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**Conference Report to Accompany
Food and Agriculture Act of 1962
H.R. Rep. No. 87-2385 (1962)**

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FOOD AND AGRICULTURE ACT OF 1962

SEPTEMBER 17, 1962.—Ordered to be printed

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

CONFERENCE REPORT

[To accompany H.R. 12391]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12391), to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

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

That this Act may be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. *The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:*

(1) *by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;*

(2) *by repealing subsection (a) of section 8;*

(3) *by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and*

(4) *by adding a new subsection at the end of section 16 of said Act to read as follows:*

"(e) (1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed ten years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out primarily on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary: Provided, That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years.

"(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: Provided, That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

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

"(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

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

"(6) Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purposes of this subsection, may provide in any agreement hereunder for (A) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (B) surrender of any such history and allotments.

"(7) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this subsection including payment of costs of administration for

the program authorized under this subsection: *Provided, That after June 30, 1963, the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this subsection unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this subsection. The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of \$10,000,000 for any calendar year, except that the Secretary may enter into agreements hereunder with respect to lands previously covered by conservation reserve contracts which would require payments, the furnishing of materials and services, and other assistance, in an additional amount for the calendar year 1963 not exceeding \$15,000,000.*"

(5) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(f) The Secretary is authorized to use the services, facilities, and authorities of Commodity Credit Corporation for the purpose of making disbursements to producers under programs formulated pursuant to sections 8 and 16(e) of this Act: *Provided, That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amount thereof from appropriations available for the purpose of carrying out such programs.*"

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended by striking out "including the retirement of lands which are submarginal or not primarily suitable for cultivation," and by inserting following "natural resources," the phrase "protecting fish and wildlife," and by striking out the period at the end thereof and inserting ", but not to build industrial parks or establish private industrial or commercial enterprises."

(b) Subsection (a) of section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is repealed.

(c) Section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended to read as follows:

"(e) to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities. Loans to State and local public agencies shall be made only if such plans have been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency. No appropriation shall be made for any single loan under this subsection in excess of \$250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. Loans under this subsection shall be made under contracts which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than 30 years, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury on its marketable public

obligations outstanding at the beginning of the fiscal year in which the loan is made, which are neither due nor callable for redemption for 15 years from date of issue. Repayment of principal and interest on such loans shall begin within 5 years."

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: "Provided, That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: Provided further, That the Secretary shall be authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards established by him, taking into account the anticipated man-days of use of the projected recreational development and giving consideration to the availability within the region of existing water-based outdoor recreational developments: Provided further, That the Secretary shall be authorized to participate in not more than one recreational development in a watershed project containing less than seventy-five thousand acres, or two such developments in a project containing between seventy-five thousand and one hundred and fifty thousand acres, or three such developments in projects exceeding one hundred and fifty thousand acres: Provided further, That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, with interest, prior to construction of the works of improvement, for credit to such construction funds."

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

SEC. 104. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: Provided, That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: Provided further, That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: And provided further, That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

SEC. 105. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: Provided, That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: Provided further, That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works."

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed \$250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of \$250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 106. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "Provided further, That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade."

(2) Section 402 is amended—

(a) by inserting “, including financial institutions acting in behalf of such nations,” after the words “friendly nations”; and

(b) by adding at the end thereof the following: “In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the Secretary determines necessary to provide reasonable and adequate assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement.”

(3) Section 403 is amended—

(a) by deleting the words “approximately equal” from the last sentence thereof and substituting therefor the word “reasonable”; and

(b) by inserting after the word “agreement” in the last sentence thereof the following: “, except that the date for beginning such annual payment may be deferred for a period not later than two years after such date of last delivery,”.

(4) Section 405 is amended to read as follows:

“SEC. 405. In the case of such agreements, the Secretary may enter into agreements with other friendly and historic supplying nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.

(5) Section 406 is amended by inserting after the word “sections” the following: “101 (b) and (c),”.

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words “needy persons” the words “and in nonprofit school lunch programs”.

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words “needy persons” the words “and in nonprofit school lunch programs”.

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85-931), is amended by inserting after the words “needy persons” the words “and in nonprofit school lunch programs”.

SEC. 205. In any school feeding programs undertaken hereafter outside the United States pursuant to section 416 of the Agricultural Act of 1949, as amended, section 308 of Public Law 480 (83d Congress), as amended, and section 9 of the Act of September 6, 1958, as amended, the Secretary shall receive assurances satisfactory to him that, insofar as practicable, there will be student participation in the financing of such programs on the basis of ability to pay, and such programs shall be undertaken with the understanding that commodities will be available for those programs only in accordance with the provisions of such statutes and that commodities made available under section 416 of the Agricultural Act of 1949, as amended, will be available only in accordance with the priorities established in such section.

TITLE III—COMMODITY PROGRAMS

SUBTITLE A—FEED GRAINS

SEC. 301. Section 105(c) of the Agricultural Act of 1949, as amended, is amended by adding the following new paragraphs (5) and (6):

“(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Eighteen cents per bushel of the support price for corn, and a comparable portion of the support price for grain sorghums and barley shall be made available to producers through payments in kind. Such payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage of such feed grain planted on the farm for harvest in 1963 by the adjusted average yield per acre for the 1959 and 1960 crop acreage of such feed grain. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for corn, grain sorghums, and barley (such feed grains to be valued by the Secretary at not less than the support price minus that part of the support price made available through payments in kind) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within 30 days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning 30 days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley, price support shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide.

“(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley to the extent prescribed by the Secretary: Provided, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the special agricultural conservation program for 1963 if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960.”

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

“(g) Notwithstanding any other provision of law—

“(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and barley to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount: Provided, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley in the crop years 1959 and 1960 or up to twenty-five acres, whichever is greater. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley, in the crop years 1959 and 1960. Payments may be made at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 105(c)(6) of the Agricultural Act of 1949, as amended. To the ex-

tent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection (g)(1), barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(c)(6) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (valued at not less than the support price minus that part of the support price made available through payments in kind) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 304. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

SEC. 305. The Agricultural Act of 1949, as amended, is amended by striking out subsection (a) of section 105 and inserting in lieu thereof the following:

"(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn."

SUBTITLE B—WHEAT

PROGRAM FOR 1963

SEC. 306. Price support for the 1963 crop of wheat shall be made available as provided in section 101 of the Agricultural Act of 1949, as amended, except that (1) price support shall be made available only to cooperators, and only in the commercial wheat-producing area, (2) if the operator of the farm elects to participate in the program formulated under section 307—

(A) price support shall be made available to the producers on such farm only if such producers divert from the production of wheat in accordance with the provisions of such program and acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide, and

(B) the level of price support for wheat of the 1963 crop to such participating producers shall be at a national average of two dollars per bushel and the amount by which such level of two dollars per bushel exceeds the national average level available to cooperators who are not participating producers shall be made available as hereinafter provided, and

(3) the national average level of price support for wheat of the 1963 crop to cooperators who are not participating producers shall be one dollar and eighty-two cents per bushel. The amount by which the level of two dollars per bushel exceeds the level of price support available to cooperators who are not participating producers shall be made available through payments in kind, on the number of bushels of wheat determined by multiplying the actual acreage of wheat planted on the farm for harvest in 1963 by the normal yield of wheat for the farm. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for wheat (such wheat to be valued by the Secretary at not less than the current support price for wheat to cooperators who are not participants in the program formulated under section 307) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within 30 days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning 30 days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom. For purposes of section 407 of the Agricultural Act of 1949, the "current support price" for wheat during the marketing year for the 1963 crop shall be the support price for such crop to cooperators who are not participants in the program formulated under section 307.

SEC. 307. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the crop, in the commercial wheat-producing area shall be eligible for payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

(1) Such producers shall divert from the production of wheat an acreage on the farm equal to 20 per centum of the higher of (i) the

average acreage of the crops of wheat planted for harvest in the calendar years 1959, 1960, and 1961, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered, but not to exceed 15 acres, or (ii) the farm acreage allotment for the 1963 crop of wheat. Such producers may divert additional acreage on the farm not in excess of the larger of one and one-half times the amount diverted under the preceding sentence or such acreage as will bring the total acreage diverted to 10 acres: Provided, That the total acreage diverted shall not exceed the larger of (i) or (ii) of the preceding sentence.

(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents: Provided, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the provisions of subsection (b)(4) of this section.

(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer-fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses, including summer-fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer-fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and re-portionment or preservation of history.

(4) The actual acreage planted to wheat for harvest on the farm in 1963 shall be reduced by the total amount of acres diverted under this section below whichever of the following acreages is the larger—

(A) the farm acreage allotment for the 1963 crop of wheat;

(B) the average acreage of the crops of wheat planted for harvest in the calendar years 1959, 1960, and 1961 with adjustments as provided above, not not to exceed 15 acres.

(b) (1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be eligible for payments which shall be made by Commodity Credit Corporation in cash or wheat not in excess of 50 per centum of the value, at the estimated basic county support rate (available to cooperators who are not participants in the program formulated pursuant to this section) per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to special crops pursuant to the proviso in subsection (a)(2) of this section, payment for

which shall be computed in accordance with subsection (b)(4) of this section.

(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at not less than the current support price for wheat to cooperators who are not participants in the program formulated pursuant to this section. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

(4) Payment with respect to diverted acreage devoted to special crops pursuant to the proviso of subsection (a)(2) of this section shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: Provided, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

(c) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

(d) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

(e) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

(f) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(g) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted hereunder, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

(h) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

(i) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is

authorized to be appropriated such amounts as may be necessary to pay administrative expenses necessary in carrying out this section after June 30, 1963.

SEC. 308. (a) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing the period to a comma at the end of the next to the last sentence and adding the following: "or section 307 of the Food and Agriculture Act of 1962."

(b) The special wheat program formulated under section 307 of this Act shall not be applicable to any farm receiving an additional allotment under section 334(i) of the Agricultural Adjustment Act of 1938, as amended.

SEC. 309. Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), as amended, is amended by changing the period at the end thereof to a colon, and adding the following: "Provided, further, that a farm marketing quota on the 1963 crop of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 15 acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961."

PROGRAM FOR 1964 AND SUBSEQUENT CROPS

SUBTITLE B—WHEAT

SEC. 310. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

"Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

"The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce."

SEC. 311. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the provisions of such section and by inserting in lieu thereof the following:

"NATIONAL MARKETING QUOTA

"SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: Provided, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: And provided further, That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

"(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to

determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage."

SEC. 312. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"NATIONAL ACREAGE ALLOTMENT

"SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year."

SEC. 313. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By amending subsection (e) thereof by striking out in the first sentence thereof "any of the 1962, 1963, and 1964 crops" and inserting in lieu thereof "the 1962 and 1963 crops".

(2) By repealing subsection (g) thereof and by redesignating subsections (h) and (i) thereof as (g) and (h) respectively.

(3) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection."

(4) By adding at the end thereof the following new subsection:

"(i) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any type of wheat are inadequate to provide for the production of a sufficient quantity of such type of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such type of wheat, and (2) has produced such type of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such type of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State,

and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support."

SEC. 314. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding immediately after section 334 thereof the following:

"COMMERCIAL AREA

"SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation."

SEC. 315. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"SMALL FARM EXEMPTION

"SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crop of wheat planted for harvest in the three years 1959, 1960, and 1961, or such later three-year period, excluding 1963, determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined as provided above on the basis of the three-year period 1959-1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage

or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments."

SEC. 316. Section 336 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"REFERENDUM

"SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period."

SEC. 317. Section 337 of the Agricultural Adjustment Act of 1938, as amended, is hereby repealed.

SEC. 318. The Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding after section 338 a new section as follows:

"LAND USE

"SEC. 339. (a)(1) During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (1) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage; or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multi-

plying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1964 and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: Provided, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer

shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: Provided, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: And provided further, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat if the farm is exempt from the farm marketing quota for such crop under section 335. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

“(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under subsection (b) of this section.

“(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

“(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: Provided, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

“(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, including provision for the control of erosion, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

“(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

“(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.”

SEC. 319. Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, is hereby amended as follows:

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

“(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of

such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year."

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

"(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess."

(3) By inserting in paragraph (3) "twice" before "the normal production" in the first and second sentences thereof, and by inserting in the second sentence thereof "twice the" between "of" and "normal" in the phrase "upon the basis of normal production", by striking out "corn and" from the first sentence thereof, and by striking out "corn or" from the last sentence thereof.

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

"(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

(5) By striking out "corn or" from paragraph (5).

(6) By striking out "corn or" from paragraph (6).

(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

(8) By striking out "corn or" and "as the case may be," from paragraph (8), redesignated by this section as paragraph (7), and

adding at the end of such paragraph the following sentence: "If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty."

(9) By repealing paragraph (12), and by adding the following new paragraphs to follow paragraph (11), redesignated by this section as paragraph (10):

"(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him."

SEC. 320. Section 301(b)(13) of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by striking out paragraph (A);

(2) by inserting in paragraphs (D) and (E) after the words "in the case of rice" the words "and wheat", by inserting in said paragraphs after the words "per acre of rice" the following: "or wheat, as the case may be," and by inserting in said paragraph after "determined" the following: "in the case of rice, or during the five years immediately preceding the year in which such normal yield is determined in the case of wheat";

(3) by striking from paragraph (G) the following: (A) "wheat," in each of the two places it first occurs therein; (B) "and, in the case of wheat, but not in the case of corn, cotton, or peanuts, for trends in yields"; (C) "ten calendar years in the case of wheat, and"; and (D) "in the case of corn, cotton, or peanuts,".

SEC. 321. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by deleting "corn, wheat," in the first sentence thereof.

(2) The first sentence of subsection (b) is amended by striking out "any national acreage allotment for corn or", "wheat," and "in order to effect the declared policy of this Act or".

SEC. 322. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "parity payment," the following: "payment under section 339,".

SEC. 323. The amendments to the Agricultural Adjustment Act of 1938, as amended, and to Public Law 74, Seventy-seventh Congress, as amended, made by sections 310 through 322 of this Act shall be in effect only with respect to programs applicable to the crops planted for harvest in the calendar year 1964 or any subsequent year and the marketing years beginning in the calendar year 1964, or any subsequent year.

WHEAT MARKETING ALLOCATION PROGRAM

SEC. 324. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

*“SUBTITLE D—WHEAT MARKETING ALLOCATION**“LEGISLATIVE FINDINGS*

“SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

“WHEAT MARKETING ALLOCATION

“SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1964 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which in determining the national marketing quota for such marketing year he estimated would be used during such year for human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat, and that portion of the amount of wheat which in determining such quota he estimated would be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing

allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.

"MARKETING CERTIFICATES

"SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the normal yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

"(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335.

"(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

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

"MARKETING RESTRICTIONS

"SEC. 379d. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the marketing certificates. Marketing certificates shall be transferable only in accord-

ance with regulations prescribed by the Secretary. Any unused certificates legally held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation if tendered to the Corporation for purchase in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions hereof, the Secretary may require marketing certificates issued for any marketing year to be acquired to cover sales or exportations made on or after the date during the calendar year in which wheat harvested in such calendar year begins to be marketed as determined by the Secretary even though such wheat is marketed prior to the beginning of the marketing year, and marketing certificates for such marketing year shall be valid to cover sales or exportations made on or after the date so determined by the Secretary.

"(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market or export a commodity may be permitted to market any such commodity without having first acquired marketing certificates.

"(d) As used in this subtitle, the term 'food products' means any product composed wholly or partly of wheat to be used for human consumption, including beverage.

"ASSISTANCE IN PURCHASE AND SALE OF MARKETING CERTIFICATES

"SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

"CONVERSION FACTORS

"SEC. 379f. *The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.*

"AUTHORITY TO FACILITATE TRANSITION

"SEC. 379g. *The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.*

"REPORTS AND RECORDS

"SEC. 379h. *This section shall apply to processors of wheat, warehousemen and exporters of wheat and food products, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.*

"PENALTIES

"SEC. 379i. (a) *Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.*

"(b) *Any person, except a producer in his capacity as a producer, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$5,000 for each violation.*

"(c) *Any person who, in his capacity as a producer, knowingly violates or attempts to violate or participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition,*

disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

"(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than \$10,000 or imprisonment of not more than ten years, or both.

"REGULATIONS

"SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates."

SEC. 325. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By inserting after section 106 the following new section:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop—

"(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b),

"(2) if marketing quotas are in effect for wheat price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

"(3) price support shall be made available only to cooperators; and if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area,

"(4) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101, and

"(5) if marketing quotas are in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which

he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335."

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: "Provided, That if a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by marketing certificate and wheat sold shall be accompanied by a marketing certificate."

SEC. 326. Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of subsections (c), (d), and (g) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, or of section 307 of the Food and Agriculture Act of 1962, section 339 of the Agricultural Act of 1938, as amended, or of section 124 of the Agricultural Act of 1961, and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

SEC. 327. In the establishment of State, county, and farm acreage allotments for wheat under the Agricultural Adjustment Act of 1938, as amended, the acreage which is determined under regulations of the Secretary to have been diverted from the production of wheat under the special programs formulated pursuant to section 307 of this Act, section 339 of the Agricultural Adjustment Act of 1938, as amended, and section 124 of the Agricultural Act of 1961, shall be credited to the State, county, and farm as though such acreage had actually been devoted to the production of wheat.

SEC. 328. Effective with the 1964 crop, during any year in which an acreage diversion program is in effect for feed grains, the Secretary shall, notwithstanding any other provision of law, permit producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat and producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program for feed grains or wheat.

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) *By inserting in section 303 after "use and conservation" a comma and the following "including recreational uses and facilities";*

(2) *By inserting in section 306(a) after "soil conservation practices," the following: "shifts in land use including the development of recreational facilities,";*

(3) *By striking out in section 309 (f) (1) the figure "\$10,000,000" and inserting in lieu thereof the figure "\$25,000,000";*

(4) *By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities"; and*

(5) *By adding at the end thereof a new section as follows:*

"SEC. 343. As used in this title (1) the term 'farmers' shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term 'farming' shall be deemed to include fish farming."

SEC. 402. Congress hereby reconfirms its long-standing policy of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directs the Secretary of Agriculture and the Commodity Credit Corporation to the maximum extent practicable to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation, to encourage orderly marketing of farm commodities through private competitive trade channels, both cooperative and noncooperative, and to obtain maximum returns in the marketplace for producers and for the Commodity Credit Corporation.

SEC. 403. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows: Section 8c(6) is amended by striking the period at the end of (I) thereof and inserting in lieu thereof the following: "": Provided, That with respect to orders applicable to cherries such projects may provide for any form of marketing promotion including paid advertising."

SEC. 404. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new sentence as follows: "Notwithstanding the foregoing, whenever prior to December 31, 1963, the Secretary determines it necessary in order to assure the Nation an adequate supply of milk free of contamination by radioactive fallout, he may make feed owned or controlled by the Commodity Credit Corporation available to producers of milk in any area or areas of the United States at such prices and on such terms and conditions as he deems appropriate in the public interest."

SEC. 405. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

And the Senate agrees to the same.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
J. FLOYD BREEDING,

Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses to the amendment of the Senate to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommends in the accompanying conference report.

The amendment of the Senate struck out all after the enacting clause of the House bill and substituted language which generally followed the subject matter of the House bill but was different in numerous substantial respects. The following summary indicates the major differences between the House and Senate versions of the bill and the action taken by the conferees:

TITLE I—LAND USE ADJUSTMENT

1. *Long-term diversion contracts.*

(a) *House* limited contracts to 10 years.

Senate limited contracts to 15 years.

Conference agreed to 10 years. Also agreed to House language with respect to change in cropping systems and land use.

(b) *House* did not provide for diversion to recreation and non-agricultural purposes.

Senate provided for such diversion.

Conference agreed to Senate language without nonagricultural purposes.

(c) *House* limited tree cover payments to 5 years.

Senate did not include such limit.

Conference agreed to House provision.

(d) *House* prohibited agreements on land acquired within 2 years, subject to certain exceptions.

Senate did not contain such prohibition.

Conference agreed to House language.

(e) *House* did not contain acreage history preservation provision.

Senate authorized Secretary to provide for preservation or surrender of history.

Conference agreed to Senate language.

(f) *House* did not limit payments.

Senate limited payments to \$10 million per year.

Conference agreed to \$25 million with \$10 million earmarked for new contracts, plus amendment permitting use of CCC funds in fiscal 1963.

The Department of Agriculture is requested by the committee of conference to make a study and report early next year on problems connected with expiring conservation reserve contracts.

2. *House* did not contain provision for use of CCC in making ACP and long-term contract payments.

Senate contained such provision.

Conference agreed to *Senate* language.

3. *Bankhead-Jones Act amendments*.

(a) *House* excluded building of industrial parks or private industrial commercial enterprises from the purposes of the Bankhead-Jones Act and struck out a specific reference to the retirement of submarginal lands.

Senate struck protection of health, safety, and welfare from purposes, inserted a specific reference to the more economic use of lands, and to providing public recreation.

Conference agreed to *House* provision.

(b) *House* did not repeal authority to acquire submarginal lands (including by condemnation).

Senate repealed such authority.

Conference agreed to *Senate* language.

(c) *House* provided for any type of assistance to any type of agency, public or private, in developing and carrying out land utilization plans.

Senate provided for cooperation with Government agencies in developing plans, limited assistance in carrying out plans to loans to State or local public agencies, subject to a number of conditions.

Conference agreed to *Senate* language.

4. *Watershed Act*.

(a) *House* did not contain provision for recreation.

Senate permitted Secretary to (i) pay up to one-half of costs of lands and related facilities for public recreation areas, including fish and wildlife; (ii) pay an equitable share of installation costs for recreational phases; (iii) advance funds for immediate land acquisition to prevent encroachment. *Senate* also changed installation cost-sharing formula from a direct identifiable benefit basis to one which considers national needs and assistance authorized for similar purposes under other Federal programs.

Conference agreed to *Senate* provision with a *House* amendment limiting recreation areas to not more than one for each 75,000 acres of watershed.

(b) *House* increased maximum flood prevention capacity to 12,500 acre-feet.

Senate did not have a similar provision.

Conference agreed to strike *House* language.

(c) *House* permitted deferred payment for municipal and industrial water capacity to meet anticipated needs.

Senate did not have similar provision.

Conference agreed to *House* language.

(d) *House* clarifies language of section 5 of Watershed Act without substantial change.

Senate did not have similar provision.

Conference agreed to *House* language.

(e) *House* made all amendments, past or future, to section 4 of the Watershed Act (conditions of assistance) applicable to additional

works of improvement prosecuted in connection with the 11 watershed programs authorized by the Flood Control Act of 1944.

Senate did not have similar provision.

Conference agreed to House language.

TITLE II—PUBLIC LAW 480

5. *House* did not limit title IV private trade agreements to commodities to be consumed in underdeveloped countries.

Senate so limited.

Conference agreed to House language.

The conferees reaffirmed that sales under title IV are to be carried out in conformity with the provisions of section 404 of the act and the intent of that section as it was set forth in the report of the committee at the time of its adoption, so as to maximize dollar sales and not replace sales which would otherwise be made for cash.

6. *House* did not contain provision for security for performance of private trade agreements.

Senate contained such provision.

Conference agreed to strengthen *Senate* language.

Reasonable security under this section from foreign buyers would include a guarantee of qualified foreign banking institutions, as determined by the Secretary of Agriculture. The authority under the amendments to this section of the act is vested exclusively in the Secretary of Agriculture, the same as it is under sections 403, 404, and 405 of the act.

7. *House* left authority in Secretary to permit participation by other supplying countries.

Senate transferred this authority to President.

Conference agreed to House language, modified.

This section does not apply to agreements with private trade but only to government-to-government type of sales and supply agreements. With respect to the latter, this section makes it clear that the Secretary could only permit participation by "friendly and historic supplying nations" instead of "exporting nations" which might be neither friendly nor have any historic record of supply.

Section 201(5). Except for a matter of punctuation, the House and Senate provisions are identical. This section amends section 406 of the act and makes certain provisions of title I applicable to title IV. Section 406, as amended, gives emphasis to market development and to the use of private trade channels and makes provision for CCC reimbursement for title IV activities in the same manner as for title I activities.

8. *House* provided for expanded donations to school lunch programs abroad, to include such donations to programs having student financing on basis of ability to pay.

Senate did not contain similar provisions.

Conference agreed to House language with substitute for section 205 making donations under section 416 of the Agriculture Act of 1949 subject to priorities under that section.

TITLE III—COMMODITY PROGRAMS

9. *1963 feed grain program.*

The conference agreed to the *House* bill with respect to the 1963 feed grain program with the following changes:

(1) The Secretary would be given discretion with respect to the use of the malting barley exemption;

(2) It is made clear that a malting barley producer would not be exempt from the obligation to reduce his corn and sorghum acreage in order to qualify for corn and sorghum price support;

(3) A single payment rate of up to 50 percent of the value of normal production would be substituted for the payment rates of 45 and 50 percent provided by the *House* bill;

(4) Price supports on 1963 feed grains to cooperators will be substantially the same as in 1962—based on a national average of \$1.20 per bushel for corn. However, the support program will be carried out partially by payments in kind and partially by the usual loans and purchase agreements. Price support payments in kind at 18 cents per bushel on corn, and at comparable rates on grain sorghums and barley, would be made on the normal production of the 1963 acreage. The balance of the support price would be made available in the usual manner on actual production. All payment in kind certificates would be redeemed in feed grains valued at the loan rate. Payment in kind certificates would be handled in the same manner as under the 1961 and 1962 feed grain programs, except that the minimum resale price of feed grains represented by such certificates could not be less than the loan rate. Cooperating farmers receiving such certificates have three choices: (A) to exchange them for actual grain from CCC stocks; (B) to sell the certificates; (C) to request CCC to market the certificates for them, in which event the CCC would advance the producer the face value of the certificates.

(5) Limits crops which may be grown on diverted acres to those named in the bill.

(6) Producers would be required to take appropriate erosion control measures.

(7) Participating producers would lose price support if they fail to divert acreage in accordance with their agreement.

10. *Feed grain, price support and CCC resale restrictions for 1964 and subsequent crops.*

(a) *House* provided that for 1964 and subsequent crops the support level for corn would be 80 percent of the 3-year average price (instead of 90 percent of such average price or 65 percent of parity, whichever is higher, as provided by existing law). CCC minimum resale price for unrestricted use would be 105 percent of current support, plus reasonable carrying charges as under existing law.

Senate provided support for corn at such level not above 90 percent of parity as would not increase CCC stocks. Support for other feed grains would be 0 to 90 percent, after considering feed value in relation to corn and other factors. Secretary would submit proposal for feed grain legislation to next Congress. Minimum CCC resale price would be 65 percent of parity, plus reasonable carrying charges.

Conference agreed to—

(1) Price support for corn at such level between 50 and 90 percent of parity as will not result in increasing Commodity Credit Corporation stocks;

(2) Strike the provision of the Senate amendment with respect to Commodity Credit Corporation resale price so that the minimum resale price will continue at 105 percent of the current support level plus carrying charges;

(3) Strike that part of the Senate amendment which would repeal section 105(b) of the 1949 act, so that price support for the other feed grains would continue to be determined pursuant to section 105(b).

SUBTITLE B—WHEAT

WHEAT PROGRAM FOR 1963

11. *Conference* agreed to provisions generally along the lines of the House bill with respect to a 1963 wheat diversion program with the following changes:

(1) The mandatory 10-percent reduction would be eliminated and the provisions with respect to the 15-acre farms would be simplified to provide for diversion below an average 3-year acreage. As in 1962, the 15-acre exemption would be modified to the highest acreage planted in 1959, 1960, or 1961.

(2) Producers would be given the opportunity to divert not less than 20 percent and not more than 50 percent of their allotments with payments at 50 percent of their normal production on the diverted acreage based on the support price of \$1.82. In addition, producers who do make this voluntary reduction would be entitled to price support at \$2 per bushel. Such price support shall be carried out partially in the form of a payment in kind of 18 cents per bushel on the normal production of their 1963 wheat acreage, and the balance in the usual manner through loans and purchase agreements at the national average of \$1.82 on their actual production.

All payment-in-kind certificates would be redeemed in wheat valued at not less than the support price to cooperators not participating in the diversion program. Cooperating producers would have three choices: (1) to exchange the certificate for wheat from CCC stocks, (2) to sell the certificate, or (3) to request CCC to market the certificates for them. In the latter case, CCC would assist producers in marketing their certificates, and the Department has indicated CCC would advance producers the full face value of the certificate. The support level for cooperators not participating in the diversion program would be frozen at \$1.82.

(3) Producers who agreed to divert a specified acreage would lose price support for 1963 if they failed to carry out their agreements.

(4) Increases in the marketing penalty and voting eligibility changes would be omitted, since the referendum has already been held.

(5) Crops which could be planted on diverted acres would be limited to those named in the bill.

(6) Producers would be required to take appropriate erosion control measures.

WHEAT PROGRAM FOR 1964 AND SUBSEQUENT CROPS

12. *Senate* revised the wheat marketing quota program to provide for more effective controls and for an acreage diversion program with payments for the first 3 years of diversion. Provides for a marketing certificate plan under which noncertificated wheat would be supported at a level determined after consideration of its feed value and world price, and certificated wheat would be supported at between 65 and 90 percent of parity. Certificates would be issued to producers for all wheat consumed domestically for food and such part of the exports as would carry out the price and income objectives of the bill. If marketing quotas were disapproved by producers, the support level would be 50 percent of parity.

Conference agreed to the Senate provisions with respect to wheat with the following changes:

(1) They will be made effective beginning with the 1964 crop (the diversion payment program being authorized for 1964 and 1965).

(2) Substitution of wheat and feed grain acreage would be permitted if a feed grain acreage reduction program is in effect, to such extent and under such conditions as the Secretary determines would not adversely affect the overall operations of the wheat and feed grain programs.

(3) The small farm base acreage would be computed on a 3-year adjusted average acreage excluding 1963 instead of the highest 3 years out of 5.

(4) The crops to which diverted acreage may be devoted under the diversion payment program would be the same as in the 1963 wheat program.

(5) Wheat acreage diverted under the 1962, 1963, 1964, and 1965 diversion programs would be counted as history for allotment purposes.

(6) The Secretary would be given authority to provide equitable treatment for producers acting in reliance on erroneous advice from the Department under past, present, and future wheat and feed grain diversion programs.

The bill, as agreed to by the conferees, contemplates that the Department, in operating the wheat marketing certificate program, will give full recognition to the potential impact of this program on the orderly marketing of wheat. In particular, the conferees are concerned with the problems of transition from the present program to the wheat certificate program. It is recognized that new crop wheat will be harvested and moved into the marketing channels prior to the beginning of the marketing year. It is also recognized that stocks of wheat will be held in an inventory position, particularly by millers, as of the beginning of the marketing year. The conferees expect that the Commodity Credit Corporation will take such steps as are necessary to assure that the benefits of the certificate program are extended to producers of wheat who harvest wheat prior to the beginning of the marketing year. The conferees also expect that recognition will be given to stocks of wheat in inventory on the effective date of the program. The mechanics for handling this phase of the program are the responsibility of the Department of Agriculture. The bill contains adequate authority to handle this problem. The Secretary of Agriculture should, however, proceed

with extreme caution in this matter. The principal concern of the conferees is that neither windfall profits nor losses should be incurred by holders of wheat on the effective date of the new program, because of inadequate mechanics for handling this problem.

The conferees also believe that the certificates should trade at face value or a preannounced value and that opportunities for speculation in certificates should be eliminated. This can best be accomplished by announcing in advance that CCC will be a free buyer and seller of certificates. This announcement should not preclude the handling of certificates in trade channels but it would eliminate the opportunity to hold certificates for financial gain. It would further eliminate the possibility of the disruption of orderly marketing because of an artificial shortage of certificates.

The conferees, by referring to specific problems, are not inferring that these are the only problems involved in the transition to the wheat certificate program or the only possibilities of interference with the orderly marketing processes. They are cited as a caution to the Secretary of Agriculture to use care in developing and administering this program. Conferences with committees of Congress, farm organizations, and the grain trade are essential to the proper development of the mechanics for handling the wheat certificate program.

The conferees also believe that it is important that the necessary mechanics of operation be worked out and announced well in advance of the effective date of the program. Only in this manner can all producers and grain handlers have an opportunity to adjust their operations to the certificate program.

SUBTITLE C—DAIRY

13. *House* provided for a voluntary 9-month program (October 1, 1962–June 30, 1963) under which producers would be paid up to \$2.50 per hundredweight for reducing their marketings below calendar 1961 levels. *House* also required price support or surplus removal loans on, or purchases of, products to be conditioned on certification that the support price was paid to producers of the milk or butterfat.

Senate contained no dairy provisions.

Conference struck *House* provision.

TITLE IV—GENERAL

14. *House* limited FHA real estate loans for recreational uses to citizens with farm background or experience who are or will become owner-operators of not larger than family-size farms.

Senate did not so limit.

Conference agreed to *House* provision with a technical change.

15. *Conference* substitute omits the following provisions of the *Senate* amendment (which were not contained in *House* bill):

- (a) Authority for sewer loans;
- (b) Provision for REA direct loan account;
- (c) Provision concerning use of farmer cooperatives.

16. *Conference* substitute contains the following provisions of the Senate amendment (which were not contained in House bill):

- (a) Authority for loans to fish farmers;
- (b) Congressional policy favoring use of customary trade channels;

The directive to the Secretary and Commodity Credit Corporation in section 402 to adopt certain policies and procedures is by its terms to be carried out "to the maximum extent practicable." In determining whether and the extent to which the adoption of such policies and procedures is practicable, it is intended that the Secretary and Commodity Credit Corporation have wide latitude for the exercise of discretion. In exercising such discretion, it is of course contemplated that there will be taken into consideration, among other factors, whether the policy or procedure would be consistent with the fulfillment of the Corporation's purposes and with the efficient and effective conduct of its operations. Section 402 is not intended in any way to override other statutory provisions which apply to the Secretary and Commodity Credit Corporation in carrying out their activities and responsibilities.

- (c) Cherry marketing order provisions for advertising;
- (d) Authority to make CCC feed available, prior to December 31, 1963, to milk producers to assure supply free of radioactive fallout contamination.

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

Conference substitute does not contain Senate provision (not in House bill) establishing an Agricultural Research and Industrial Use Administration within the Department of Agriculture to coordinate and expedite an expanded research program on industrial uses of agricultural commodities.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
J. FLOYD BREEDING,

Managers on the Part of the House.

