The advance compensation must be repaid not later than 202 days after the beginning of the marketing year for the crop.

The House amendment contains no such provision.

The Conference substitute adopts the House provision.

(2) Loan Repayment

(a) In General

The Senate bill states that the Secretary shall permit a producer to repay a feed grains price support loan for a crop at the lesser of—

- (1) the loan level determined for the crop; or
- (2) the prevailing world market price for the crop. (New Section 105A(a)(3))

The House amendment states that the Secretary may allow a producer to repay a loan at a level that is the lesser of—

- (1) the loan level determined for the crop; or
- (2) the higher of 70 percent of the loan level for the crop, or 70 percent of the loan level that would have been in effect but for the reduction provided for above (if the loan level for the crop was reduced), or the prevailing world market price for feed grains, as determined by the Secretary. (New Section 105A(a)(4))

The Conference substitute adopts the House provision.

(b) Prevailing World Market Price

The Senate bill is as in current law, except the Secretary must a formula to define the prevailing world market price for feed grains (adjusted to U.S. quality and location), and provide a mechanism to periodically announce the prevailing world market price for feed grains. (New Section 105A(a)(3)(B))

The House amendment is similar to current law. (New Section 105A(a)(3)(B))

The Conference substitute adopts the House provision.

(c) Alternative Repayment Rates

The Senate bill states that if the world market price for feed grains is less than the loan level, the Secretary may permit a producer to repay a price support loan at a level which is less than the loan level for the crop. The alternative repayment rate should be set at a level (not in excess of the loan level determined for the crop) the Secretary determines will—

- (1) minimize potential loan forfeitures;
- (2) minimize the accumulation of feed grains stocks by the Federal Government;
- (3) minimize the cost incurred by the Federal Government in storing feed grains; and
- (4) allow feed grains produced in the U.S. to be marketed freely and competitively, both domestically and internationally. (New Section 105A(a)(3)(C))

The House amendment contains no such provision.

The Conference substitute adopts the Senate provision.

(3) Barley Feed Value Determination

The Senate bill states that, prior to announcing the 1991 crop of barley, the Secretary shall conduct a study to determine the feed values of barley and corn taking into account the relative feed values of corn and barley measured on a dry-matter basis. (New Section 105A(a)(6))

The House amendment contains no such provision.

The Conference substitute adopts the House provision. The managers feel that the Secretary in setting the established price for barley should take into consideration the feed value of barley compared to corn on a dry-matter basis, as well as the current methodology that compares the feed value of barley to corn without adjusting for the moisture content of the respective grains.

(4) Loan Deficiency Payments

The Senate bill is similar to current law except that a producer may obtain such a payment on any upland cotton that the producer is eligible to place under loan but instead forgoes obtaining such loan and requests a payment. (New Section 105A(b))

The House bill is the same as current law. (New Section 105A(b))

The Conference substitute adopts the Senate provision.

(5) Deficiency Payments

(a) Payment Rate

The Senate bill is similar to current law. (New Section 105A(c)(1)(B))

The House amendment is similar to current law, except the national average price for the first 6 months of the marketing year are used. (New Section 105A(c)(1)(C))

The Conference substitute adopts the Senate provision with amendments. For the 1991 through 1993 crop years, deficiency pay-

ments are to be based on the five month average market price. (Upon enactment of a FY1991 Reconciliation Bill for the 1994 and 1995 crops deficiency payment will be computed based on the season average price.) Provisions are made in the section 1121 of the act with respect to the timing of deficiency payments. Payments are to be made as follows: forty to fifty per cent of estimated deficiency payments at time of sign-up, seventy-five per cent of the remaining estimated deficiency payment after the end of the first five months and the remainder to be paid at the end of the marketing year. The *Conference* also adjusts the method of calculation of deficiency payments to allow for the 'triple-base' provision. (Upon the enactment of the FY1991 Reconciliation Bill payment acres for purposes of computing deficiency payments shall be reduced by 15 percent after reducing the crop acreage base for reduced acres and for any planting of a crop other than wheat on the crop acreage base under the flexibility provisions of section 1101 of the Act.)

(b) Special Computation for Barley

The Senate bill states, that in determining the payment rate for barley, the Secretary shall include feed and malting barley prices, except that the Secretary shall exclude the portion of average malting barley prices that exceed feed barley prices by more than \$0.22 per bushel. (New Section 105A(c)(1)(C)(iv))

The House amendment states that the Secretary shall use the national weighted average market price received by producers of barley sold primarily for feed purposes. For the 1991 crop, the Secretary shall use an all barley price for purposes of computing advance deficiency payments, however the Secretary shall ensure that notwithstanding the method used to compute the advance deficiency payment that the total payment made to barley producers for the 1991 crop is computed based on the price of barley normally used for feed purposes. (New Section 105A(c)(1)(J))

The Conference substitute adopts the House provision. The Act also provides for an assessment of malting barley producers who participate in the program as a method of providing a partial offset to the cost of this provision. Section 401 of the act provides for an assessment on malting barley producers.

(c) Established Price

The Senate bill states that the established price for corn shall be not less than \$2.75 per bushel for each of the 1991-95 crops. The established price for oats shall not be less than \$1.55 per bushel for the 1991 crop, \$1.65 per bushel for the 1992 crop, \$1.75 per bushel for the 1993 crop, and \$1.85 per bushel for each of the 1994 and 1995 crops. The established price for each of the 1991-95 crops of grain sorghum and barley shall be not less than \$2.61 per bushel for grain sorghum and not less than \$2.36 per bushel for barley. (New Section 105A(c)(1)(C))

The House amendment provides that the established price for corn shall be not less than \$2.75 per bushel. Sorghum shall be set at such price as the Secretary determines is fair and reasonable in relation to the established price for corn; oats shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, but shall not be less than \$1.45 per

bushel; and barley shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, taking into consideration the various feed and food uses for barley, however, the ratio of the established price for barley will not be less than 85.8 percent of the established price for corn. (New Section 105A(c)(1)(E) & (F))

The Conference substitute adopts the House provision.

(d) Adjustment in Established Price for Acreage Reduction Programs

The Senate bill contains no comparable provision.

The House amendment provides that, if the Secretary announces an acreage limitation or a set-aside program in excess of 17.5 percent, then the established price shall be increased by an amount not less than 2.55 percent of the established price for each 2.5 percent increase of the percentage reduction or set aside in excess of 17.5 percent. (New Section 105A(c)(1)(E)(ii))

The Conference substitute adopts the Senate provision.

(6) Emergency Compensation

The Senate bill is similar to current law, except when computing payments, the Secretary shall utilize the national average price for the first 5 months of the marketing year. (New Section 105A(c)(1)(D))

The House amendment is similar to current law, except that in the case of barley, the national weighted average price of barley sold primarily for feed purposes shall be used. (New Section 105A(c)(1)(D))

The Conference substitute adopts the House provision.

(7) 0/92 Program

(a) Use of Conserving Use Acreage

The Senate bill is similar to current law for industrial and other crops, except that it includes mung beans and milkweed as crops that may be allowed by the Secretary. The Secretary shall permit, subject to terms the Secretary may prescribe, that conserving use acres may be devoted to sunflowers, rapeseed, canola, safflower, flaxseed and other minor oilseeds designated by the Secretary (excluding soybeans). Producers who participate in this program shall agree to forgo eligibility to receive a loan for such oilseed produced on the farm. (New Section 105A(c)(1)(F))

The House amendment is similar to current law, except that the Secretary is not allowed to permit the planting of safflower, sunflower or flax on conserving use acreage. (New Section 105A(c)(1)(H))

The Conference substitute adopts the Senate provision, making the provision allowing for the planting of minor oilseeds on conserving use acres mandatory. Acreage planted to minor oilseeds would be eligible for either deficiency payments, or for the loan provisions included in the act for minor oilseeds, but not both, at the producer's option if the Secretary offers the program. The provisions in current law providing Secretarial discretion for the planting of experimental, industrial and other crops are retained.

(8) Disaster Payments

The Senate bill is similar to current law. (New Section 105A(c)(2))

The House amendment is similar to current law, including such condition resulting from the adjudication of Indian water settlement. (New Section 105A(c)(2))

The Conference substitute adopts the Senate provision.

(9) Acreage Reduction Program

(a) In General

The Senate bill is similar to current law, except corn, sorghum, barley and oats are individually mentioned. This allows the Secretary to establish acreage limitation programs separately for each of the feed grains.

In determining the level of acreage limitation appropriate for a crop year, the Secretary shall consider the number of acres placed in the agricultural resource conservation program. (New Section 105A(e)(1))

The House amendment is similar to current law. (New Section 105A(f)(1)(A))

The Conference substitute adopts the Senate provision.

(b) Stock Triggers for Acreage Limitation Program

The Senate bill states that if the Secretary estimates that the ratio of corn ending stocks to total disappearance of corn for the preceding marketing year will be—

(1) more than 25 percent, the Secretary shall provide for an acreage reduction program (ARP) of not less than 12.5 percent nor more than 20 percent; or

(2) 25 percent or less, the Secretary may provide for an ARP of not more than 12.5 percent. The Secretary is authorized to offer a 0% ARP.

The term total disappearance means all corn utilization, including total domestic, total export, and total residual disappearance. (New Section 105A(e)(1)(F))

The House amendment allows that, for each of the 1991 through 1995 crops of feed grains, if the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of corn to total use of corn for the preceding marketing year will be—

(i) more than 25 percent, the Secretary must provide for an acreage limitation program under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not less than 12.5 percent nor more than 20 percent; or

(ii)(I) except as otherwise provided, 25 percent or less, the Secretary may provide for an acreage limitation program under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not more than 12.5 percent; or

(II) not less than 21.6 percent nor more than 22.8 percent, the Secretary must provide for an acreage limitation program under which the acreage planted to feed grains for harvest on

a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not less than 11.6 percent. (New Section 105A(f)(1)(B))

The Secretary shall allow producers of malting barley not to comply with any acreage limitation as a condition of eligibility for feed grain loans, purchases, and payments if the producer—

(1) has previously produced a malting variety of barley for harvest,

(2) plants barley only of an acceptable malting variety for harvest, and

(3) meets any other conditions that the Secretary prescribes.

(New Section 105A(f)(1)(C))

For the 1991 through 1995 crops of oats—

(1) The Secretary is prohibited from establishing a percentage reduction in excess of 5 percent, unless the Secretary determines that the supply of oats will be excessive without a greater percentage reduction than 5 percent; and

(2) authorizes the Secretary to establish a percentage reduction for oats of less than 5 percent. However, if the Secretary does not establish a percentage reduction requirement for oats, the Secretary must ensure that the crop acreage bases established for the farm and the farm acreage base are not increased. (New Section 105A(f)(1)(H))

The Conference substitute adopts the Senate provision with an amendment. For 1992-96 crops, if the stocks-to-use ratio is—

(1) more than 25 per cent, the Secretary shall provide for an acreage reduction program (ARP) of not less than 10 percent nor more than 20 percent; or

(2) 25 percent or less, the Secretary may provide for an ARP of not more than 12.5 percent. The Secretary is authorized to offer a 0% ARP.

There is a special case for malting barley. The Conference substitute adopts the House provision with an amendment, making the provision discretionary.

The Conference substitute adopts the House provision with regard to oats with an amendment to mandate a zero per cent ARP for oats.

(c) Reduced Acreage

The Senate bill modifies the definition established in current law. The term 'reduced acres' is defined as the number of acres determined by multiplying the respective feed grain crop acreage base by the percentage reduction required by the Secretary. The remaining acreage is referred to as 'permitted acreage'. (New Section 105A(e)(2)(D))

The House amendment is the same as current law. (New Section 105A(f)(2)(E))

The Conference substitute adopts the Senate provision.

(d) Planting Oilseeds on Reduced Acreage

The Senate bill states that producers may plant an oilseed, or other such crop considered appropriate by the Secretary, on no more than one-half of the reduced acreage on the farm. The amount of deficiency payments that such producers are otherwise

eligible to receive shall be reduced, for each acre (or portion thereof) that is planted to the oilseeds or other crops, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated to all of such program crops. Reductions in acreage used to compute deficiency payments under this provision must be sufficient to ensure that this provision will result in no additional cost to the CCC. (New Section 105A(e)(2)(F))

The House amendment is similar to current law in that provisions are included for planting on conserving use acreage, but not for reduced acreage specifically.

The Conference substitute adopts the Senate provision with an amendment making the provision discretionary.

(e) Planting Industrial Crops on Reduced Acreage

The Senate bill states that producers may also elect to—

(1) devote reduced acreage to an experimental or industrial nonprogram crop; or

(2) harvest a conserving crop on reduced acreage, determined and announced by the Secretary (hereinafter referred to as an approved crop). The amount of the deficiency payment that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted for harvest to an approved crop, by an amount equal to the deficiency payment that would be made with respect to one acre (or portion thereof) of the crop. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. (New Section 105A(e)(2)(G))

The House amendment is similar to current law in that provisions are included for planting on conserving use acreage, but not for reduced acreage specifically.

The Conference substitute adopts the Senate provision with an amendment making it discretionary and allowing the Secretary to adjust penalty for participating in the provision. Further, it adds the Senate provision on crops which may be planted on Reduced Acres.

(f) Planting of Oats on Reduced Acreage

The House amendment provides that, in any crop year that the Secretary determines projected domestic production of oats will not fulfill projected domestic demand for oats, notwithstanding other provisions—

(1) the Secretary is required to allow any reduced acreage and set-aside acreage to be planted to oats for harvest (However, if the Secretary estimates that oats planted to this acreage will result in projected domestic production of oats exceeding the projected domestic demand of oats, the Secretary will limit, by applying a uniform percentage reduction to this acreage for each farm, the amount of this acreage to an amount that will result in projected domestic production fulfilling projected domestic demand.);

(2) authorizes the Secretary to make program benefits (including, but not limited to, loans, purchases, and payments) available under the annual program for oats under title I of the Agricultural Act of 1949 available to producers with respect to this acreage planted to oats; and

(3) prohibits the Secretary from making program benefits, other than the benefits specified above, available to producers with respect to this acreage planted to oats. (New Section 105A(f)(9)(A))

The Senate bill contains no such provision.

The Conference substitute adopts the Senate provision, but included elsewhere in the Act is a requirement that the Secretary offer a zero percent ARP.

(10) National Program Acreage

The House amendment is similar to current law. (New Section 105A(d))

The Senate bill contains no such provision.

The Conference substitute adopts the Senate provision.

(11) Management of Conserving Use Acreage

(a) Protection From Weeds and Erosion and Summer Fallow Provisions

The Senate bill is similar to current law, but with no provision for summer fallow. (New Section 105A(e)(4)(A))

The House amendment is similar to current law. (New Section 105A(f)(4)(A) & (D))

The Conference substitute adopts the House provision.

(b) Annual or Perennial Cover

The Senate bill states that a producer who participates in an ARP shall be required to plant an annual or perennial cover to at least 50 percent of the area required to be removed from production—not to exceed 5 percent of the crop acreage base. The CCC shall make available cost-share assistance for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage required to be diverted from production, but not more than 5 percent of the crop acreage base. A producer who elects to establish a perennial cover and receives cost-share shall agree to maintain the perennial cover for a minimum of 3 years. (New Section 105A(e)(4)(B))

The House amendment contains no such provision.

The Conference substitute adopts the Senate provision with an amendment providing that the perennial cost-share shall be limited to cover crops capable of improving water quality or wildlife habitat and requiring consultation with State Technical Committees. Also, if the ARP percentage is reduced to a level less than the portion of the producer's crop acreage base planted to the perennial cover crop, and if the perennial cover crop received cost-share, the Secretary shall make deficiency payments on perennial crop acres.

(c) Conserving Crops

The Senate bill is similar to current law except adds mung beans and milkweed. (New Section 105A(e)(4)(B)(iii))

The House amendment is similar to current law. (New Section 105A(f)(4)(B))

The Conference substitute adopts the Senate provision.

(d) Haying and Grazing

The Senate bill is similar to current law, except the determination regarding economic effects is deleted. (New Section 105A(e)(4)(c))

The House amendment is similar to the Senate provision, except special provisions are included for irrigated or irrigable acreage not planted in alfalfa under natural disaster conditions. (New Section 105A(f)(4)(C))

The Conference substitute adopts the House provision.

(e) Additional Practices

The Senate bill states that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if it was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion. (New 105A(g)(4)(D))

The House amendment refers to the miscellaneous title.

The Conference substitute adopts the Senate provision with an amendment providing that the area devoted to water storage uses may not be devoted to any commercial use, including commercial fish production, that the water stored on the land may not be ground water, and that the farm on which the land is located on must have been irrigated with ground water during at least 1 in the preceding 5 crop years.

(12) Target Option Program

The Senate bill states that if the Secretary implements an acreage limitation program for corn, the Secretary shall allow producers who do not participate in the 0/92 program to increase or decrease the acreage limitation percentage in return for adjustments in the established price. If a producer agrees to an increase in the acreage limitation percentage above the percentage announced by the Secretary, the producer shall be eligible to receive an increase in the established price for corn by an amount determined by the Secretary. The established price shall be increased by not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the producer's acreage limitation percentage. The acreage limitation percentage shall not be increased over the announced acreage limitation level by more than 5 percentage points for the 1991 crop and 10 percentage points for each of the 1992-95 crops. In no case shall the individual's acreage limitation level be more than 20 percent. The producer shall be allowed to decrease the acreage limitation percentage announced by the Secretary, but not by more than half of the announced acreage limitation percent-

age. If a producer participates in this option, the producer will also agree to a decrease in the established price for corn. The Secretary shall decrease the established price by an amount to be determined by the Secretary. The decrease shall be no less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' corn acreage base. The Secretary shall implement the targeted option program for other feed grains in a manner similar to the way the program is implemented for corn. The Secretary shall, to the extent practicable, ensure that the TOP does not have a significant effect on program participation or total production. Further, the Secretary shall offer the program in such a manner that the Secretary determines will result in no additional budget outlays. (New Section 105A(e)(3))

The House amendment states that if an acreage limitation program is in effect, producers shall be eligible for an increase of up to one percent in the established price for a crop of feed grains for each one percent of the permitted feed grain acreage devoted to conservation uses. The portion of feed grain acreage allowed to participate in the program shall not exceed 10 percent. The increase in established price shall not result in a producer receiving more in deficiency payments than the maximum amount such producer would have otherwise been eligible to receive. (New Section 105A(c)(1)(I)) Under the Acre-For-Acre Program, the Secretary is authorized to permit producers on a farm to plant feed grains on a portion of the acreage otherwise required to be devoted to conservation uses if the producers agree to a corresponding reduction, on an acre-for-acre basis, in the farm program acreage used to compute deficiency payments. If the Secretary exercises the authority provided in this provision then the Secretary must implement this provision in such a manner that no greater outlays from the Commodity Credit Corporation result from its implementation. In addition, the feed grain crop acreage base and the feed grain farm program payment yield for the farm may not be increased or reduced due to the fact that such portion of the conserving use acres for the farm was planted to feed grains. (New Section 105A(g)(2))

The Conference substitute adopts the Senate provision with an amendment to make the program discretionary. If the Secretary elects to offer the program to producers, the Secretary must offer provisions to both increased and decreased individual ARP options.

(13) Agreements With Producers

The Senate bill is similar to current law provisions. The modification of agreement is similar to current law, with a modification indicating that the Secretary may only seek to modify the agreement if there has been a significant change in the estimated stocks of the commodity since the announcement of the final program. (New Section 105A(e)(7))

The House amendment is similar to current law. (New Section 105A(f)(7))

The Conference substitute adopts the Senate provision.

(14) Inventory Reduction Program or Half-ARP

The Senate bill states that the requirements for participation are the same as current law. Payments under this program may be made in the form of negotiable marketing certificates. (New Section 105A(f))

The House amendment is similar to current law, but referred to as the One-Half ARP Program. The requirements for participation is similar to current law. The form of payments are similar to current law, except that payments are to be made in the form of such feed grains owned by the CCC subject to the availability of such feed grains. (New Section 105A(g)(1))

The Conference substitute adopts the Senate provision.

(15) Production Limitation

The Senate bill states that there is no such provision.

The House amendment is similar to current law. (New Section 105A(f)(8))

The Conference substitute adopts the Senate provision.

(16) Pilot Voluntary Production Limitation Program

The Senate bill states that the Secretary is required to carry out, for the 1991 or 1992 crop of feed grains, (and the 1993 through 1995 crops if the Secretary so determines), a pilot program in at least 15 counties in at least 4 States (60 total) where producers express an interest in participating. Under the limitations on marketing, producers shall be considered to have met the requirements of an acreage limitation or land diversion program if producers limit their marketings of feed grains to the feed grains production limitation quantity for the farm for the marketing year. The production limitation quantity for a marketing year for a farm shall equal the product obtained by multiplying—

(1) the acreage permitted to be planted to feed grains under the ARP or land diversion program in effect for the crop for the farm; by

(2) the higher of—

(i) the farm program payment yield for the farm; or

(ii) the 5 year olympic average yield per harvested acre for the farm, excluding any crop year in which the commodity was not planted on the farm.

In order to participate in this pilot program, producers shall—

(1) enter into an agreement with the Secretary providing that the producers shall comply with the program;

(2) not plant program commodities for harvest in a quantity in excess of the normal crop acreage; and

(3) be considered to have complied with the terms and conditions of the feed grains ARP or land diversion program for the crop, even though the acreage planted to feed grains on the farm exceeds the permitted acreage provided under the acreage reduction or land diversion program.

Any quantity of feed grains produced in excess of the production limitation quantity may be stored by the producer for a period of not to exceed 5 marketing years. The restricted uses of such excess feed grains are specifically described.

In carrying out the pilot program, the Secretary—

(1) shall issue necessary regulations;

(2) may require increased acreage reduction or land diversion requirements with respect to producers who have had excess feed grains production in order to allow the producers to market, barter, or use the production in subsequent years;

(3) shall take appropriate measures to prevent the circumvention of this program, including the imposition of penalties;

(4) may require producers who participate in the program, but who fail to comply with the terms and conditions, to refund all or a part of any deficiency payments received with respect to the crop;

(5) may require the forfeiture to the CCC of any feed grains produced in excess of the production limitation quantity that is not marketed, bartered, or used within 5 marketing years; and

(6) shall ensure equitable treatment for producers who participate in the pilot program if the Secretary allows increases (based on actual production levels) in program payment yields.

The Comptroller General of the U.S. shall prepare a report evaluating the pilot program and make recommendations concerning whether the program should be offered to all producers for the 1993 through 1995 crops of feed grains in the United States. The report shall be submitted to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Secretary. (New Section 105A(g))

The House amendment contains no such provision.

The Conference substitute adopts the Senate provision with an amendment starting the program with the 1992 crop in fifteen counties in each of two states. The managers believe that the program should be offered in a state that traditionally produces significant quantities of spring and winter wheat, and in a predominant-corn and soybean producing state.

(17) Defaults and Waivers

The Senate bill is similar to current law. (New Section 105A(h))

The House amendment is similar to current law, however it includes a provision allowing the Secretary to consider whether the producer made a good faith effort to comply with the terms and conditions of the program. The waiver of deadlines is similar to current law. (New Section 105A(h))

The Conference substitute adopts the House provision.

(18) Public Comment on Feed Grain Program

The Senate bill states that the Secretary is required to request public comment regarding the development of the annual feed grains program. Not less than 60 days before a program is announced, the Secretary shall propose for public comment various program options. Each option proposed by the Secretary shall be accompanied by an analysis that includes the estimated planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the

Federal Government that would likely result from each option.
(New Section 105A(o))

The House amendment contains no such provision.

The Conference substitute adopts the Senate provision with an amendment beginning the provision with the 1992 crop.

(19) Recourse Loan Program for Silage

The Senate bill states that the current recourse loan program for silage is extended for the 1991 through 1995 crops. (Section 403)

The House amendment contains no comparable provision.

The Conference agreement adopts the Senate provision.

(20) High Moisture Corn Program

The Senate bill contains no comparable provision.

The House amendment states that, effective for each of the 1991 through 1995 crops of feed grains, the Secretary shall make available recourse loans as determined by the Secretary to producers on a farm who—

(1) normally harvest all or a portion of their crop of feed grains in a high moisture state (herein defined as a feed grain having a moisture content in excess of Commodity Credit Corporation standards for loans made by the Secretary under sections 105A(a)(1) and 105A(a)(6) of the Agricultural Act of 1949);

(2) present certified scale tickets or other similar entities approved by the Secretary, pursuant to regulations, or present field or other physical measurements of the standing or stored feed grain crop in regions of the country, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(3) certify that they were the owners of the feed grain at the time of delivery to, and that the amount to be placed under loan was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to such facilities maintained by the users of such high-moisture feed grain;

(4) comply with deadlines established by the Secretary for harvesting the feed grain and submit applications for loans within deadlines established by the Secretary; and

(5) participate in an acreage limitation or set-aside program for such crop of feed grains established by the Secretary.

These loans shall be made on a quantity of feed grains of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(1) the acreage of the feed grain in a high moisture state harvested on the producer's farm; by

(2) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which such high moisture feed grain was obtained. (Section 1002)

The Conference substitute adopts the House provision.

(21) Special Provisions for Barley

The Senate bill states that any provision which relates specifically to payments due to barley producers for the 1988 and 1989 crops shall be non-discretionary. (Section 404)

The House amendment states that the Secretary shall, not later than 45 days after the date of enactment, calculate, for informational purposes only (except as provided in the discretionary authority), the amount of the refund of any advance deficiency payment a producer of barley who participated in the 1988 or 1989 Federal barley price support program would be required to make pursuant to section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) based on a formula that includes the human food values of barley in all components of the calculations used to determine the amount of refund of advance deficiency payment required of the producer.

The Secretary is required to publish in the Federal Register—

- (1) the formula used to perform the calculations;
- (2) the aggregate results that the use of this calculation would have in terms of the total reduction in the amount of refunds, the number of producers affected, and any other information the Secretary determines appropriate;
- (3) a declaration of whether or not the Secretary decides to use such calculation to recalculate barley producer's refunds; and
- (4) a statement of the Secretary's reasons for the decision.

In addition, the Secretary must make available to each producer of 1988 or 1989 crop barley, upon request, a statement detailing the effect of the calculation of refunds upon the producer's 1988 or 1989 refund.

The Secretary is authorized to use the calculation described to determine whether or not to reduce the total refund owed by a producer of 1988 or 1989 crop barley under section 107C of the Agricultural Act of 1949.

If the Secretary decides to use the calculation and reduce the amount of the refund, then, in the case of a producer of 1988 or 1989 crop barley who paid the refund of the advance deficiency payment for such crop calculated prior to the enactment of this bill (or any amount of refund in excess of the amount of the refund determined under this provision, the Secretary—

- (1) must, before May 31, 1991, reimburse the producer the amount of refund paid by the producer in excess of the refund determined in accordance with this provision;
- (2) must have the option to make this reimbursement in a lump sum or in installments;
- (3) must, not later than 45 days after the date of enactment of the bill, notify producers who are eligible to receive such reimbursement of their 1988 or 1989 advance deficiency payment refund under section 1004, of the timing of the payment of the reimbursement (either in lump sum or in installments), that the amount of the reimbursement will not bear interest if paid before October 15, 1990, and that the amount of such reimbursement paid after October 15, 1990 will bear interest at a rate of at least 7 percent per annum; and

(4) may elect to pay such reimbursement in a lump sum with negotiable generic certificates redeemable for commodities owned by the Commodity Credit Corporation if the reimbursement is paid in full not later than 60 days after the date of enactment of the bill. (Section 1003)

The Conference substitute adopts the House provision.

TITLE V—COTTON

(1) *Price Support Loans*

(a) *In General*

The Senate bill provides for cotton price support loans under terms and conditions similar to current law, except that "strict low middling 1½^s inch (micronaire 3.5 through 4.9)" is changed to "the base quality of upland cotton, as determined by the Secretary". (New Section 103A(a))

The House amendment is similar to the Senate provision. (New Section 103B(a))

The Conference substitute adopts the Senate provision.

The Senate bill is similar to current law. (New Section 103A(a))

The House amendment is similar to current law and the Senate provision. (New Section 103B(a))

The Conference substitute adopts the Senate provision.

(2) *Marketing Loan*

(a) *Loan Repayment*

The Senate bill provides that in order to ensure that a competitive market position is maintained for upland cotton, producers may repay upland cotton price support loans for a crop at the lesser of—

(1) the loan level determined for the crop; or

(2) the prevailing world market price for upland cotton (adjusted to U.S. quality and location).

If the world market price for cotton is less than the loan level, the Secretary may permit a producer to repay a loan at such level (not in excess of the loan level determined for the crop) as the Secretary determines will—

(1) minimize potential loan forfeitures;

(2) minimize the accumulation of cotton stocks by the Federal Government;

(3) minimize the cost incurred by the Federal Government in storing cotton; and

(4) allow cotton produced in the U.S. to be marketed freely and competitively, both domestically and internationally. (New Section 103A(a)(5)(A))

The House amendment is the same as current law. (New Section 103B(a)(5)(A)-(C))

The Conference substitute adopts the Senate provision, with an amendment setting the minimum repayment rate at 70% of the loan level.

(b) First Handler Marketing Certificates

The Senate bill is similar to current law except that the value of each certificate shall be based on the difference between the loan repayment rate for upland cotton and the prevailing world market price. (New Section 103A(a)(5)(B))

The House amendment is similar to current law. (New Section 103B(a)(5)(D))

The Conference substitute adopts the Senate provision.

(3) Prevailing World Market Price

The Senate bill is similar to current law. (New Section 103A(a)(5)(C))

The House amendment is the same as current law and similar to the Senate provision. (New Section 103B(a)(5)(E))

The Conference substitute adopts the Senate provision.

(a) Further Adjustments in the Adjusted World Price

The Senate bill provides that the Secretary shall adjust the prevailing world market price (AWP) for upland cotton if—

(1) the AWP is less than 115% of the current crop year loan level; and

(2) the Friday through Thursday average price quotation for the lowest-priced U.S. growth as quoted for Middling 1 $\frac{3}{32}$ nds inch cotton delivered C.I.F. Northern Europe is greater than the average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling 1 $\frac{3}{32}$ nds inch cotton, delivered C.I.F. Northern Europe (the "N. Europe" price).

AWP shall be further adjusted on the basis of the following data:

(1) The U.S. share of world exports.

(2) The current level of cotton export sales and cotton export shipments.

(3) Other data relevant in establishing an accurate prevailing world market price.

The above adjustment shall not exceed the difference between—

(1) the Friday through Thursday average price for the lowest-priced U.S. growth as quoted for Middling 1 $\frac{3}{32}$ nds inch cotton C.I.F. Northern Europe; and

(2) the N. Europe price. (New Section 103A(a)(5)(D))

The House amendment is similar to the Senate provision. (New Section 103B(a)(5)(F))

The Conference substitute adopts the Senate provision.

(b) Negotiable Marketing Certificates to Maintain Competitiveness

The Senate bill provides that if, between August 1, 1991, and July 31, 1996, U.S. cotton is uncompetitive in world markets (i.e., exceeds N. Europe price by more than 1.25 cents per lb.) for a consecutive 4-week period, the Secretary shall issue negotiable marketing certificates to domestic users or exporters for documented sales made in the week following such consecutive 4-week period in order to make U.S. cotton competitive. (New Section 103A(a)(5)(E))

The House amendment is similar to the Senate provision. (New Section 103B(a)(5)(G))

The Conference substitute adopts the Senate provision.

(c) Special Limited Global Import Quota

The Senate bill provides that the President shall, within 60 days, establish an import quota program which shall provide that if U.S. cotton is uncompetitive in world markets for 10 consecutive weeks, a special limited global import quota shall be implemented. The quota shall be equal to 1 weeks consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

The quota shall apply to upland cotton purchased not later than 90 days after the date of the establishment of the quota and entered not later than 180 days after the date of the establishment of the quota. A special quota period may not be established if a special quota period has been established under subsection 103A(n) of the 1949 Act. (New Section 103A(a)(5)(F))

The House amendment is the same as Senate provision. (New Section 103B(a)(5)(H))

The Conference substitute adopts the Senate provision.

(4) Deficiency Payments

The Senate bill provides that the Secretary shall make deficiency payments to producers for each of the 1991-95 crops of upland cotton. The deficiency payment is determined as under current law. (New Section 103A(c)(1))

The provision concerning a ceiling on the amount of payment that may be made in cotton certificates is dropped.

The House amendment is similar to the Senate provision. (New Section 103B(C)(1))

The Conference substitute adopts the Senate provision, with an amendment adjusting the computation of deficiency payments to allow for the "triple-base" provision. (Upon enactment of the FY 1991 Reconciliation Bill, the payment acres for purposes of computing deficiency payments shall be reduced by 15 percent after reducing the crop acreage base for reduced acres and for any planting of a crop other than wheat on the crop acreage base under the flexibility provisions of section 1101 of the act.)

(5) 50/92 Provisions

(a) In General

The Senate bill is similar to current law with following exceptions:

The deficiency payment rate under this provision may not be established at less than the projected deficiency payment rate for the crop.

In addition to quarantine exception, producers may not have to comply with the 50% planting requirement if Secretary determines that producers are prevented from planting the acreage intended for upland cotton to upland cotton because of a natural disaster, or other condition beyond the control of the producer. (New Section 103A(c)(1)(D))

The House amendment is similar to the Senate provision. (New Section 103B(c)(1)(B))

The Conference substitute adopts the Senate provision with an amendment, and changes references to "permitted acreage" to "maximum payment acres."

(b) Use of Underplanted Acreage

The Senate bill is similar to current law, except listed crops includes mung beans. (New Section 103A(c)(1)(E))

The House amendment is similar to current law and the Senate provision except listed crops do not include sunflower, safflower, mustard seed and mung beans. (New Section 103B(c)(1)(F))

The Conference substitute adopts the House provision, with an amendment adding mung beans.

(6) Discretionary Disaster Payments

The Senate bill is the same as current law, except there is no specific mention of the Secretary making the payments available in cash or certificates. (New Section 103A(a)(2))

The House amendment is the same as current law, except that a condition resulting from the adjudication of Indian water settlement disputes is included in the list of covered disasters. (New Section 103B(c)(2))

The Conference substitute adopts the Senate provision.

(7) Acreage Limitation Program

(a) National Program Acreage

The Senate bill is similar to current law except there is no reference to the national program acreage. (New Section 103A(e)(1))

The House amendment is the same as the Senate provision and similar to current law. (New Section 103B(e)(1))

The Conference substitute adopts the Senate provision.

(b) Announcement of ARP

The Senate bill provides that the ARP must be announced by November 1 except that in the case of the 1991 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of this section. The ARP may be revised not later than January 1 of the calendar year in which the crop is harvested if necessary. If producers in early planting areas would be disadvantaged by such revision, they may elect to participate in the ARP based on the original terms and conditions. (New Section 103A(e)(1))

The House amendment is similar to the Senate provision with the following differences:

November 1 announcement would be a preliminary announcement.

Secretary must make a final announcement by January 1.

Requirement that the announcement include, among other information determined necessary by the Secretary, an announcement of the ARP reduction percentage.

Producers in early planting areas are allowed to elect to participate in the program on the terms first or subsequently announced if the Secretary determines that such producers may be unfairly disadvantaged by such revision. (New Section 103B(e)(1)(C)(i))

The Conference substitute adopts the House provision with an amendment providing that the announcement date for the 1991 crop be made as soon as possible. The managers intend that the following Texas counties be considered early planting areas subject to the early planting exception: Cameron, Hidalgo, Starr, Willacy, Zapata, Wilson, Webb, LaSalle, Brooks, Jim Wells, Duval, Kenedy, Kleberg, Aransas, Live Oak, Refugio, Bee, Karnes, Goliad, Atascosa, Bexar, Dimmit, San Patricio, and Nueces.

(c) Carryover

The Senate bill provides that the ARP should be implemented to result in a carryover of 4 million bales of upland cotton or a ratio of carryover to total disappearance of 33%, whichever results in a higher carryover. The term "total disappearance" means all upland cotton utilization, including total domestic, total export, and total residual disappearance.

If, at the time of the final announcement of the ARP, it is determined that the carryover of upland cotton will be in excess of the desired carryover amount, the Secretary shall carry out a land diversion program in a manner that will result in the desired carryover. (New Section 103A(e)(1)(E)-(F))

The House amendment requires the Secretary to carry out an acreage limitation program described in paragraph (2) for a crop of upland cotton in a manner that will result in a ratio of carry-over to total disappearance (domestic use plus exports) of 30 percent, based on the Secretary's most recent projection of carry-over and total disappearance at the time of announcement of the acreage limitation program. (New Section 103B(e)(1)(D))

The Conference substitute adopts the House provision on the carryover level. The conferees intend, that in addition to using the maximum ARP authority, under this section, the Secretary should also use the paid land diversion authority under this Act to the maximum extent practicable to achieve the 30% stocks-to-use ratio.

(d) Percentage Reduction

The Senate bill provides that the ARP can be established from 0 to 25% of the upland cotton crop acreage base. Except as provided in the planting flexibility provisions in title V of the 1949 Act, producers who do not comply with the ARP are ineligible for program benefits. (New Section 103A(e)(2))

The House amendment is the same as current law. (New Section 103B(e)(2)(A) and (B))

The Conference substitute adopts the Senate provision.

(8) Acreage Devoted to Conservation Uses. (S 501; H 101)

(a) Reduced Acreage

The Senate bill provides for reduced acres determined by multiplying the upland cotton crop acreage base by the percentage reduction required. (New Section 103A(e)(2)(D))

The House amendment is the same as current law. (New Section 103B(e)(2)(D))

The Conference substitute adopts the Senate provision.

(b) Permitted Acreage

The Senate bill provides that "Permitted acreage" equals cotton acreage base minus the reduced acreage. (New Section 103A(e)(2)(D))

The House amendment provides no definition.

The Conference substitute adopts the Senate provision.

*(9) Use of Reduced Acreage**(a) Planting of Oilseeds*

The Senate bill provides that producers may plant an oilseed, or other such crop considered appropriate by the Secretary, on no more than one-half of the reduced acreage on the farm. The amount of deficiency payments that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted to the oilseeds or other crops, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated to all of such program crops. Reductions in acreage used to compute deficiency payments under this provision must be sufficient to ensure that this provision will result in no additional cost to the CCC. (New Section 103A(e)(2)(F))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the provision discretionary.

(b) Experimental or Industrial Nonprogram Crops

The Senate bill provides that the producers on a farm may also elect to—

(1) devote reduced acreage to an experimental or industrial nonprogram crop; or

(2) harvest a conserving crop on reduced acreage, determined and announced by the Secretary (hereinafter referred to as an approved crop). The amount of the deficiency payment that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted for harvest to an approved crop, by an amount equal to the deficiency payment that would be made with respect to one acre (or portion thereof) of the crop. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. (New Section 103A(e)(2)(G))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the provision discretionary, and allowing the Secretary to adjust the penalty for participating in the program. The amendment further adds the Senate provision on crops which may be planted on Reduced Acres.

*(10) Administration of Conservation Use Acreage**(a) General*

The Senate bill provides language that is the same as current law with following additional requirement:

Producers participating in the ARP must plant to an annual or perennial cover 50% of the reduced acreage, but not to exceed 5% of the crop acreage base. The CCC shall pay 25% of the cost of establishing such cover (on not more than 50% of the reduced acreage or 5% of the acreage base) if the producer establishes a perennial cover on the reduced acreage.

If a producer establishes a perennial cover on the reduced acreage and receives cost-share assistance from CCC, the perennial cover shall be maintained for at least 3 years. (New Section 103A(e)(4))

The House amendment provides language that is the same as current law. (New Section 103B(e)(3)(A))

The Conference substitute adopts the Senate provision with an amendment providing for perennial cost-share limited to cover capable of improving water quality or wildlife habitat and requiring consultation with State Technical Committees. Also, if the ARP percentage is reduced below the perennial cover percentage which received cost-share, the Secretary shall make deficiency payments on perennial crop acres.

(b) Conserving Crops

The Senate bill provides language that is the same as current law except mung beans and milkweed are included. (New Section 103A(e)(4)(B)(iii))

The House amendment provides language that is the same as current law. (New Section 103B(e)(3)(B))

The Conference substitute adopts the Senate provision.

(c) Haying and Grazing

The Senate bill provides language that is the same as current law, except that limitation on haying and grazing if there would be an adverse economic effect is eliminated. (New Section 103A(e)(4)(C))

The House amendment is the same as Senate provision except as follows:

Prohibits the Secretary from excluding irrigated or irrigable acreage not planted in alfalfa from this provision. (New Section 103B(e)(3)(C))

The Conference substitute adopts the House provision.

(d) Water Storage Uses

The Senate bill provides that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if it was devoted to wheat, feed grains, cotton, rice, or oil-seeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion. (New Section 103A(e)(4)(D))

The House amendment contains a similar provision in the General Commodities title.

The Conference substitute adopts the Senate provision with amendments providing that the area devoted to water storage uses may not be devoted to any commercial use, including commercial fish production, that the water stored on the land may not be ground water, and that the farm on which the land is located on must have been irrigated with ground water during at least 1 in the preceding 5 crop years.

(11) Targeted Option Program

The Senate bill provides that if the Secretary implements an ARP for upland cotton, producers on a farm who do not participate in the 50/92 program may choose to increase or decrease the ARP percentage applicable to the crop in return for adjustments in the level of deficiency payments.

For each 1% increase in the ARP (but not above 10 percentage points or above 25% total), the established price shall be increased as determined by the Secretary, but not less than 0.5%, nor more than 1%. In determining any increase in the ARP, Secretary shall exclude an amount that reflects the producers' average underplantings for the 2 prior years.

For each 1% decrease in the ARP (but not below $\frac{1}{2}$ of announced ARP percentage), the Secretary shall decrease the established price as determined by the Secretary, but not less than 0.5%, nor more than 1%, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' upland cotton acreage base.

The Secretary shall, to the extent practicable, ensure that the TOP does not have a significant effect on program participation or total production and shall be offered in such a manner as to not result in additional budget outlays. (New Section 103A(e)(3))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to make it discretionary, but if implemented, the Secretary must provide for both increased and decreased individual ARP options.

(12) Land Diversion Program

The Senate bill provides language similar to current law, except that Land diversion program must be implemented if carryover level of upland cotton will be in excess of desired carryover level. See item C14d above. (New Section 103A(e)(5))

The House amendment is similar to current law except as follows: Requires Secretary to offer a paid land diversion program to producers of upland cotton if, at the time of final announcement of the ARP, the projected carry-over of upland cotton for the crop year is equal to or greater than 8 million bales. Land diversion payments will be determined by multiplying—

- (1) the payment rate (not less than 35 cents per pound); by
- (2) the program payment yield; by
- (3) the number of permitted upland cotton acres diverted on the farm.

Authorizes the Secretary to allow producers to participate in a land diversion program under paragraph (4) at a level lower than the maximum level announced by the Secretary if the Secretary determines that it will increase participation in such program. (New Section 103B(e)(4))

The Conference substitute adopts the House provision on the land diversion program.

The Managers intend that the land diversion program be implemented only after the maximum ARP has been established, but that the program should be used to the maximum extent practicable to achieve the 30% stock-to-use ratio target.

(13) Participation Agreements

The Senate bill provides language that is similar to current law except that an agreement may be modified for the purpose of alleviating a shortage of commodities only if there has been a significant change in the estimated stocks of the commodity subsequent to the final announcement of the terms and conditions of the upland cotton program. (New Section 103A(e)(7))

The House amendment is the same as current law. (New Section 103B(e)(6))

The Conference substitute adopts the Senate provision.

(14) Inventory Reduction Program

The Senate bill provides language that is similar to current law, except as follows:

Program is mandatory; and

Payments under this program may be made in the form of negotiable marketing certificates. (New Section 103A(f))

The House amendment is similar to current law except as follows: Provides that payments authorized under subsection (f)(1) may be made

(A) in the form of upland cotton owned by the Commodity Credit Corporation; or

(B) in such other form as the Secretary is authorized by law to make.

Requires that the quantity of upland cotton to be made available to a producer must be equal in value to the payments. (New Section 103B(f))

The Conference substitute adopts the House provision.

(15) Failure to Fully Comply

The Senate bill is the same as current law. (New Section 103A(g))

The House amendment is the same as current law and Senate provision except that the Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph. (New Section 103B(g))

The Conference substitute adopts the House amendment.

(16) Cross-Compliance

The Senate bill states that compliance on a farm with respect to the terms and conditions for any other commodity, or compliance with crop acreage base requirements for any other commodity, may

not be required as a condition for eligibility in the cotton program. Compliance with terms and conditions of the cotton program on another farm operated by a producer may not be required as a condition for eligibility in the cotton program. (New Section 107A(n))

The House amendment is similar to Senate provisions, with a new provision on base increases. If a producer on a farm is participating in the cotton program, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

(i) the terms and conditions of the applicable commodity program for such commodity; or

(ii) the crop acreage base requirements of the applicable commodity program for such commodity. The compliance on other farms is similar to Senate provision. (New Section 107A(n))

The Conference substitute adopts the Senate provision.

(17) Miscellaneous Cotton Provisions

The Senate bill provides that sections 103 and 203 of the Agricultural Act of 1949 shall not be applicable to the 1991–95 crops. (Section 503)

The House amendment provides that price support provisions of section 103(a) of the Agricultural Act of 1949 are made inapplicable to the 1991 through 1995 crops. (Section 104)

The Conference substitute adopts the House provision.

(18) Skiprow Practices

The Senate bill amends section 374(a) of the Agricultural Adjustment Act of 1938 to provide that, for the 1991–95 crops, the Secretary shall take other skiprow practices into account for the purpose of classifying the acreage planted to cotton and the acreage skipped. (Section 504)

The House amendment extends the provisions of section 374(a) of the Agricultural Adjustment Act of 1938 for skiprow practices through the 1995 crop of cotton, and requires that for the 1991 through 1995 crops, the rules allow 30 inch rows to be taken into account for classifying the acreage planted to cotton and the area skipped. (Section 105)

The Conference substitute adopts the House provision.

(19) Extension of Extra-Long Staple Cotton Program

The Senate bill amends section 103(h) of the 1949 Act to extend the extra long staple cotton program through the 1995 crop, under the same terms and conditions as existed for the 1990 crop. The provisions on cross-compliance and offsetting compliance are made consistent with similar provisions in the wheat, feed grains, upland cotton, and rice programs. (Section 506)

The House amendment amends section 103(h) of the 1949 Act to prohibit the Secretary from using cross-compliance or offsetting compliance as a condition of eligibility for the program, to authorize the Secretary to apply a zero percentage reduction to each farm's acreage base, and to extend the provisions of section 103(h) through the 1995 crop year. (Section 107)

The Conference substitute adopts the House provision.

(20) Adverse Effect on Cottonseed or Cottonseed Oil

The Senate bill provides that if the Secretary determines that the price support program for oilseeds carried out under section 205 of the Agricultural Act of 1949 (as added by section 801 of this Act) causes, or is likely to cause, a reduction in prices received by producers of cottonseed or by processors of cottonseed oil, the Secretary shall take such actions as is determined necessary to offset the actual or anticipated impact of the oilseed program on prices of cottonseed or cottonseed oil. (Section 507)

The House amendment is similar to the Senate provision, except that the section requires that any such actions include only actions to stabilize or increase the price of cottonseed, and may not include actions to decrease the prices of other oilseeds. (Section 109)

The Conference substitute adopts the House provision.

(21) Evidence of Title

The Senate bill provides for purposes of perfecting a security interest under any State law, the evidence of title approved by the Secretary shall be considered to be a warehouse receipt. (New Section 103A(a)(1))

The House amendment is the same as the Senate provision. (New Section 103B(a)(1))

The Conference substitute adopts the House provision with an amendment. The amendment provides that electronic or central filing systems can be used as a method of proving ownership of cotton. This program is to be utilized on a voluntary basis and funded through a fee system that the Secretary may prescribe.

TITLE VI—RICE

*(1) Marketing Loan**(a) Negotiable Marketing Certificates*

The Senate bill is the same as current law, except that certificates are made redeemable for commodities owned by the CCC, instead of just rice. (New Section 101A(a)(5)(C))

The House amendment is the same as the Senate provision, except the House makes the certificates redeemable for commodities and products. (New Section 101B(a)(5)(C))

The Conference substitute adopts the Senate provision.

(b) Other Terms of Certificates

The Senate bill is similar to current law with the following differences:

CCC sales price restrictions shall not apply to the redemption of such certificates;

Secretary is required to prevent the marketing or exchange of commodities and products for such certificates from adversely affecting the income of producers; and

Under regulations issued by the Secretary, certificates may be transferred to other persons. (New Section 101A(a)(5)(C)(vi)-(viii))

The House amendment is the same as current law. (New Section 101B(a)(5)(C))

The Conference substitute adopts the Senate provision.

(2) Certificates to Maintain Competitiveness

(a) When Issued

The Senate bill is similar to current law, except the provision is made a part of the rice program contained in the 1949 Act. (New Section 101A(a)(5)(D))

The House amendment is the same as current law. (Section 302 of the 1990 Act)

The Conference substitute adopts the Senate provision.

(b) Terms of Certificates

The Senate bill is the same terms as discussed in "other terms of certificates". (New Section 101A(a)(5)(D))

The House amendment is the same as current law. (Sec. 302 of the 1990 Act)

The Conference substitute adopts the Senate provision.

(3) 50/92 Program

(a) In General

The Senate bill is similar to current law with the following exceptions:

In addition to the quarantine exception, producers may not have to comply with the 50% planting requirement if the Secretary determines that producers are prevented from planting the acreage intended for rice to rice because of a natural disaster or other condition beyond the control of the producer. (New Section 101A(c)(1)(D))

The House amendment is similar to current law with the following exceptions:

The deficiency payment rate under this provision may not be established at less than the projected deficiency payment rate for the crop.

The Secretary may waive the 50% planting requirement for any crop of rice.

Provides for payments to producers that are prevented from planting acreage to rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, if an ARP is in effect and if a portion (or all) of the permitted rice acreage of the farm is devoted to conservation uses. (New Section 101B(c)(1)(B))

The Conference substitute adopts the House provision with an amendment to delete the discretionary 0/92 provision, and changing references from permitted acreage to maximum payment acres.

(b) Use of Underplanted Acreage

The Senate bill is similar to current law, except listed crops includes mung beans. (New Section 101A(c)(1)(D))

The House amendment is similar to current law and the Senate provision, except listed crops do not include sunflower, safflower, mustard seed and mung beans. (New Section 101B(c)(1)(F))

The Conference substitute adopts the House provision, with an amendment to add mung beans.

(4) Discretionary Disaster Payments

The Senate bill is the same as current law except there is no specific mention of the Secretary making the payments available in cash or certificates. (New Section 101A(a)(2))

The House amendment is similar to current law, except that a condition resulting from the adjudication of Indian water settlement disputes is included in the list of covered disasters. (New Section 101B(c)(2))

The Conference substitute adopts the Senate provision.

(5) Acreage Limitation Programs

(a) Announcement of ARP

The Senate bill provides that the ARP must be announced by January 31 of the calendar year in which the crop is harvested, except that in the case of the 1991 crop, the announcement must be made as soon as practicable after the date of enactment. (New Section 101A(e)(1)(C))

The House amendment is the same as current law. (New Section 101B(e)(1)(C))

The Conference substitute adopts the Senate provision.

(b) Percentage Reduction

The Senate bill provides that the ARP can be established from 0 to 35% of the rice crop acreage base for each rice-producing farm. Except as provided in the planting flexibility provisions in title V of the 1949 Act and inventory reduction program, producers who do not comply with the ARP shall be ineligible for rice loans, purchases, and payments with respect to that farm. (New Section 101A(e)(2)(A))

The House amendment is the same as current law. (New Section 101B(e)(2)(A))

The Conference substitute adopts the Senate provision.

(5) Acreage Devoted to Conservation Uses

(a) Reduced Acreage

The Senate bill provides for reduced acres determined by multiplying the rice acreage base by the percentage reduction required under the ARP. (New Section 101A(e)(2)(D))

The House amendment is the same as current law. (New Section 101B(e)(2)(D))

The Conference substitute adopts the Senate provision.

(b) Permitted Acreage

The Senate bill provides that "Permitted acreage" equals acreage base minus the reduced acreage. (New Section 101A(e)(2)(D))

The House amendment provides no definition.

The Conference substitute adopts the Senate provision. The act also contains provisions in section 1101 that will allow for a reduction of "permitted acreage" through planting flexibility provisions, and changes the term "permitted acreage" to "maximum payment acres".

(7) Use of Reduced Acreage

(a) Planting of Oilseeds

The Senate bill provides that producers may plant an oilseed, or other such crop considered appropriate by the Secretary, on no more than one-half of the reduced acreage on the farm. The amount of the deficiency payments that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted to the oilseeds or other crops, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. Reductions in acreage used to compute deficiency payments under this provision must be sufficient to ensure that this provision will result in no additional cost to the CCC. (New Section 101A(e)(2)(F))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the program discretionary.

(b) Experimental or Industrial Nonprogram Crops

The Senate bill provides that the producers on a farm may also elect to—

(1) devote reduced acreage to an experimental or industrial nonprogram crop; or

(2) harvest a conserving crop on reduced acreage, determined and announced by the Secretary (referred to as an approved crop). The amount of the deficiency payment that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted for harvest to an approved crop, by an amount equal to the deficiency payment that would be made with respect to one acre (or portion thereof) of the crop. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. (New Section 101A(e)(2)(F))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making it discretionary and allowing the Secretary to adjust the penalty for participating in the provision. Further, the Senate provision on crops which may be planted on Reduced Acres is added.

(8) Targeted Option Payments

The Senate bill provides that if the Secretary implements an ARP for rice of 20% or less, the Secretary shall allow producers who are not participating in the 50/92 program to increase or decrease the acreage limitation percentage applicable to the crop of rice in return for adjustments in the level of deficiency payments.

For each 1% increase in the ARP above the percentage announced by the Secretary (but not above 5 percentage points), producers shall be eligible to receive an increase in the established price for rice (determined by the Secretary) but not less than 0.5%,

nor more than 1%, for each 1 percentage point increase in the ARP.

For each 1% decrease in the ARP (but not below 1/2 of the announced acreage limitation percentage), the established price will be decreased (amount determined by the Secretary), but not less than 0.5%, nor more than 1%, for each 1 percentage point decrease in the ARP.

The Secretary shall, to the extent practicable, ensure that the TOP does not have a significant effect on program participation or total production and shall be offered in such a manner as to not result in additional budget outlays. (New Section 101A(e)(3))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to make it discretionary. If implemented, the Secretary must provide for both increased and decreased individual ARP options.

(9) Administration of Conservation Use Acreage

(a) In General

The Senate bill is the same as current law with the following additional requirement:

Producers participating in ARP must plant to an annual or perennial cover 50% of the reduced acreage, but not to exceed 5% of the crop acreage base. The CCC shall pay 25% of the cost of establishing such cover (on not more than 50% of the reduced acreage or 5% of the acreage base) if the producer establishes a perennial cover on the reduced acreage.

If a producer establishes a perennial cover on the reduced acreage and receives cost-share assistance from the CCC, the perennial cover shall be maintained for at least 3 years. (New Section 101A(e)(4))

The House amendment is the same as current law. (New Section 101B(e)(3))

The Conference substitute adopts the Senate provision with an amendment providing that the perennial cost-share shall be limited to cover crops capable of improving water quality or wildlife habitat and requiring consultation with State Technical Committees. Also, if the ARP percentage is reduced to a level less than the portion of the producer's crop acreage base planted to the perennial cover crop, and if the perennial cover crop received cost-share, the Secretary shall make deficiency payments on perennial crop acres.

(b) Conserving Crops

The Senate bill is the same as current law, except mung beans and milkweed are included. (New Section 101A(e)(4)(B)(iii))

The House amendment is the same as current law. (New Section 101B(e)(3)(B))

The Conference substitute adopts the Senate provision.

(c) Haying and Grazing

The Senate bill is the same as current law, except that there is a limitation on haying and grazing if there would be an adverse economic effect is eliminated. (New Section 101A(e)(4)(C))

The House amendment is the same as the Senate provision, except that it prohibits the Secretary from excluding irrigated or irrigable acreage not planted in alfalfa from this provision. (New Section 101B(e)(3)(C))

The Conference substitute adopts the House provision.

(10) Water Storage Uses

The Senate bill provides that land converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion. (New Section 101A(e)(4)(D))

The House amendment provided for water storage uses in the miscellaneous title of the amendment.

The Conference substitute adopts the Senate provision with an amendment providing that the area devoted to water storage uses may not be devoted to any commercial use, including commercial fish production, that the water stored on the land may not be ground water, and that the farm on which the land is located on must have been irrigated with ground water during at least 1 in the preceding 5 crop years.

(11) Participation Agreements

The Senate bill is similar to current law, except that an agreement may be modified for the purpose of alleviating a shortage of commodities only if there has been a significant change in the estimated stocks of the commodity since the original announcement of the terms and conditions of the rice program. (New Section 101A(e)(7))

The House amendment is the same as current law. (New Section 101B(e)(6))

The Conference substitute adopts the Senate provision.

(12) Inventory Reduction Program

The Senate bill is similar to current law, except as follows:

The program is mandatory; and

Payments under this program may be made in the form of negotiable marketing certificates. (New Section 101A(f))

The House amendment is similar to current law with the following exception:

Payments may be made—

(A) in the form of rice owned by the Commodity Credit Corporation; or

(B) in such other form as the Secretary is authorized by law to make.

Requires that the quantity of rice to be made available to a producer under this subsection must be equal in value to the payments so determined under such subsection. (New Section 101B(f)(4))

The Conference substitute adopts the House provision.

(13) Failure to Comply Fully

The Senate bill is the same as current law. (New Section 101A(g))

The House amendment is the same as current law and Senate provision, except that the Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph. (New Section 101B(g))

The Conference substitute adopts the House provision.

TITLE VII—OILSEEDS

(1) Oilseed price support/Oilseeds definition

The Senate bill provides a new section 205 to the Agricultural Act of 1949. Section 205(a) defines the term oilseeds as soybeans, sunflower seeds, canola, rapeseed, safflower, flaxseed, and such other oilseeds as the Secretary may determine. Section 205(b) provides that the Secretary shall support the price of oilseeds through nonrecourse loans for oilseeds produced on the farm in each of the 1991 through 1995 marketing years. (Section 801)

The House amendment amends Section 201 of the 1949 Act which provides that the Secretary shall support the price of soybeans, sunflowers, canola, rapeseed, safflower, flaxseed, mustard seed, and any other oilseeds the Secretary may designate, through loans and purchases in each of the 1991 through 1995 marketing years. (Section 701)

The Conference substitute adopts the Senate position on defining oilseeds as soybeans, sunflower seed, canola seed, rapeseed, safflower seed, flaxseed, with an amendment to include mustard seed, and such other oilseeds as the Secretary may determine. The Secretary shall support the price of oilseeds through nonrecourse loans to producers on a farm for such oilseeds produced on the farm in each of the 1991 through 1995 marketing years. (Section 701)

The title marks a departure from efforts to support soybeans in past farm bill legislation, and includes for the first time a mandated program for other minor oilseeds. The Managers note that capacity in the United States to produce and process soybeans and oilseed has been on a steady decline for the past decade, as domestic prices failed to provide adequate incentives to American farmers, and as other farm programs continued to offer higher rewards for participation in basic commodities other than oilseeds. U.S. production has dwindled, numerous processing facilities have closed, and competitors in South America have aggressively expanded production with the assistance of generous processor subsidies. It is the intent of the Managers that the marketing loan programs for oilseeds be implemented and administered in a manner to ensure the gradual return of domestic farm acreage into production of these crops and further, it is the intent of the Managers that the Secretary maintain the utmost measure of flexibility and latitude to maximize the effectiveness of the program in achieving this goal.

(2) Price support level

The Senate bill, in section 205(c), establishes the loan level of \$5.50 per bushel for each of the 1991 through 1995 crops of soy-

beans. The loan level established for each of the 1991 through 1995 crops of sunflower seed, canola, rapeseed, safflower, and flaxseed is \$0.097 per pound. The loan level for each of the 1991 through 1995 crops of oilseeds, other than oilseeds designated by the Secretary, shall be established at such level as the Secretary determines will take into account the historical price relationship between each type of oilseed and soybeans, the prevailing loan level for soybeans, and the historical meal oil content of each type of oilseeds and soybeans. (Section 801)

The House amendment, in section 201(g), provides that the level of price support for the 1991 and 1992 crops of soybeans shall not be less than \$5.25 per bushel. In the case of the 1991 through 1995 crops of sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate, the level of price support shall be set for each such oilseed at such level as the Secretary determines is fair and reasonable in relation to the level of price support available for soybeans, including any adjustment made, but, except in the case of cottonseed, in no event less than the level established for soybeans on a per pound basis for the same crop year. (Section 701)

The Conference substitute adopts the House position with an amendment which establishes the loan level for each of the 1991 through 1995 crops of soybeans at not less than \$5.02 per bushel. For each of the 1991 through 1995 crops, the loan level for sunflower seed, canola seed, rapeseed, safflower seed, flaxseed, and mustard seed is established at \$.089 per pound. In determining the loan level of each crop of sunflower seed, canola seed, rapeseed, safflower seed, flaxseed, and mustard seed, it is the intent of the Managers that the Secretary take into account the historical price relationship between each type of such oilseed and soybeans and the relative meal and oil content of each type of oilseed compared to soybeans. The loan level for each of the 1991 through 1995 crops of such other oilseeds the Secretary may designate is established at such level as the Secretary determines is fair and reasonable in relation to the loan level available for soybeans, except that, in the case of cottonseed, in no event less than the level established for soybeans on a per pound basis for the same crop year. (Section 701)

(3) Adjustment of loan levels

The Senate bill provides, in section 205(c), that if the Secretary estimates, not later than September 30 of the year previous to the year in which a crop of soybeans is harvested that the stocks-to-use ratio for any of the 1991 through 1995 crops of soybeans will be over 19%, the Secretary may establish the loan level for the crop at \$5.25 per bushel and if the stocks-to-use ratio for any of the 1991 through 1995 crops of soybeans will be over 25%, the Secretary may establish the loan level for the crop of soybeans at \$5.00 per bushel. If the Secretary adjusts the soybean price support level, the Secretary shall make a corresponding adjustment in the loan level for sunflower seeds, canola, rapeseed, safflower, flaxseed, and any other oilseed designated by the Secretary. Any reduction in the soybean loan level for one year shall not be considered in determining the loan level for subsequent years. (Section 801(2))

The House amendment provides, in section 201(g), that in the case of each of the 1993 through 1995 crops of soybeans and other oilseeds for which a price support program is in effect, if the Secretary estimates for the marketing year for such crop that the ratio of ending stocks to total use for the marketing year will be more than 25%, the Secretary may reduce the level of price support for soybeans or such other oilseeds for that marketing year by an amount not to exceed 5% in any year. If the Secretary estimates for the marketing year for such crop that the ratio of ending stocks to total use for the marketing year will be more than 20% but not more than 25%, the Secretary may not reduce the level of price support. If the Secretary estimates for the marketing year for such crop that the ratio of ending stocks to total use for the marketing year will be equal to or less than 20%, the Secretary shall increase the level of price support by 5%. In no case may the level of price support for the 1993 crop of soybeans be more than \$5.40 per bushel. The House amendment provides that any change in the level of price support for soybeans and such other oilseeds shall not be considered in determining the level of price support for subsequent years.

The Conference substitute deletes both the Senate and House positions. (Section 701)

(4) Repayment of price support loans/OI-13. Implementation

The Senate bill, in section 205(d)(1), provides that the Secretary shall permit a producer of oilseeds to repay a loan made under this section for a crop at a level that is the lesser of the loan level or the prevailing world market price for the applicable oilseed, adjusted for location and quality differentials, as determined by the Secretary. (Section 801)

The Senate bill further provides, in section 205(j), that the Secretary is to ensure that the program established under this section will be administered to minimize potential loan forfeitures, minimize the accumulation of federal government oilseeds stocks, minimize the cost incurred by the federal government in storing oilseeds, and allow oilseeds produced in the United States to be marketed freely and competitively, both domestically and internationally. (Section 801)

The House amendment, in section 201(g)(4)(A), provides that the Secretary shall permit a producer to repay a loan for any crop of oilseeds at a level that is the lesser of the loan level or the prevailing world market price for the crop of oilseeds, as determined by the Secretary. (Section 701)

The House amendment contains no comparable provision on implementation.

The Conference substitute adopts the Senate position. In adopting this provision, the Managers note that the goal of this title is to provide U.S. producers sufficient incentives to regain lost production capacity and export competitiveness and that the Secretary should exercise prudence before requiring loan repayments in excess of the prevailing world price. (Section 701)

(5) Loan deficiency payments.

The Senate bill, in section 205(e), gives the Secretary authority, for each of the 1991 through 1995 crops of oilseeds, to make payments available to producers, who although eligible to obtain a nonrecourse loan, agree to forgo obtaining such loan in return for payments. Such payments are computed by multiplying the loan payment rate by the quantity of oilseeds the producer is eligible to place under loan. The loan payment rate is the amount by which the loan level determined for the crop exceeds the level at which a loan may be repaid. (Section 801)

The House amendment, in section 201(g)(5)(A)-(D), provides that the Secretary shall, for each of the 1991 through 1995 crops of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed and other oilseeds the Secretary may designate, make payments available to producers who, although eligible to obtain a nonrecourse loan, agree to forgo obtaining such loan in return for such payments. A payment is computed by multiplying the loan payment rate by the quantity of such crop that the producer is eligible to place under loan. Quantities of such crop eligible to be placed under loan may not exceed the product obtained by multiplying the individual farm acreage for such crops actually harvested by the actual yield per harvested acre established for the farm. The loan payment rate is the amount by which the loan level determined for such crop exceeds the level at which a loan may be repaid. The House amendment also provides that the Secretary may make such payments in the form of generic certificates of the Commodity Credit Corporation and must make these certificates available in such a manner so as to minimize the accumulation of oilseed stocks. (Section 701)

The Conference substitute adopts the House position. (Section 701)

(6) Marketing year

The Senate bill provides that the soybean marketing year is the 12-month period beginning September 1. In section 205(f), the marketing years for the other oilseeds designated by the Secretary to receive price support shall be prescribed by the Secretary by regulation. (Section 801)

The House amendment provides that the marketing year for soybean, sunflower and safflower be the 12-month period beginning September 1 of the calendar year in which the crop of the commodity is harvested. The marketing year for canola and rapeseed is the 12-month period beginning on May 1 of the calendar year in which the crop of the commodity is harvested. The marketing year for flaxseed, mustard seed, and any other oilseed that the Secretary may designate is such period as prescribed by the Secretary by regulation. (Section 701)

The Conference substitute adopts the Senate provision. (Section 701)

(7) Announcement of Program Provisions

The Senate bill, in section 205(g), requires the Secretary to make a preliminary announcement of the level of price support for each

type of oilseeds by July 15 of the year prior to the marketing year for the crop. The Secretary shall make a final announcement of the level of price support not later than November 15 of the year prior to the marketing year for the crop of oilseeds. (Section 801)

The House amendment, in section 201(g)(7), provides that the Secretary shall make a preliminary announcement of the support price for each crop of soybeans, sunflower, and safflower not later than November 1 preceding the beginning of the marketing year for the crop; the preliminary announcement of the support price for each crop of canola and rapeseed not later than July 1 preceding the beginning of the marketing year of the crop; and the preliminary announcement of the price support level for flaxseed, mustard seed, and other designated oilseeds not later than 10 months preceding the beginning of the marketing year for the crop. The Secretary shall make the final announcement for all crops not later than 30 days after the beginning of each marketing year. The final support price may not be less than the price support level specified in the preliminary announcement. (Section 701)

The Conference substitute adopts the House position with an amendment to delete the provision requiring an announcement of the loan rate.

Because the loan rate for oilseeds are not subject to adjustments, the Managers agree that an annual announcement is not necessary. If the Secretary determines that other oilseeds besides sunflower seed, flaxseed, canola, mustard seed, rapeseed, and safflower are to be supported, the Secretary should make such decision known to producers as soon as practicable. (Section 701)

(8) Loan Availability and Maturity

The Senate bill contains no provision.

The House amendment, in section 201(g), provides that loans for each crop of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate are available not earlier than the beginning of the marketing year for such crop and mature 9 months from the date of the loan. (Section 701)

The Conference substitute adopts the House provision with an amendment to strike the House amendment's prohibition on the availability of price support loans prior to the beginning of the marketing year. (Section 701)

(9) Prohibition of Planting on Conservation or Diverted Acreage

The Senate bill, in section 205(h)(2), provides that, except as otherwise provided in the Food, Agriculture, Conservation and Trade Act of 1990, the Secretary shall not permit the planting of soybeans for harvest on acreage required to be devoted to conserving uses or diverted from production under any other federal government program. (Section 801)

The House amendment contains no comparable provision.

The Conference substitute adopts the House position. (Section 701)

(10) Prohibition on storage payments and reserve eligibility

The Senate bill provides that the Secretary may not authorize payments to producers to cover the costs of storing soybeans. The Secretary may not consider soybeans an eligible commodity for any commodity reserve program. (Section 801)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate position. (Section 701)

TITLE VIII—PEANUTS

*Suspension of marketing quotas and acreage allotments [SB 701, HB 801]**(1) National poundage quotas and acreage allotments [SB 702, HB 802]*

The Senate bill strikes section 358 (k) through (v) of the 1938 Act and adds a new section 358-1 to provide for national poundage quotas and acreage allotments for the 1991 through 1995 crops of peanuts. [Sec. 702]

The House amendment provides that effective for the 1991-1995 crops of peanuts, amends section 358 of the Agricultural Adjustment Act of 1938 by amending subsections (k) through (p). [Sec. 802]

The Conference substitute adopts the Senate provision with a clarifying change. (Sec. 802)

(2) National poundage quotas [SB 702, HB 802]

The Senate bill sets the minimum national poundage quota at 1.35 million tons and authorizes the Secretary to adjust the poundage quota to provide an adequate carryover and account for undermarketings that will not increase program costs, cause the CCC to incur losses, or disrupt the integrity of the program. [Sec. 358-1(a)]

The House amendment provides a similar provision but sets the minimum national poundage quota at 1.35 million tons. [Sec. 358 (k) and (l)]

The Conference substitute adopts the House provision.

(3) Farm poundage quotas [SB 702, HB 802]

The Senate bill provides that:

Quota may be established on farms on which peanuts are produced in connection with experimental and research programs.

Increased quota is to be allocated proportionately, based on farm production history for the 3 preceding years, to farms producing peanuts in 2 of the last 3 years.

One third of the increased quota, and reduced and reallocated quota, allocated in Texas shall be subject to separate provisions that allocate such quota to farms, located in counties where production of additional peanuts exceeded the total quota allocated in such county, where additional peanuts have been grown in 1988 and 1989 (eligible farms). This portion of the quota shall be allocated among the eligible farms based on a factor that reflects the production of additional peanuts on the farm relative to other such farms in the county. Total increased allocation may never exceed

100% of the county's basic quota, in counties that had more than 10,000 tons of quota for the 1989 marketing year.

A tenant shall share equally with the owner of the farm in any increase in the quota resulting from the tenant's production on the farm of additional peanuts. The tenant's share of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to that farm.

Quota will also be considered produced if the quota was leased for 1 of the 3 preceding years.

Not more than 25 percent of the total amount of farm poundage quota reduced or voluntarily released shall be allocated to farms in the State with no farm poundage quota in the preceding year. Increases in quota for undermarketings in previous years only back to 1989.

Special provisions for Texas farms increase the availability of quota on farms where additional peanuts have been grown in 1988 and 1989. [Sec. 358-1(b)]

The House amendment is similar to the Senate provision but does not provide that tenants shall share equally with the owner of the farm in any increase in the quota resulting from the tenant's production on the farm of additional peanuts nor that the tenant's share of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to that farm. [Sec. 358(m)]

The Conference substitute adopts the Senate provision with an amendment deleting only those Senate provisions relating to the establishment of quotas on research or experimental programs. (Sec. 802)

(4) Marketing penalties; disposition of additional peanuts [SB 704, HB 804]

The Senate bill provides that marketing penalties do not apply to the marketing of breeder or Foundation seed peanuts grown by publicly owned agricultural experiment stations, including State-operated seed organizations and the bill authorizes and the Secretary to eliminate such penalties where appropriate. [Section 359a(a)]

The House amendment provides the same as current law. (Section 359(f))

The Conference substitute adopts the Senate provision with an amendment limiting the ability of publicly owned agricultural experiment stations and State-operated seed organizations to market peanuts in excess of their respective quotas through other individuals. The Conference managers intend that regulations issued by the U.S. Department of Agriculture regarding penalties for excess marketings by experiment and State-operated seed organizations, prior to the enactment of the Food Security Act of 1985, apply in such circumstances. Without such an interpretation, individual farmers may market peanuts in excess of their quota without penalty and such marketings would clearly disrupt the operation of the Peanut Program. (Sec. 802)

(5) Disposition and supervision [SB 704, HB 804]

The Senate bill authorizes handlers to export or crush sound split kernel peanuts and sound mature kernel peanuts in a quantity equal to the combined poundage of such peanuts purchased by the handler as additional peanuts. [Section 359a(d)]

The Senate bill provides that there shall be no limit on the quantity of sound splits that may be delivered by producers nor shall discounts be imposed on the prices paid to producers for the peanuts based on the proportion of sound splits to sound mature kernels in the deliveries, except that premiums may be paid for deliveries of peanuts with fewer sound splits proportionally than sound mature kernels.

The Senate bill provides for a minimum shrinkage allowance of 4.0 percent. [Section 359(d)]

The Senate bill provides that handlers who manufacture peanut products from domestic edible peanuts may export the products and receive credit for the fulfillment of export obligations for the peanut content of the products. The handler may apply the credits to equivalent quantities of additional peanuts of the same type and crop year as acquired by the handler and used in the domestic edible market. [Section 359a(e)]

The House amendment is similar to current law except requires handlers to export or crush peanuts classified in the following quantities:

(A) Sound split additional peanuts purchased by the handler to which a mandated deduction in the price paid to the producer is applied.

(B) Sound mature kernel peanuts (made up of sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of such peanuts purchased by the handler as additional peanuts minus the total poundage of sound split kernel peanuts described in (A) above.

(C) The remaining quantity of additional peanuts purchased by the handler; and require the Secretary to reduce such obligation by a shrinkage allowance of at least 4 percent unless the handler fails to comply with restrictions on the use of peanuts specified by the Commodity Credit Corporation. [Section 359(i)]

The House amendment provides for a minimum shrinkage allowance of 4.0 percent. [Section 359(i)]

The Conference substitute adopts the House provision with an amendment relating to the obligation of handlers to export or crush peanuts in certain categories. (Sec. 802)

The Conference substitute adopts the Senate provision with an amendment regarding export credits for manufacturers who are also handlers with additional requirements. First, manufacturers who are also handlers must provide the Secretary with peanut product formula certifications which must be updated within 90 days of the time in which peanut product formulas change. Such information must be provided on a product by product basis, and must be available to the Secretary prior to the review of the request for export credit. This requirement will facilitate the U.S. Department of Agriculture's oversight of this provision, and allow

peanut product manufacturers ample time to update certifications maintained by USDA. Further requirements include the maintenance, by the peanut product manufacturer who is also a handler, of such documents as the Secretary may require to ascertain the correct amount of credit any manufacturer should be given in a particular situation. It is suggested that documents required by the Secretary currently for other handlers, including Customs Export Declarations, would be useful in fulfilling the requirements of this provision. (Sec. 804)

The Managers also intend that provisions respecting penalties for other handlers should also apply with respect to manufacturers who are also handlers seeking export credit, and that requirements relating to letters of credit should also be handled in the same manner. Finally, the Secretary must conduct an annual review of export credits granted to manufacturers who are also handlers due to the possible adverse impact this provision may have on the operation of the Peanut Program. The Managers express their desire to see that full enforcement of this provision, with all of its safeguards, must occur in order to limit any adverse program consequences.

(6) Purchase of additional peanuts [SB 704, HB 804]

The Senate bill sets the additional contract deadline at December 16. [Section 359a(f)]

The House amendment sets the date at August 1. [Section 359(j)]

The Conference substitute adopts the Senate provision with an amendment changing the contract deadline to September 15, granting the Secretary the authority to extend the September 15 an additional 15 days in response to a drought or other similar emergency. Any extension of the contract deadline must be announced by September 5. (Sec. 804)

(7) Sale of Peanuts Owned or Controlled by CCC [SB 704, HB 804]

The Senate bill requires the Secretary to direct area marketing associations to make stocks of peanuts available whenever the Secretary finds that one or more such associations are withholding from sale stocks of peanuts under price support loans. [Section 359a(g)]

The House amendment provides no comparable provision. [Section 359(l)]

The Conference substitute deletes the Senate provision and adopts an amendment requiring the Secretary to include producer marketing costs, mandated by law, in calculations required under subsection (a)(2) and (b)(1) of section 108B of the Agricultural Act of 1949. Since these costs are required in order for the producer to market peanuts, they must be considered with respect to producer expenses. Marketing cost related to the 1990 Budget Reconciliation Act would not be included in any calculation under this provision. (Sec. 804)

(8) Experimental and research programs for peanuts [SB 708, HB 808]

The Senate bill amends the 1938 Act by inserting a new section 358c to permit the States to use some of the quota allocation for

research at land grant colleges and universities as well as the Agriculture Research Service. The director of the Agricultural Experiment Station for the State shall be responsible for complying with the duties of the farm operator with respect to the production of the quota peanuts. [Section 705]

The House amendment provides that section 808 amends the 1938 Act by inserting a new section 358b, effective only for the 1991 through 1995 crops, with a similar provision that requires the allocation to be made from the State's quota reserve and sets the amount of such allocation equal to the amount of quota held by such institution during 1985 up to 1 tenth of 1 percent of the State's basic quota. [Section 358(b)]

The Conference substitute adopts the House provision. (Sec. 805)

(9) Price support for quota peanuts [SB 706, HB 805]

The Senate bill establishes the national average quota support rate for peanuts as follows:

For the 1991 crop, the national average quota support rate for the 1990 crop, adjusted to reflect any increase during 1990 in the cost of peanut production (excluding any change in the cost of land). The support rate for the 1991 crop shall not exceed by more than 8 percent the support rate for the 1990 crop.

For the 1992 and 1994 crops, the support rate shall equal the support rate for the immediately preceding crop without any adjustment for changes in the cost of peanut production.

For the 1993 and 1995 crops, the support rate shall equal the support rate for the immediately preceding crop, adjusted to reflect any cost of production increase during the prior two calendar years. Such increase shall not include any change in the cost of land and the total increase in the cost of peanut production for each of the two preceding years shall not exceed an average of 4 percent. [Section 108(a)]

The House amendment provides that for the 1991 through 1995 crops of quota peanuts any increase in the cost of production may not exceed 6%. [Section 108A(a)]

The Conference substitute adopts the House provision, with an amendment limiting annual cost of production increases to 5%. (Sec. 806)

(10) Quality improvement

The Senate bill provides that:

(A) The Secretary is encouraged to evaluate peanut inspection and grading procedures used for loan stock peanuts and to encourage the adoption of objection methods and technologies shown to improve quality.

(B) The Secretary is encouraged to provide incentives for producers to reduce loose shelled kernels in farmer stock peanuts.

(C) The Secretary is required to encourage the crushing of peanuts "at greater risk of deterioration".

(D) The Secretary is authorized to make such adjustments in quality and inspection applicable to farmer stock peanuts.

The Senate bill requires any changes in grades or quality realized through modifications under this section to be implemented by

the Secretary, maintaining or increasing average prices paid to producers.

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate bill with an amendment adopting six specific provisions relating to quality improvement. First, with respect to loan stock peanuts the Secretary should promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration. Second, the Secretary should ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed U.S. Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts. Third, the Secretary is directed to require that all peanuts in the U.S. market comply with all quality standards under Marketing Agreement Number 146. Fourth, the Secretary must ensure that peanuts produced for the export market meet Peanut Administrative Committee quality standards as established for the domestic market. Fifth, the Secretary must continue to operate the peanut price support program so as to endeavor to improve the quality of U.S. peanuts and ensure the coordination of activities under the Peanut Marketing Agreement Number 146. Finally, the Secretary must ensure that any changes made in the price support program as a result of these provisions requiring additional production or handling at the farm level will be reflected as an upward adjustment in the USDA loan schedule. (Sec. 809)

The Conferees intend that the U.S. Department of Agriculture work as quickly as possible to implement the provisions of this section in order to assure American consumers continue to receive high quality peanut products.

(11) Regulations [SB 709]

The Senate bill requires the Secretary to hold a hearing in Atlanta, Georgia, to discuss the implementation of this title and the amendments to this title to receive comments on regulations prior to the formal proposal of such regulations. Requires the Secretary to publish a notice of the hearing in the Federal Register within 30 days from the enactment of this Act.

Requires the Secretary to hold informal hearings on peanut program regulations at least once a year in Atlanta, Georgia before the planting of the upcoming crop to permit interested industry organizations and individuals to advise the Secretary on regulations for the implementation of this title and the amendments to this title.

Additional informal hearings may be held after the hearing held above for the same purposes on publication of notice of the additional hearings in the Federal Register.

Requires a representative of the Department of Agriculture to—

- (1) attend all hearings held under this section;
- (2) maintain official records of the hearings; and

(3) make the records available to all interested persons. Requires the Secretary to—

- (1) provide public notice through the Federal Register of any proposed regulations referred to in this section; and

(2) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.
[Section 709]

The House amendment provides no comparable provision.

The Conference substitute strikes sections 709(a) through 709(e) of the Senate provision, and adopts language encouraging the Secretary to comply with the written notice and comment provisions of the Administrative Procedure Act.

TITLE IX—SUGAR

(1) Sugar price support [SB 901, HB 201]

The Senate bill amends title II of the Agricultural Act of 1949 by adding a new section 206 that directs the Secretary to support the price of the 1991 through 1995 crops of sugar beets and sugarcane.
[Section 901]

The House amendment provides a comparable provision in section 201 that amends section 201(h).

The Conference substitute adopts the House provision.

(2) Nonrecourse loans [SB 901, HB 201]

The Senate bill provides the same as current law. [Section 206(b) and (c)]

The House amendment provides the same provision for sugarcane. The House amendment also provides that the price for sugar beets shall be supported through nonrecourse loans at a level that bears the same relation to the support level for sugarcane as the weighted average of producer returns for sugar beets bears to the weighted average of producer returns for sugarcane, for the most recent five year period, plus an amount that covers processor fixed marketing expenses. [Section 201(h)(2) and (3)]

The Conference substitute adopts the House provision.

(3) Technical provisions [SB 901, HB 201]

The Senate bill amends section 201 of the 1949 Act as follows:

(1) in the matter preceding subsection (a), by striking "honey, and milk" and inserting "honey, milk, sugar beets, and sugarcane"; and

(2) by striking subsection (j). [Section 901]

The House amendment contains a similar provision.

The Conference substitute adopts the Senate provision.

(4) Distortions to world sugar trade [SB 902]

The Senate bill provides that GAO report to Congress recommendations for policies the United States can adopt to improve and enhance developing countries' access to world sugar markets and reduce other distortions to world sugar trade. Senate findings with respect to the importance of the U.S. sugar market for the countries of Latin America, especially in the Caribbean, Central American and Andean regions. [Section 902]

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.