

**Calendar No. 338**

104<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

**H. R. 2854**

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**AN ACT**

To modify the operation of certain agricultural programs.

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FEBRUARY 29 (legislative day, FEBRUARY 28), 1996

Received; read twice and placed on the calendar

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IN THE SENATE OF THE UNITED STATES

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**AN ACT**

To modify the operation of certain agricultural programs.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the  
3 “Agricultural Market Transition Act”.

4 (b) **TABLE OF CONTENTS.**—The table of contents of  
5 this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—AGRICULTURAL MARKET TRANSITION PROGRAM**

Sec. 101. Purpose.

Sec. 102. Definitions.

Sec. 103. Production flexibility contracts.

Sec. 104. Nonrecourse marketing assistance loans and loan deficiency  
payments.

Sec. 105. Payment limitations.

Sec. 106. Peanut program.

Sec. 107. Sugar program.

Sec. 108. Administration.

Sec. 109. Elimination of permanent price support authority.

Sec. 110. Effect of amendments.

**TITLE II—DAIRY**

Sec. 201. Milk price support program.

Sec. 202. Consolidation and reform of federal milk marketing orders.

Sec. 203. Dairy export incentive program.

Sec. 204. Effect on fluid milk standards in the State of California.

Sec. 205. Repeal of milk manufacturing marketing adjustment.

Sec. 206. Promotion.

**TITLE III—CONSERVATION**

Sec. 301. Conservation.

Sec. 302. Wetlands reserve program.

Sec. 303. Elimination of consultation requirements with Secretary of the Interior.

Sec. 304. Environmental conservation acreage reserve program.

Sec. 305. Conservation reserve program.

**TITLE IV—AGRICULTURAL PROMOTION AND EXPORT  
PROGRAMS**

**Subtitle A—Agricultural Promotion and Export Enhancement  
Programs**

Sec. 401. Market promotion program.

Sec. 402. Export enhancement program.

**Subtitle B—Amendments to Agricultural Trade Development  
and Assistance Act of 1954 and Related Statutes**

Sec. 411. Food aid to developing countries.

Sec. 412. Trade and development assistance.

- Sec. 413. Agreements regarding eligible countries and private entities.
- Sec. 414. Terms and conditions of sales.
- Sec. 415. Use of local currency payment.
- Sec. 416. Eligible organizations.
- Sec. 417. Generation and use of foreign currencies.
- Sec. 418. General levels of assistance under Public Law 480.
- Sec. 419. Food aid consultative group.
- Sec. 420. Support of nongovernmental organizations.
- Sec. 421. Commodity determinations.
- Sec. 422. General provisions.
- Sec. 423. Agreements.
- Sec. 424. Administrative provisions.
- Sec. 425. Expiration date.
- Sec. 426. Regulations.
- Sec. 427. Independent evaluation of programs.
- Sec. 428. Authorization of appropriations.
- Sec. 429. Coordination of foreign assistance programs.
- Sec. 430. Use of certain local currency.
- Sec. 431. Level of assistance to farmer to farmer program.
- Sec. 432. Food security commodity reserve.
- Sec. 433. Food for progress program.

#### **Subtitle C—Amendments to Agricultural Trade Act of 1978**

- Sec. 451. Agricultural export promotion strategy.
- Sec. 452. Export credits.
- Sec. 453. Export program and food assistance transfer authority.
- Sec. 454. Arrival certification.
- Sec. 455. Regulations.
- Sec. 456. Foreign agricultural service.
- Sec. 457. Reports.

#### **Subtitle D—Miscellaneous**

- Sec. 471. Reporting requirements relating to tobacco.
- Sec. 472. Triggered export enhancement.
- Sec. 473. Disposition of commodities to prevent waste.
- Sec. 474. Debt-for-health-and-protection swap.
- Sec. 475. Policy on expansion of international markets.
- Sec. 476. Policy on maintenance and development of export markets.
- Sec. 477. Policy on trade liberalization.
- Sec. 478. Agricultural trade negotiations.
- Sec. 479. Policy on unfair trade practices.
- Sec. 480. Agricultural aid and trade missions.
- Sec. 481. Annual reports by agricultural attaches.
- Sec. 482. World livestock market price information.
- Sec. 483. Orderly liquidation of stocks.
- Sec. 484. Sales of extra long staple cotton.
- Sec. 485. Regulations.
- Sec. 486. Emerging markets.
- Sec. 487. Implementation of commitments under Uruguay Round Agreements.
- Sec. 488. Sense of Congress concerning multilateral disciplines on credit guarantees.
- Sec. 489. Foreign market development cooperator program.

#### **Subtitle E—Dairy Exports**

- Sec. 491. Dairy export incentive program.
- Sec. 492. Authority to assist in establishment and maintenance of export trading company.
- Sec. 493. Standby authority to indicate entity best suited to provide international market development and export services.
- Sec. 494. Study and report regarding potential impact of Uruguay Round on prices, income and government purchases.
- Sec. 495. Promotion of United States dairy products in international markets through dairy promotion program.

#### **TITLE V—MISCELLANEOUS**

- Sec. 501. Crop insurance.
- Sec. 502. Collection and use of agricultural quarantine and inspection fees.
- Sec. 503. Commodity Credit Corporation interest rate.
- Sec. 504. Establishment of Office of Risk Management.
- Sec. 505. Business Interruption Insurance Program.
- Sec. 506. Continuation of options pilot program.
- Sec. 507. Everglades agricultural area.
- Sec. 508. Sense of Congress regarding purchase of American-made equipment and products; requirement regarding notice.

#### **TITLE VI—COMMISSION ON 21ST CENTURY PRODUCTION AGRICULTURE**

- Sec. 601. Establishment.
- Sec. 602. Composition.
- Sec. 603. Comprehensive review of past and future of production agriculture.
- Sec. 604. Reports.
- Sec. 605. Powers.
- Sec. 606. Commission procedures.
- Sec. 607. Personnel matters.
- Sec. 608. Termination of Commission.

#### **TITLE VII—EXTENSION OF CERTAIN AUTHORITIES**

- Sec. 701. Extension of authority under Public Law 480.
- Sec. 702. Extension of food for progress program.

## **1            TITLE I—AGRICULTURAL 2 MARKET TRANSITION PROGRAM**

### **3 SEC. 101. PURPOSE.**

4            It is the purpose of this title—

- 5            (1) to authorize the use of binding production
- 6            flexibility contracts between the United States and
- 7            agricultural producers to support farming certainty
- 8            and flexibility while ensuring continued compliance

1 with farm conservation compliance plans and wet-  
2 land protection requirements;

3 (2) to make nonrecourse marketing assistance  
4 loans and loan deficiency available for certain crops;

5 (3) to improve the operation of farm programs  
6 for peanuts and sugar; and

7 (4) to terminate price support authority under  
8 the Agricultural Act of 1949.

9 **SEC. 102. DEFINITIONS.**

10 In this title:

11 (1) **CONSIDERED PLANTED.**—The term “con-  
12 sidered planted” means acreage that is considered  
13 planted under title V of the Agricultural Act of 1949  
14 (7 U.S.C. 1461 et seq.) (as in effect prior to the  
15 amendment made by section 109(b)(2)) and such  
16 other acreage as the Secretary considers fair and eq-  
17 uitable.

18 (2) **CONTRACT.**—The term “contract” means a  
19 production flexibility contract entered into under  
20 section 103.

21 (3) **CONTRACT ACREAGE.**—The term “contract  
22 acreage” means 1 or more crop acreage bases estab-  
23 lished for contract commodities under title V of the  
24 Agricultural Act of 1949 (as in effect prior to the  
25 amendment made by section 109(b)(2)) that would

1 have been in effect for the 1996 crop (but for the  
2 amendment made by section 109(b)(2)).

3 (4) CONTRACT COMMODITY.—The term “con-  
4 tract commodity” means wheat, corn, grain sor-  
5 ghum, barley, oats, upland cotton, and rice.

6 (5) CONTRACT PAYMENT.—The term “contract  
7 payment” means a payment made under section 103  
8 pursuant to a contract.

9 (6) DEPARTMENT.—The term “Department”  
10 means the United States Department of Agriculture.

11 (7) FARM PROGRAM PAYMENT YIELD.—The  
12 term “farm program payment yield” means the farm  
13 program payment yield established for the 1995 crop  
14 of a contract commodity under section 505 of the  
15 Agricultural Act of 1949 (as in effect prior to the  
16 amendment made by section 109(b)(2)) The Sec-  
17 retary shall adjust the farm program payment yield  
18 for the 1995 crop of a contract commodity to ac-  
19 count for any additional yield payments made with  
20 respect to that crop under subsection (b)(2) of the  
21 section.

22 (8) LOAN COMMODITY.—The term “loan com-  
23 modity” means each contract commodity, extra long  
24 staple cotton, and oilseeds.

1           (9) OILSEED.—The term “oilseed” means a  
2           crop of soybeans, sunflower seed, rapeseed, canola,  
3           safflower, flaxseed, mustard seed, or, if designated  
4           by the Secretary, other oilseeds.

5           (10) PRODUCER.—The term “producer” means  
6           an owner, landlord, tenant, or sharecropper who  
7           shares in the risk of producing a crop and who is  
8           entitled to share in the crop available for marketing  
9           from the farm, or would have shared had the crop  
10          been produced. In determining whether a grower of  
11          hybrid seed is a producer, the Secretary shall not  
12          take into consideration the existence of a hybrid seed  
13          contract.

14          (11) SECRETARY.—The term “Secretary”  
15          means the Secretary of Agriculture.

16          (12) STATE.—The term “State” means each of  
17          the several States of the United States, the District  
18          of Columbia, the Commonwealth of Puerto Rico, and  
19          any other territory or possession of the United  
20          States.

21          (13) UNITED STATES.—The term “United  
22          States”, when used in a geographical sense, means  
23          all of the States.

24 **SEC. 103. PRODUCTION FLEXIBILITY CONTRACTS.**

25          (a) CONTRACTS AUTHORIZED.—

1           (1) OFFER AND TERMS.—Beginning as soon as  
2           practicable after the date of the enactment of this  
3           title, the Secretary shall offer to enter into a con-  
4           tract with an eligible owner or operator described in  
5           paragraph (2) on a farm containing eligible farm-  
6           land. Under the terms of a contract, the owner or  
7           operator shall agree, in exchange for annual contract  
8           payments, to—

9                   (A) comply with the conservation plan for  
10                  the farm prepared in accordance with section  
11                  1212 of the Food Security Act of 1985 (16  
12                  U.S.C. 3812);

13                  (B) comply with wetland protection re-  
14                  quirements applicable to the farm under sub-  
15                  title C of title XII of the Act (16 U.S.C. 3821  
16                  et seq.); and

17                  (C) comply with the planting flexibility re-  
18                  quirements of subsection (j); and

19                  (D) to use the land subject to the contract  
20                  for agricultural or related activities, but not for  
21                  nonagricultural commercial or industrial uses.

22           (2) ELIGIBLE OWNERS AND OPERATORS DE-  
23           SCRIBED.—The producers and owners described in  
24           this paragraph shall be eligible to enter into a con-  
25           tract:

1           (A) An owner of eligible farmland who as-  
2           sumes all of the risk of producing a crop.

3           (B) An owner of eligible farmland who  
4           shares in the risk of producing a crop.

5           (C) An operator of eligible farmland with  
6           a share-rent lease of the eligible farmland, re-  
7           gardless of the length of the lease, if the owner  
8           enters into the same contract.

9           (D) An operator of eligible farmland who  
10          cash rents the eligible farmland under a lease  
11          expiring on or after September 30, 2002, in  
12          which case the consent of the owner is not re-  
13          quired.

14          (E) An operator of eligible farmland who  
15          cash rents the eligible farmland under a lease  
16          expiring before September 30, 2002, if the  
17          owner consents to the contract.

18          (F) An owner of eligible farmland who  
19          cash rents the eligible farmland and the lease  
20          term expires before September 30, 2002, but  
21          only if the actual operator of the farm declines  
22          to enter into a contract. In the case of an  
23          owner covered by this subparagraph, contract  
24          payments shall not begin under a contract until  
25          the fiscal year following the fiscal year in which

1 the lease held by the nonparticipating operator  
2 expires.

3 (G) An owner or operator described in any  
4 preceding subparagraph of this paragraph re-  
5 gardless of whether the owner or operator pur-  
6 chased catastrophic risk protection for a fall-  
7 planted 1996 crop under section 508(b) of the  
8 Federal Crop Insurance Act (7 U.S.C.  
9 1508(b)).

10 (3) TENANTS AND SHARECROPPERS.—In carry-  
11 ing out this section, the Secretary shall provide ade-  
12 quate safeguards to protect the interests of tenants  
13 and sharecroppers.

14 (b) ELEMENTS.—

15 (1) TIME FOR CONTRACTING.—

16 (A) DEADLINE.—Except as provided in  
17 subparagraph (B), the Secretary may not enter  
18 into a contract after April 15, 1996.

19 (B) CONSERVATION RESERVE LANDS.—

20 (i) IN GENERAL.—At the beginning of  
21 each fiscal year, the Secretary shall allow  
22 an eligible owner or operator on a farm  
23 covered by a conservation reserve contract  
24 entered into under section 1231 of the  
25 Food Security Act of 1985 (16 U.S.C.

1 3831) that terminates after the date speci-  
2 fied in subparagraph (A) to enter into or  
3 expand a production flexibility contract to  
4 cover the contract acreage of the farm that  
5 was subject to the former conservation re-  
6 serve contract.

7 (ii) AMOUNT.—Contract payments  
8 made for contract acreage under this sub-  
9 paragraph shall be made at the rate and  
10 amount applicable to the annual contract  
11 payment level for the applicable crop.

12 (2) DURATION OF CONTRACT.—

13 (A) BEGINNING DATE.—A contract shall  
14 begin with—

15 (i) the 1996 crop of a contract com-  
16 modity; or

17 (ii) in the case of acreage that was  
18 subject to a conservation reserve contract  
19 described in paragraph (1)(B), the date  
20 the production flexibility contract was en-  
21 tered into or expanded to cover the acre-  
22 age.

23 (B) ENDING DATE.—A contract shall ex-  
24 tend through the 2002 crop.

1           (3) ESTIMATION OF CONTRACT PAYMENTS.—At  
2 the time the Secretary enters into a contract, the  
3 Secretary shall provide an estimate of the minimum  
4 contract payments anticipated to be made during at  
5 least the first fiscal year for which contract pay-  
6 ments will be made.

7           (c) ELIGIBLE FARMLAND DESCRIBED.—Land shall  
8 be considered to be farmland eligible for coverage under  
9 a contract only if the land has contract acreage attrib-  
10 utable to the land and—

11           (1) for at least 1 of the 1991 through 1995  
12 crops, at least a portion of the land was enrolled in  
13 the acreage reduction program authorized for a crop  
14 of a contract commodity under section 101B, 103B,  
15 105B, or 107B of the Agricultural Act of 1949 (as  
16 in effect prior to the amendment made by section  
17 109(b)(2)) or was considered planted;

18           (2) was subject to a conservation reserve con-  
19 tract under section 1231 of the Food Security Act  
20 of 1985 (16 U.S.C. 3831) whose term expired, or  
21 was voluntarily terminated, on or after January 1,  
22 1995; or

23           (3) is released from coverage under a conserva-  
24 tion reserve contract by the Secretary during the pe-

1       riod beginning on January 1, 1995, and ending on  
2       the date specified in subsection (b)(1)(A).

3       (d) TIME FOR PAYMENT.—

4             (1) IN GENERAL.—An annual contract payment  
5       shall be made not later than September 30 of each  
6       of fiscal years 1996 through 2002.

7             (2) ADVANCE PAYMENTS.—

8                 (A) FISCAL YEAR 1996.—At the option of  
9       the owner or operator, 50 percent of the con-  
10       tract payment for fiscal year 1996 shall be  
11       made not later than June 15, 1996.

12                (B) SUBSEQUENT FISCAL YEARS.—At the  
13       option of the owner or operator for fiscal year  
14       1997 and each subsequent fiscal year, 50 per-  
15       cent of the annual contract payment shall be  
16       made on December 15.

17       (e) AMOUNTS AVAILABLE FOR CONTRACT PAYMENTS  
18       FOR EACH FISCAL YEAR.—

19             (1) IN GENERAL.—The Secretary shall, to the  
20       maximum extent practicable, expend on a fiscal year  
21       basis the following amounts to satisfy the obligations  
22       of the Secretary under all contracts:

23                 (A) For fiscal year 1996, \$5,570,000,000.

24                 (B) For fiscal year 1997, \$5,385,000,000.

25                 (C) For fiscal year 1998, \$5,800,000,000.

1 (D) For fiscal year 1999, \$5,603,000,000.

2 (E) For fiscal year 2000, \$5,130,000,000.

3 (F) For fiscal year 2001, \$4,130,000,000.

4 (G) For fiscal year 2002, \$4,008,000,000.

5 (2) ALLOCATION.—The amount made available  
6 for a fiscal year under paragraph (1) shall be allo-  
7 cated as follows:

8 (A) For wheat, 26.26 percent.

9 (B) For corn, 46.22 percent.

10 (C) For grain sorghum, 5.11 percent.

11 (D) For barley, 2.16 percent.

12 (E) For oats, 0.15 percent.

13 (F) For upland cotton, 11.63 percent.

14 (G) For rice, 8.47 percent.

15 (3) ADJUSTMENT.—The Secretary shall adjust  
16 the amounts allocated for each contract commodity  
17 under paragraph (2) for a particular fiscal year by—

18 (A) adding an amount equal to the sum of  
19 all repayments of deficiency payments received  
20 under section 114(a)(2) of the Agricultural Act  
21 of 1949 (as in effect prior to the amendment  
22 made by section 109(b)(2)) for the commodity;

23 (B) to the maximum extent practicable,  
24 adding an amount equal to the sum of all con-  
25 tract payments withheld by the Secretary, at

1 the request of an owner or operator subject to  
2 a contract, as an offset against repayments of  
3 deficiency payments otherwise required under  
4 section 114(a)(2) of the Act (as so in effect) for  
5 the commodity;

6 (C) adding an amount equal to the sum of  
7 all refunds of contract payments received dur-  
8 ing the preceding fiscal year under subsection  
9 (h) of this section for the commodity; and

10 (D) subtracting an amount equal to the  
11 amount, if any, necessary during that fiscal  
12 year to satisfy payment requirements for the  
13 commodity under sections 103B, 105B, or  
14 107B of the Agricultural Act of 1949 (as in ef-  
15 fect prior to the amendment made by section  
16 109(b)(2)) for the 1994 and 1995 crop years.

17 (4) SPECIAL ADJUSTMENT TO COVER EXISTING  
18 RICE PAYMENT REQUIREMENTS.—As soon as pos-  
19 sible after the date of the enactment of this Act, the  
20 Secretary shall determine the amount, if any, nec-  
21 essary to satisfy remaining payment requirements  
22 under section 101B of the Agricultural Act of 1949  
23 (as in effect prior to the amendment made by sec-  
24 tion 109(b)(2)) for the 1994 and 1995 crops of rice.  
25 The total amount determined under this paragraph

1 shall be deducted, in equal amounts each fiscal year,  
2 from the amount allocated for rice under paragraph  
3 (2)(G) for fiscal years after the fiscal year in which  
4 the final remaining payments are made for rice.

5 (f) DETERMINATION OF CONTRACT PAYMENTS.—

6 (1) INDIVIDUAL PAYMENT QUANTITY OF CON-  
7 TRACT COMMODITIES.—For each contract, the pay-  
8 ment quantity of a contract commodity for each fis-  
9 cal year shall be equal to the product of—

10 (A) 85 percent of the contract acreage;

11 and

12 (B) the farm program payment yield.

13 (2) ANNUAL PAYMENT QUANTITY OF CONTRACT  
14 COMMODITIES.—The payment quantity of each con-  
15 tract commodity covered by all contracts for each  
16 fiscal year shall equal the sum of the amounts cal-  
17 culated under paragraph (1) for each individual con-  
18 tract.

19 (3) ANNUAL PAYMENT RATE.—The payment  
20 rate for a contract commodity for each fiscal year  
21 shall be equal to—

22 (A) the amount made available under sub-  
23 section (e) for the contract commodity for the  
24 fiscal year; divided by

1 (B) the amount determined under para-  
2 graph (2) for the fiscal year.

3 (4) ANNUAL PAYMENT AMOUNT.—The amount  
4 to be paid under a contract in effect for each fiscal  
5 year with respect to a contract commodity shall be  
6 equal to the product of—

7 (A) the payment quantity determined  
8 under paragraph (1) with respect to the con-  
9 tract; and

10 (B) the payment rate in effect under para-  
11 graph (3).

12 (5) ASSIGNMENT OF CONTRACT PAYMENTS.—  
13 The provisions of section 8(g) of the Soil Conserva-  
14 tion and Domestic Allotment Act (16 U.S.C.  
15 590h(g)) (relating to assignment of payments) shall  
16 apply to contract payments under this subsection.  
17 The owner or operator making the assignment, or  
18 the assignee, shall provide the Secretary with notice,  
19 in such manner as the Secretary may require in the  
20 contract, of any assignment made under this para-  
21 graph.

22 (6) SHARING OF CONTRACT PAYMENTS.—The  
23 Secretary shall provide for the sharing of contract  
24 payments among the owners and operators subject  
25 to the contract on a fair and equitable basis.

1 (g) PAYMENT LIMITATION.—Sections 1001 through  
2 1001C of the Food Security Act of 1985 (7 U.S.C. 1308  
3 through 1308–3), as amended by section 105, establish  
4 payment limitations on the total amount of contract pay-  
5 ments that may be made under contracts during any fis-  
6 cal year.

7 (h) EFFECT OF VIOLATION.—

8 (1) TERMINATION OF CONTRACT.—Except as  
9 provided in paragraph (2), if an owner or operator  
10 subject to a contract violates a requirement of the  
11 contract specified in subparagraphs (A), (B), (C), or  
12 (D) of subsection (a)(1), the Secretary shall termi-  
13 nate the contract with respect to the owner or opera-  
14 tor on each farm in which the owner or operator has  
15 an interest. On the termination, the owner or opera-  
16 tor shall forfeit all rights to receive future contract  
17 payments on each farm in which the owner or opera-  
18 tor has an interest and shall refund to the Secretary  
19 all contract payments received by the owner or opera-  
20 tor during the period of the violation, together with  
21 interest on the contract payments as determined by  
22 the Secretary.

23 (2) REFUND OR ADJUSTMENT.—If the Sec-  
24 retary determines that a violation does not warrant  
25 termination of the contract under paragraph (1), the

1 Secretary may require the owner or operator subject  
2 to the contract—

3 (A) to refund to the Secretary that part of  
4 the contract payments received by the owner or  
5 operator during the period of the violation, to-  
6 gether with interest on the contract payments  
7 as determined by the Secretary; or

8 (B) to accept a reduction in the amount of  
9 future contract payments that is proportionate  
10 to the severity of the violation, as determined  
11 by the Secretary.

12 (3) FORECLOSURE.—An owner or operator sub-  
13 ject to a contract may not be required to make re-  
14 payments to the Secretary of amounts received  
15 under the contract if the contract acreage has been  
16 foreclosed on and the Secretary determines that for-  
17 giving the repayments is appropriate in order to pro-  
18 vide fair and equitable treatment. This paragraph  
19 shall not void the responsibilities of such an owner  
20 or operator under the contract if the owner or opera-  
21 tor continues or resumes operation, or control, of the  
22 contract acreage. On the resumption of operation or  
23 control over the contract acreage by the owner or  
24 operator, the provisions of the contract in effect on  
25 the date of the foreclosure shall apply.

1           (4) REVIEW.—A determination of the Secretary  
2 under this subsection shall be considered to be an  
3 adverse decision for purposes of the availability of  
4 administrative review of the determination.

5           (i) TRANSFER OF INTEREST IN LANDS SUBJECT TO  
6 CONTRACT.—

7           (1) EFFECT OF TRANSFER.—Except as pro-  
8 vided in paragraph (2), the transfer by an owner or  
9 operator subject to a contract of the right and inter-  
10 est of the owner or operator in the contract acreage  
11 shall result in the termination of the contract with  
12 respect to the acreage, effective on the date of the  
13 transfer, unless the transferee of the acreage agrees  
14 with the Secretary to assume all obligations of the  
15 contract. At the request of the transferee, the Sec-  
16 retary may modify the contract if the modifications  
17 are consistent with the objectives of this section as  
18 determined by the Secretary. The Secretary shall  
19 carry out this paragraph in such a manner as to en-  
20 sure that the reconstitution of a farm as part of the  
21 transfer of contract acreage results in no additional  
22 outlays under this section.

23           (2) EXCEPTION.—If an owner or operator who  
24 is entitled to a contract payment dies, becomes in-  
25 competent, or is otherwise unable to receive the con-

1 tract payment, the Secretary shall make the pay-  
2 ment, in accordance with regulations prescribed by  
3 the Secretary.

4 (j) PLANTING FLEXIBILITY.—

5 (1) PERMITTED CROPS.—Subject to paragraph  
6 (2), any commodity or crop may be planted on con-  
7 tract acreage on a farm.

8 (2) LIMITATIONS.—

9 (A) HAYING AND GRAZING.—

10 (i) TIME LIMITATIONS.—Haying and  
11 grazing on land exceeding 15 percent of  
12 the contract acreage on a farm as provided  
13 in clause (iii) shall be permitted, except  
14 during any consecutive 5-month period be-  
15 tween April 1 and October 31 that is de-  
16 termined by the State committee estab-  
17 lished under section 8(b) of the Soil Con-  
18 servation and Domestic Allotment Act (6  
19 U.S.C. 590h(b)) for a State. In the case of  
20 a natural disaster, the Secretary may per-  
21 mit unlimited haying and grazing on the  
22 contract acreage of a farm.

23 (ii) CONTRACT COMMODITIES.—Con-  
24 tract acreage planted to a contract com-

1           modity for harvest may be hayed or grazed  
2           at any time without limitation.

3           (iii) HAYING AND GRAZING LIMITA-  
4           TION ON PORTION OR CONTRACT ACRE-  
5           AGE.—Unlimited haying and grazing shall  
6           be permitted on not more than 15 percent  
7           of the contract acreage on a farm.

8           (B) ALFALFA.—Alfalfa may be grown on  
9           contract acreage in excess of the acreage limita-  
10          tion in subparagraph (A)(iii) and without re-  
11          gard to the time limitation in subparagraph  
12          (A)(i), except that each contract acre of alfalfa  
13          on a farm that is harvested in excess of 15 per-  
14          cent of the total contract acreage on the farm  
15          shall be ineligible for contract payments.

16          (C) FRUITS AND VEGETABLES.—

17          (i) IN GENERAL.—The planting for  
18          harvest of fruits and vegetables shall be  
19          prohibited on contract acreage, except in  
20          any region in which there is a history of  
21          double-cropping, as determined by the Sec-  
22          retary.

23          (ii) UNRESTRICTED VEGETABLES.—  
24          Notwithstanding clause (i), lentils, mung  
25          beans, and dry peas may be planted for

1 harvest without limitation on contract  
2 acreage.

3 **SEC. 104. NONRECOURSE MARKETING ASSISTANCE LOANS**  
4 **AND LOAN DEFICIENCY PAYMENTS.**

5 (a) AVAILABILITY OF MARKETING ASSISTANCE  
6 LOANS.—

7 (1) NONRECOURSE LOANS AVAILABLE.—For  
8 each of the 1996 through 2002 crops of each loan  
9 commodity, the Secretary shall make available to  
10 producers on a farm nonrecourse marketing assist-  
11 ance loans for loan commodities produced on the  
12 farm. The loans shall be made under terms and con-  
13 ditions that are prescribed by the Secretary and at  
14 the loan rate established under subsection (b) for  
15 the loan commodity.

16 (2) ELIGIBLE PRODUCTION.—The following  
17 production shall be eligible for a marketing assist-  
18 ance loan under paragraph (1):

19 (A) In the case of a marketing assistance  
20 loan for a contract commodity, any production  
21 by a producer who has entered into a produc-  
22 tion flexibility contract.

23 (B) In the case of a marketing assistance  
24 loan for extra long staple cotton and oilseeds,  
25 any production.

1           (3) RECOURSE LOANS FOR HIGH MOISTURE  
2       FEED GRAINS.—

3           (A) RECOURSE LOANS AVAILABLE.—For  
4       each of the 1996 through 2002 crops of corn  
5       and grain sorghum, the Secretary shall make  
6       available recourse loans, as determined by the  
7       Secretary, to producers on a farm who—

8           (i) normally harvest all or a portion of  
9       their crop of corn or grain sorghum in a  
10      high moisture state;

11          (ii) present—

12           (I) certified scale tickets from an  
13          inspected, certified commercial scale,  
14          including licensed warehouses,  
15          feedlots, feed mills, distilleries, or  
16          other similar entities approved by the  
17          Secretary, pursuant to regulations is-  
18          sued by the Secretary; or

19           (II) present field or other phys-  
20          ical measurements of the standing or  
21          stored crop in regions of the country,  
22          as determined by the Secretary, that  
23          do not have certified commercial  
24          scales from which certified scale tick-

1                   ets may be obtained within reasonable  
2                   proximity of harvest operation;

3                   (iii) certify that they were the owners  
4                   of the feed grain at the time of delivery to,  
5                   and that the quantity to be placed under  
6                   loan under this paragraph was in fact har-  
7                   vested on the farm and delivered to, a  
8                   feedlot, feed mill, or commercial or on-  
9                   farm high-moisture storage facility, or to  
10                  such facilities maintained by the users of  
11                  corn and grain sorghum in a high moisture  
12                  state; and

13                  (iv) comply with deadlines established  
14                  by the Secretary for harvesting the corn or  
15                  grain sorghum and submit applications for  
16                  loans under this paragraph within dead-  
17                  lines established by the Secretary.

18                  (B) ELIGIBILITY OF ACQUIRED FEED  
19                  GRAINS.—Loans under this paragraph shall be  
20                  made on a quantity of corn or grain sorghum  
21                  of the same crop acquired by the producer  
22                  equivalent to a quantity determined by mul-  
23                  tiplying—

1 (i) the acreage of the corn or grain  
2 sorghum in a high moisture state har-  
3 vested on the producer's farm; by

4 (ii) the lower of the farm program  
5 payment yield or the actual yield on a  
6 field, as determined by the Secretary, that  
7 is similar to the field from which the corn  
8 or grain sorghum was obtained.

9 (C) HIGH MOISTURE STATE DEFINED.—In  
10 this paragraph, the term “high moisture state”  
11 means corn or grain sorghum having a moisture  
12 content in excess of Commodity Credit Corpora-  
13 tion standards for marketing assistance loans  
14 made by the Secretary under paragraph (1).

15 (b) LOAN RATES.—

16 (1) WHEAT.—

17 (A) LOAN RATE.—Subject to subparagraph  
18 (B), the loan rate for a marketing assistance  
19 loan under subsection (a)(1) for wheat shall  
20 be—

21 (i) not less than 85 percent of the  
22 simple average price received by producers  
23 of wheat, as determined by the Secretary,  
24 during the marketing years for the imme-  
25 diately preceding 5 crops of wheat, exclud-

1           ing the year in which the average price was  
2           the highest and the year in which the aver-  
3           age price was the lowest in the period; but

4                   (ii) not more than \$2.58 per bushel.

5           (B) STOCKS TO USE RATIO ADJUST-  
6           MENT.—If the Secretary estimates for any mar-  
7           keting year that the ratio of ending stocks of  
8           wheat to total use for the marketing year will  
9           be—

10                   (i) equal to or greater than 30 per-  
11           cent, the Secretary may reduce the loan  
12           rate for wheat for the corresponding crop  
13           by an amount not to exceed 10 percent in  
14           any year;

15                   (ii) less than 30 percent but not less  
16           than 15 percent, the Secretary may reduce  
17           the loan rate for wheat for the correspond-  
18           ing crop by an amount not to exceed 5 per-  
19           cent in any year; or

20                   (iii) less than 15 percent, the Sec-  
21           retary may not reduce the loan rate for  
22           wheat for the corresponding crop.

23           (C) NO EFFECT ON FUTURE YEARS.—Any  
24           reduction in the loan rate for wheat under sub-  
25           paragraph (B) shall not be considered in deter-

1 mining the loan rate for wheat for subsequent  
2 years.

3 (2) FEED GRAINS.—

4 (A) LOAN RATE FOR CORN.—Subject to  
5 subparagraph (B), the loan rate for a market-  
6 ing assistance loan under subsection (a)(1) for  
7 corn shall be—

8 (i) not less than 85 percent of the  
9 simple average price received by producers  
10 of corn, as determined by the Secretary,  
11 during the marketing years for the imme-  
12 diately preceding 5 crops of corn, excluding  
13 the year in which the average price was the  
14 highest and the year in which the average  
15 price was the lowest in the period; but

16 (ii) not more than \$1.89 per bushel.

17 (B) STOCKS TO USE RATIO ADJUST-  
18 MENT.—If the Secretary estimates for any mar-  
19 keting year that the ratio of ending stocks of  
20 corn to total use for the marketing year will  
21 be—

22 (i) equal to or greater than 25 per-  
23 cent, the Secretary may reduce the loan  
24 rate for corn for the corresponding crop by

1 an amount not to exceed 10 percent in any  
2 year;

3 (ii) less than 25 percent but not less  
4 than 12.5 percent, the Secretary may re-  
5 duce the loan rate for corn for the cor-  
6 responding crop by an amount not to ex-  
7 ceed 5 percent in any year; or

8 (iii) less than 12.5 percent the Sec-  
9 retary may not reduce the loan rate for  
10 corn for the corresponding crop.

11 (C) NO EFFECT ON FUTURE YEARS.—Any  
12 reduction in the loan rate for corn under sub-  
13 paragraph (B) shall not be considered in deter-  
14 mining the loan rate for corn for subsequent  
15 years.

16 (D) OTHER FEED GRAINS.—The loan rate  
17 for a marketing assistance loan under sub-  
18 section (a)(1) for grain sorghum, barley, and  
19 oats, respectively, shall be established at such  
20 level as the Secretary determines is fair and  
21 reasonable in relation to the rate that loans are  
22 made available for corn, taking into consider-  
23 ation the feeding value of the commodity in re-  
24 lation to corn.

25 (3) UPLAND COTTON.—

1           (A) LOAN RATE.—Subject to subparagraph  
2           (B), the loan rate for a marketing assistance  
3           loan under subsection (a)(1) for upland cotton  
4           shall be established by the Secretary at such  
5           loan rate, per pound, as will reflect for the base  
6           quality of upland cotton, as determined by the  
7           Secretary, at average locations in the United  
8           States a rate that is not less than the smaller  
9           of—

10                   (i) 85 percent of the average price  
11                   (weighted by market and month) of the  
12                   base quality of cotton as quoted in the des-  
13                   ignated United States spot markets during  
14                   3 years of the 5-year period ending July  
15                   31 in the year in which the loan rate is an-  
16                   nounced, excluding the year in which the  
17                   average price was the highest and the year  
18                   in which the average price was the lowest  
19                   in the period; or

20                   (ii) 90 percent of the average, for the  
21                   15-week period beginning July 1 of the  
22                   year in which the loan rate is announced,  
23                   of the 5 lowest-priced growths of the  
24                   growths quoted for Middling  $1\frac{3}{32}$ -inch cot-  
25                   ton C.I.F. Northern Europe (adjusted

1 downward by the average difference during  
2 the period April 15 through October 15 of  
3 the year in which the loan is announced  
4 between the average Northern European  
5 price quotation of such quality of cotton  
6 and the market quotations in the des-  
7 ignated United States spot markets for the  
8 base quality of upland cotton), as deter-  
9 mined by the Secretary.

10 (B) LIMITATIONS.—The loan rate for a  
11 marketing assistance loan for upland cotton  
12 shall not be less than \$0.50 per pound or more  
13 than \$0.5192 per pound.

14 (4) EXTRA LONG STAPLE COTTON.—The loan  
15 rate for a marketing assistance loan under sub-  
16 section (a)(1) for extra long staple cotton shall be—

17 (A) not less than 85 percent of the simple  
18 average price received by producers of extra  
19 long staple cotton, as determined by the Sec-  
20 retary, during 3 years of the 5 previous market-  
21 ing years, excluding the year in which the aver-  
22 age price was the highest and the year in which  
23 the average price was the lowest in the period;  
24 but

25 (B) not more than \$0.7965 per pound.

1           (5) RICE.—The loan rate for a marketing as-  
2           sistance loan under subsection (a)(1) for rice shall  
3           be \$6.50 per hundredweight.

4           (6) OILSEEDS.—

5           (A) SOYBEANS.—The loan rate for a mar-  
6           keting assistance loan under subsection (a)(1)  
7           for soybeans shall be \$4.92 per bushel.

8           (B)     SUNFLOWER     SEED,     CANOLA,  
9           RAPESEED, SAFFLOWER, MUSTARD SEED, AND  
10          FLAXSEED.—The loan rates for a marketing as-  
11          sistance loan under subsection (a)(1) for sun-  
12          flower seed, canola, rapeseed, safflower, mus-  
13          tard seed, and flaxseed, individually, shall be  
14          \$0.087 per pound.

15          (C) OTHER OILSEEDS.—The loan rates for  
16          a marketing assistance loan under subsection  
17          (a)(1) for other oilseeds shall be established at  
18          such level as the Secretary determines is fair  
19          and reasonable in relation to the loan rate  
20          available for soybeans, except in no event shall  
21          the rate for the oilseeds (other than cottonseed)  
22          be less than the rate established for soybeans  
23          on a per-pound basis for the same crop.

24          (c) TERM OF LOAN.—In the case of each loan com-  
25          modity (other than upland cotton or extra long staple cot-

1 ton), a marketing assistance loan under subsection (a)(1)  
2 shall have a term of 9 months beginning on the first day  
3 of the first month after the month in which the loan is  
4 made. A marketing assistance loan for upland cotton or  
5 extra long staple cotton shall have a term of 10 months  
6 beginning on the first day of the first month after the  
7 month in which the loan is made. The Secretary may not  
8 extend the term of a marketing assistance loan for any  
9 loan commodity.

10 (d) REPAYMENT.—

11 (1) REPAYMENT RATES GENERALLY.—The Sec-  
12 retary shall permit producers to repay a marketing  
13 assistance loan under subsection (a)(1) for a loan  
14 commodity (other than extra long staple cotton) at  
15 a level that is the lesser of—

16 (A) the loan rate established for the com-  
17 modity under subsection (b); or

18 (B) the prevailing world market price for  
19 the commodity (adjusted to United States qual-  
20 ity and location), as determined by the Sec-  
21 retary.

22 (2) ADDITIONAL REPAYMENT RATES FOR  
23 WHEAT, FEED GRAINS, AND OILSEEDS.—In the case  
24 of a marketing assistance loan under subsection  
25 (a)(1) for wheat, corn, grain sorghum, barley, oats,

1 or oilseeds, the Secretary shall also permit a pro-  
2 ducer to repay the loan at such level as the Sec-  
3 retary determines will—

4 (A) minimize potential loan forfeitures;

5 (B) minimize the accumulation of stocks of  
6 the commodity by the Federal Government;

7 (C) minimize the cost incurred by the Fed-  
8 eral Government in storing the commodity; and

9 (D) allow the commodity produced in the  
10 United States to be marketed freely and com-  
11 petitively, both domestically and internationally.

12 (3) REPAYMENT RATES FOR EXTRA LONG STA-  
13 PLE COTTON.—Repayment of a marketing assistance  
14 loan for extra long staple cotton shall be at the loan  
15 rate established for the commodity under subsection  
16 (b), plus interest (as determined by the Secretary).

17 (4) PREVAILING WORLD MARKET PRICE.—For  
18 purposes of paragraph (1) and subsection (f), the  
19 Secretary shall prescribe by regulation—

20 (A) a formula to determine the prevailing  
21 world market price for each loan commodity,  
22 adjusted to United States quality and location;  
23 and

1 (B) a mechanism by which the Secretary  
2 shall announce periodically the prevailing world  
3 market price for each loan commodity.

4 (5) ADJUSTMENT OF PREVAILING WORLD MAR-  
5 KET PRICE FOR UPLAND COTTON.—

6 (A) IN GENERAL.—During the period end-  
7 ing July 31, 2003, the prevailing world market  
8 price for upland cotton (adjusted to United  
9 States quality and location) established under  
10 paragraph (4) shall be further adjusted if—

11 (i) the adjusted prevailing world mar-  
12 ket price is less than 115 percent of the  
13 loan rate for upland cotton established  
14 under subsection (b), as determined by the  
15 Secretary; and

16 (ii) the Friday through Thursday av-  
17 erage price quotation for the lowest-priced  
18 United States growth as quoted for Mid-  
19 dling (M)  $1\frac{3}{32}$ -inch cotton delivered C.I.F.  
20 Northern Europe is greater than the Fri-  
21 day through Thursday average price of the  
22 5 lowest-priced growths of upland cotton,  
23 as quoted for Middling (M)  $1\frac{3}{32}$ -inch cot-  
24 ton, delivered C.I.F. Northern Europe (re-

1                   ferred to in this subsection as the “North-  
2                   ern Europe price”).

3                   (B) FURTHER ADJUSTMENT.—Except as  
4                   provided in subparagraph (C), the adjusted pre-  
5                   vailing world market price for upland cotton  
6                   shall be further adjusted on the basis of some  
7                   or all of the following data, as available:

8                   (i) The United States share of world  
9                   exports.

10                  (ii) The current level of cotton export  
11                  sales and cotton export shipments.

12                  (iii) Other data determined by the  
13                  Secretary to be relevant in establishing an  
14                  accurate prevailing world market price for  
15                  upland cotton (adjusted to United States  
16                  quality and location).

17                  (C) LIMITATION ON FURTHER ADJUST-  
18                  MENT.—The adjustment under subparagraph  
19                  (B) may not exceed the difference between—

20                  (i) the Friday through Thursday aver-  
21                  age price for the lowest-priced United  
22                  States growth as quoted for Middling  
23                  1<sup>3</sup>/<sub>32</sub>-inch cotton delivered C.I.F. Northern  
24                  Europe; and

25                  (ii) the Northern Europe price.

1 (e) LOAN DEFICIENCY PAYMENTS.—

2 (1) AVAILABILITY.—Except as provided in  
3 paragraph (4), the Secretary may make loan defi-  
4 ciency payments available to producers who, al-  
5 though eligible to obtain a marketing assistance loan  
6 under subsection (a)(1) with respect to a loan com-  
7 modity, agree to forgo obtaining the loan for the  
8 commodity in return for payments under this sub-  
9 section.

10 (2) COMPUTATION.—A loan deficiency payment  
11 under this subsection shall be computed by multiply-  
12 ing—

13 (A) the loan payment rate determined  
14 under paragraph (3) for the loan commodity; by

15 (B) the quantity of the loan commodity  
16 that the producers on a farm are eligible to  
17 place under loan but for which the producers  
18 forgo obtaining the loan in return for payments  
19 under this subsection.

20 (3) LOAN PAYMENT RATE.—For purposes of  
21 this subsection, the loan payment rate shall be the  
22 amount by which—

23 (A) the loan rate established under sub-  
24 section (b) for the loan commodity; exceeds

1 (B) the rate at which a loan for the com-  
2 modity may be repaid under subsection (d).

3 (4) EXCEPTION FOR EXTRA LONG STAPLE COT-  
4 TON.—This subsection shall not apply with respect  
5 to extra long staple cotton.

6 (f) SPECIAL MARKETING LOAN PROVISIONS FOR UP-  
7 LAND COTTON.—

8 (1) COTTON USER MARKETING CERTIFI-  
9 CATES.—

10 (A) ISSUANCE.—Subject to subparagraph  
11 (D), during the period ending July 31, 2003,  
12 the Secretary shall issue marketing certificates  
13 or cash payments to domestic users and export-  
14 ers for documented purchases by domestic users  
15 and sales for export by exporters made in the  
16 week following a consecutive 4-week period in  
17 which—

18 (i) the Friday through Thursday aver-  
19 age price quotation for the lowest-priced  
20 United States growth, as quoted for Mid-  
21 dling (M) 1<sup>3</sup>/<sub>32</sub>-inch cotton, delivered  
22 C.I.F. Northern Europe exceeds the  
23 Northern Europe price by more than 1.25  
24 cents per pound; and

1                   (ii) the prevailing world market price  
2                   for upland cotton (adjusted to United  
3                   States quality and location) does not ex-  
4                   ceed 130 percent of the loan rate for up-  
5                   land cotton established under subsection  
6                   (b).

7                   (B) VALUE OF CERTIFICATES OR PAY-  
8                   MENTS.—The value of the marketing certifi-  
9                   cates or cash payments shall be based on the  
10                  amount of the difference (reduced by 1.25 cents  
11                  per pound) in the prices during the 4th week of  
12                  the consecutive 4-week period multiplied by the  
13                  quantity of upland cotton included in the docu-  
14                  mented sales.

15                  (C) REDEMPTION, MARKETING, OR EX-  
16                  CHANGE.—The Secretary shall establish proce-  
17                  dures to assist persons receiving marketing cer-  
18                  tificates under this paragraph in the redemp-  
19                  tion of certificates for cash, or in the marketing  
20                  or exchange of certificates for agricultural com-  
21                  modities owned by the Commodity Credit Cor-  
22                  poration, in such manner and at such price lev-  
23                  els as the Secretary determines will best effec-  
24                  tuate the purposes of the marketing certificates.  
25                  Any price restrictions that may otherwise apply

1 to the disposition of agricultural commodities  
2 by the Commodity Credit Corporation shall not  
3 apply to the redemption of certificates under  
4 this paragraph.

5 (D) EXCEPTION.—The Secretary shall not  
6 issue marketing certificates or cash payments  
7 under subparagraph (A) if, for the immediately  
8 preceding consecutive 10-week period, the Fri-  
9 day through Thursday average price quotation  
10 for the lowest priced United States growth, as  
11 quoted for Middling (M) 1<sup>3</sup>/<sub>32</sub>-inch cotton, deliv-  
12 ered C.I.F. Northern Europe, adjusted for the  
13 value of any certificate issued under this para-  
14 graph, exceeds the Northern Europe price by  
15 more than 1.25 cents per pound.

16 (E) LIMITATION ON EXPENDITURES.—  
17 Total expenditures under this paragraph shall  
18 not exceed \$701,000,000 during fiscal years  
19 1996 through 2002.

20 (2) SPECIAL IMPORT QUOTA.—

21 (A) ESTABLISHMENT.—The President  
22 shall carry out an import quota program that  
23 provides that, during the period ending July 31,  
24 2003, whenever the Secretary determines and  
25 announces that for any consecutive 10-week pe-

1           riod, the Friday through Thursday average  
2           price quotation for the lowest-priced United  
3           States growth, as quoted for Middling (M)  
4           1<sup>3</sup>/<sub>32</sub>-inch cotton, delivered C.I.F. Northern Eu-  
5           rope, adjusted for the value of any certificates  
6           issued under paragraph (1), exceeds the North-  
7           ern Europe price by more than 1.25 cents per  
8           pound, there shall immediately be in effect a  
9           special import quota.

10           (B) QUANTITY.—The quota shall be equal  
11           to 1 week’s consumption of upland cotton by  
12           domestic mills at the seasonally adjusted aver-  
13           age rate of the most recent 3 months for which  
14           data are available.

15           (C) APPLICATION.—The quota shall apply  
16           to upland cotton purchased not later than 90  
17           days after the date of the Secretary’s announce-  
18           ment under subparagraph (A) and entered into  
19           the United States not later than 180 days after  
20           the date.

21           (D) OVERLAP.—A special quota period  
22           may be established that overlaps any existing  
23           quota period if required by subparagraph (A),  
24           except that a special quota period may not be

1 established under this paragraph if a quota pe-  
 2 riod has been established under subsection (g).

3 (E) PREFERENTIAL TARIFF TREAT-  
 4 MENT.—The quantity under a special import  
 5 quota shall be considered to be an in-quota  
 6 quantity for purposes of—

7 (i) section 213(d) of the Caribbean  
 8 Basin Economic Recovery Act (19 U.S.C.  
 9 2703(d));

10 (ii) section 204 of the Andean Trade  
 11 Preference Act (19 U.S.C. 3203);

12 (iii) section 503(d) of the Trade Act  
 13 of 1974 (19 U.S.C. 2463(d)); and

14 (iv) General Note 3(a)(iv) to the Har-  
 15 monized Tariff Schedule.

16 (F) DEFINITION.—In this paragraph, the  
 17 term “special import quota” means a quantity  
 18 of imports that is not subject to the over-quota  
 19 tariff rate of a tariff-rate quota.

20 (g) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND  
 21 COTTON.—

22 (1) IN GENERAL.—The President shall carry  
 23 out an import quota program that provides that  
 24 whenever the Secretary determines and announces  
 25 that the average price of the base quality of upland

1 cotton, as determined by the Secretary, in the des-  
2 ignated spot markets for a month exceeded 130 per-  
3 cent of the average price of such quality of cotton  
4 in the markets for the preceding 36 months, not-  
5 withstanding any other provision of law, there shall  
6 immediately be in effect a limited global import  
7 quota subject to the following conditions:

8 (A) QUANTITY.—The quantity of the quota  
9 shall be equal to 21 days of domestic mill con-  
10 sumption of upland cotton at the seasonally ad-  
11 justed average rate of the most recent 3 months  
12 for which data are available.

13 (B) QUANTITY IF PRIOR QUOTA.—If a  
14 quota has been established under this sub-  
15 section during the preceding 12 months, the  
16 quantity of the quota next established under  
17 this subsection shall be the smaller of 21 days  
18 of domestic mill consumption calculated under  
19 subparagraph (A) or the quantity required to  
20 increase the supply to 130 percent of the de-  
21 mand.

22 (C) PREFERENTIAL TARIFF TREAT-  
23 MENT.—The quantity under a limited global  
24 import quota shall be considered to be an in-  
25 quota quantity for purposes of—

1 (i) section 213(d) of the Caribbean  
2 Basin Economic Recovery Act (19 U.S.C.  
3 2703(d));

4 (ii) section 204 of the Andean Trade  
5 Preference Act (19 U.S.C. 3203);

6 (iii) section 503(d) of the Trade Act  
7 of 1974 (19 U.S.C. 2463(d)); and

8 (iv) General Note 3(a)(iv) to the Har-  
9 monized Tariff Schedule.

10 (D) DEFINITIONS.—In this subsection:

11 (i) SUPPLY.—The term “supply”  
12 means, using the latest official data of the  
13 Bureau of the Census, the Department of  
14 Agriculture, and the Department of the  
15 Treasury—

16 (I) the carry-over of upland cot-  
17 ton at the beginning of the marketing  
18 year (adjusted to 480-pound bales) in  
19 which the quota is established;

20 (II) production of the current  
21 crop; and

22 (III) imports to the latest date  
23 available during the marketing year.

24 (ii) DEMAND.—The term “demand”  
25 means—

1 (I) the average seasonally ad-  
2 justed annual rate of domestic mill  
3 consumption in the most recent 3  
4 months for which data are available;  
5 and

6 (II) the larger of—

7 (aa) average exports of up-  
8 land cotton during the preceding  
9 6 marketing years; or

10 (bb) cumulative exports of  
11 upland cotton plus outstanding  
12 export sales for the marketing  
13 year in which the quota is estab-  
14 lished.

15 (iii) LIMITED GLOBAL IMPORT  
16 QUOTA.—The term “limited global import  
17 quota” means a quantity of imports that is  
18 not subject to the over-quota tariff rate of  
19 a tariff-rate quota.

20 (E) QUOTA ENTRY PERIOD.—When a  
21 quota is established under this subsection, cot-  
22 ton may be entered under the quota during the  
23 90-day period beginning on the date the quota  
24 is established by the Secretary.

1           (2) NO OVERLAP.—Notwithstanding paragraph  
2           (1), a quota period may not be established that over-  
3           laps an existing quota period or a special quota pe-  
4           riod established under subsection (f)(2).

5           (h) SOURCE OF LOANS.—

6           (1) IN GENERAL.—The Secretary shall provide  
7           the loans authorized by this section and the Agricul-  
8           tural Adjustment Act of 1938 (7 U.S.C. 1281 et  
9           seq.) through the Commodity Credit Corporation  
10          and other means available to the Secretary.

11          (2) PROCESSORS.—Whenever any loan or sur-  
12          plus removal operation for any agricultural commod-  
13          ity is carried out through purchases from or loans  
14          or payments to processors, the Secretary shall, to  
15          the extent practicable, obtain from the processors  
16          such assurances as the Secretary considers adequate  
17          that the producers of the commodity have received  
18          or will receive maximum benefits from the loan or  
19          surplus removal operation.

20          (i) ADJUSTMENTS OF LOANS.—

21          (1) IN GENERAL.—The Secretary may make  
22          appropriate adjustments in the loan levels for any  
23          commodity for differences in grade, type, quality, lo-  
24          cation, and other factors.

1           (2) LOAN LEVEL.—The adjustments shall, to  
2           the maximum extent practicable, be made in such  
3           manner that the average loan level for the commod-  
4           ity will, on the basis of the anticipated incidence of  
5           the factors, be equal to the level of support deter-  
6           mined as provided in this section or the Agricultural  
7           Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

8           (j) PERSONAL LIABILITY OF PRODUCERS FOR DEFICI-  
9           CIENCIES.—

10           (1) IN GENERAL.—Except as provided in para-  
11           graph (2), no producer shall be personally liable for  
12           any deficiency arising from the sale of the collateral  
13           securing any nonrecourse loan made under this sec-  
14           tion or the Agricultural Adjustment Act of 1938 (7  
15           U.S.C. 1281 et seq.) unless the loan was obtained  
16           through a fraudulent representation by the producer.

17           (2) LIMITATIONS.—Paragraph (1) shall not  
18           prevent the Commodity Credit Corporation or the  
19           Secretary from requiring a producer to assume li-  
20           ability for—

21                   (A) a deficiency in the grade, quality, or  
22                   quantity of a commodity stored on a farm or  
23                   delivered by the producer;

24                   (B) a failure to properly care for and pre-  
25                   serve a commodity; or

1           (C) a failure or refusal to deliver a com-  
2           modity in accordance with a program estab-  
3           lished under this section or the Agricultural Ad-  
4           justment Act of 1938.

5           (3) ACQUISITION OF COLLATERAL.—The Sec-  
6           retary may include in a contract for a nonrecourse  
7           loan made under this section or the Agricultural Ad-  
8           justment Act of 1938 a provision that permits the  
9           Commodity Credit Corporation, on and after the ma-  
10          turity of the loan, to acquire title to the unredeemed  
11          collateral without obligation to pay for any market  
12          value that the collateral may have in excess of the  
13          loan indebtedness.

14          (4) SUGARCANE AND SUGAR BEETS.—A secu-  
15          rity interest obtained by the Commodity Credit Cor-  
16          poration as a result of the execution of a security  
17          agreement by the processor of sugarcane or sugar  
18          beets shall be superior to all statutory and common  
19          law liens on raw cane sugar and refined beet sugar  
20          in favor of the producers of sugarcane and sugar  
21          beets and all prior recorded and unrecorded liens on  
22          the crops of sugarcane and sugar beets from which  
23          the sugar was derived.

24          (k) COMMODITY CREDIT CORPORATION SALES PRICE  
25          RESTRICTIONS.—

1           (1) IN GENERAL.—The Commodity Credit Cor-  
2           poration may sell any commodity owned or con-  
3           trolled by the Corporation at any price that the Sec-  
4           retary determines will maximize returns to the Cor-  
5           poration.

6           (2) NONAPPLICATION OF SALES PRICE RE-  
7           STRICTIONS.—Paragraph (1) shall not apply to—

8                   (A) a sale for a new or byproduct use;

9                   (B) a sale of peanuts or oilseeds for the ex-  
10                  traction of oil;

11                  (C) a sale for seed or feed if the sale will  
12                  not substantially impair any loan program;

13                  (D) a sale of a commodity that has sub-  
14                  stantially deteriorated in quality or as to which  
15                  there is a danger of loss or waste through dete-  
16                  rioration or spoilage;

17                  (E) a sale for the purpose of establishing  
18                  a claim arising out of a contract or against a  
19                  person who has committed fraud, misrepresen-  
20                  tation, or other wrongful act with respect to the  
21                  commodity;

22                  (F) a sale for export, as determined by the  
23                  Corporation; and

24                  (G) a sale for other than a primary use.

25           (3) PRESIDENTIAL DISASTER AREAS.—

1           (A) IN GENERAL.—Notwithstanding para-  
2 graph (1), on such terms and conditions as the  
3 Secretary may consider in the public interest,  
4 the Corporation may make available any com-  
5 modity or product owned or controlled by the  
6 Corporation for use in relieving distress—

7           (i) in any area in the United States  
8           (including the Virgin Islands) declared by  
9           the President to be an acute distress area  
10          because of unemployment or other eco-  
11          nomic cause, if the President finds that the  
12          use will not displace or interfere with nor-  
13          mal marketing of agricultural commodities;  
14          and

15          (ii) in connection with any major dis-  
16          aster determined by the President to war-  
17          rant assistance by the Federal Government  
18          under the Robert T. Stafford Disaster Re-  
19          lief and Emergency Assistance Act (42  
20          U.S.C. 5121 et seq.).

21          (B) COSTS.—Except on a reimbursable  
22 basis, the Corporation shall not bear any costs  
23 in connection with making a commodity avail-  
24 able under subparagraph (A) beyond the cost of  
25 the commodity to the Corporation incurred in—

- 1 (i) the storage of the commodity; and  
2 (ii) the handling and transportation  
3 costs in making delivery of the commodity  
4 to designated agencies at 1 or more central  
5 locations in each State or other area.

6 (4) EFFICIENT OPERATIONS.—Paragraph (1)  
7 shall not apply to the sale of a commodity the dis-  
8 position of which is desirable in the interest of the  
9 effective and efficient conduct of the operations of  
10 the Corporation because of the small quantity of the  
11 commodity involved, or because of the age, location,  
12 or questionable continued storability of the commod-  
13 ity.

14 **SEC. 105. PAYMENT LIMITATIONS.**

15 (a) IN GENERAL.—Section 1001 of the Food Security  
16 Act of 1985 (7 U.S.C. 1308) is amended by striking para-  
17 graphs (1) through (4) and inserting the following:

18 “(1) LIMITATION ON PAYMENTS UNDER PRO-  
19 Duction FLEXIBILITY CONTRACTS.—The total  
20 amount of contract payments made under section  
21 103 of the Agricultural Market Transition Act to a  
22 person under 1 or more production flexibility con-  
23 tracts entered into under the section during any fis-  
24 cal year may not exceed \$40,000.

1           “(2) LIMITATION ON MARKETING LOAN GAINS  
2           AND LOAN DEFICIENCY PAYMENTS.—For each of the  
3           1996 through 2002 crops of loan commodities, the  
4           total amount of payments specified in paragraph (3)  
5           that a person shall be entitled to receive under sec-  
6           tion 104 of the Agricultural Market Transition Act  
7           for one or more loan commodities may not exceed  
8           \$75,000.

9           “(3) DESCRIPTION OF PAYMENTS SUBJECT TO  
10          LIMITATION.—The payments referred to in para-  
11          graph (2) are the following:

12                 “(A) Any gain realized by a producer from  
13                 repaying a marketing assistance loan for a crop  
14                 of any loan commodity at a lower level than the  
15                 original loan rate established for the loan com-  
16                 modity under section 104(b) of the Agricultural  
17                 Market Transition Act.

18                 “(B) Any loan deficiency payment received  
19                 for a loan commodity under section 104(e) of  
20                 the Act.

21           “(4) DEFINITIONS.—In this title, the terms  
22           ‘contract payment’ and ‘loan commodity’ have the  
23           meaning given those terms in section 102 of the Ag-  
24           ricultural Market Transition Act.”.

25           (b) CONFORMING AMENDMENTS.—

1 (1) Section 1001A of the Food Security Act of  
2 1985 (7 U.S.C. 1308–1) is amended—

3 (A) in subsection (a)(1), by striking  
4 “under the Agricultural Act of 1949 (7 U.S.C.  
5 1421 et seq.)”; and

6 (B) in subsection (b)(1), by striking  
7 “under the Agricultural Act of 1949”.

8 (2) Section 1001C(a) of the Act (7 U.S.C.  
9 1308–3(a)) is amended—

10 (A) by striking “For each of the 1991  
11 through 1997 crops, any” and inserting “Any”;

12 (B) by striking “production adjustment  
13 payments, price support program loans, pay-  
14 ments, or benefits made available under the Ag-  
15 ricultural Act of 1949 (7 U.S.C. 1421 et seq.),”  
16 and inserting “loans or payments made avail-  
17 able under title I of the Agricultural Market  
18 Transition Act,”; and

19 (C) by striking “during the 1989 through  
20 1997 crop years”.

21 **SEC. 106. PEANUT PROGRAM.**

22 (a) QUOTA PEANUTS.—

23 (1) AVAILABILITY OF LOANS.—The Secretary  
24 shall make nonrecourse loans available to producers  
25 of quota peanuts.

1           (2) LOAN RATE.—The national average quota  
2 loan rate for quota peanuts shall be \$610 per ton.

3           (3) INSPECTION, HANDLING, OR STORAGE.—  
4 The loan amount may not be reduced by the Sec-  
5 retary by any deductions for inspection, handling, or  
6 storage.

7           (4) LOCATION AND OTHER FACTORS.—The Sec-  
8 retary may make adjustments in the loan rate for  
9 quota peanuts for location of peanuts and such other  
10 factors as are authorized by section 104(i)(1).

11           (5) OFFERS FROM HANDLERS.—In the case of  
12 any producer who had an offer available from a han-  
13 dler to purchase quota peanuts, for delivery within  
14 the same county or a contiguous county, at a price  
15 equal to or greater than the applicable quota sup-  
16 port rate, the Secretary shall reduce the support  
17 rate by 5 percent for the peanuts that were subject  
18 to the offer.

19           (b) ADDITIONAL PEANUTS.—

20           (1) IN GENERAL.—The Secretary shall make  
21 nonrecourse loans available to producers of addi-  
22 tional peanuts at such rates as the Secretary finds  
23 appropriate, taking into consideration the demand  
24 for peanut oil and peanut meal, expected prices of

1 other vegetable oils and protein meals, and the de-  
2 mand for peanuts in foreign markets.

3 (2) ANNOUNCEMENT.—The Secretary shall an-  
4 nounce the loan rate for additional peanuts of each  
5 crop not later than February 15 preceding the mar-  
6 keting year for the crop for which the loan rate is  
7 being determined.

8 (c) AREA MARKETING ASSOCIATIONS.—

9 (1) WAREHOUSE STORAGE LOANS.—

10 (A) IN GENERAL.—In carrying out sub-  
11 sections (a) and (b), the Secretary shall make  
12 warehouse storage loans available in each of the  
13 producing areas (described in section 1446.95  
14 of title 7 of the Code of Federal Regulations  
15 (January 1, 1989)) to a designated area mar-  
16 keting association of peanut producers that is  
17 selected and approved by the Secretary and  
18 that is operated primarily for the purpose of  
19 conducting the loan activities. The Secretary  
20 may not make warehouse storage loans avail-  
21 able to any cooperative that is engaged in oper-  
22 ations or activities concerning peanuts other  
23 than those operations and activities specified in  
24 this section and section 358e of the Agricultural  
25 Adjustment Act of 1938 (7 U.S.C. 1359a).

1           (B) ADMINISTRATIVE AND SUPERVISORY  
2           ACTIVITIES.—An area marketing association  
3           shall be used in administrative and supervisory  
4           activities relating to loans and marketing activi-  
5           ties under this section and section 358e of the  
6           Agricultural Adjustment Act of 1938 (7 U.S.C.  
7           1359a).

8           (C) ASSOCIATION COSTS.—Loans made to  
9           the association under this paragraph shall in-  
10          clude such costs as the area marketing associa-  
11          tion reasonably may incur in carrying out the  
12          responsibilities, operations, and activities of the  
13          association under this section and section 358e  
14          of the Agricultural Adjustment Act of 1938 (7  
15          U.S.C. 1359a).

16          (2) POOLS FOR QUOTA AND ADDITIONAL PEA-  
17          NUTS.—

18               (A) IN GENERAL.—The Secretary shall re-  
19               quire that each area marketing association es-  
20               tablish pools and maintain complete and accu-  
21               rate records by area and segregation for quota  
22               peanuts handled under loan and for additional  
23               peanuts placed under loan, except that separate  
24               pools shall be established for Valencia peanuts  
25               produced in New Mexico. Bright hull and dark

1 hull Valencia peanuts shall be considered as  
2 separate types for the purpose of establishing  
3 the pools.

4 (B) NET GAINS.—Net gains on peanuts in  
5 each pool, unless otherwise approved by the  
6 Secretary, shall be distributed only to producers  
7 who placed peanuts in the pool and shall be dis-  
8 tributed in proportion to the value of the pea-  
9 nuts placed in the pool by each producer. Net  
10 gains for peanuts in each pool shall consist of  
11 the following:

12 (i) QUOTA PEANUTS.—For quota pea-  
13 nuts, the net gains over and above the loan  
14 indebtedness and other costs or losses in-  
15 curred on peanuts placed in the pool.

16 (ii) ADDITIONAL PEANUTS.—For ad-  
17 ditional peanuts, the net gains over and  
18 above the loan indebtedness and other  
19 costs or losses incurred on peanuts placed  
20 in the pool for additional peanuts.

21 (d) LOSSES.—Losses in quota area pools shall be cov-  
22 ered using the following sources in the following order of  
23 priority:

24 (1) TRANSFERS FROM ADDITIONAL LOAN  
25 POOLS.—The proceeds due any producer from any

1 pool shall be reduced by the amount of any loss that  
2 is incurred with respect to peanuts transferred from  
3 an additional loan pool to a quota loan pool by the  
4 producer under section 358–1(b)(8) of the Agricul-  
5 tural Adjustment Act of 1938 (7 U.S.C. 1358–  
6 1(b)(8)).

7 (2) OTHER PRODUCERS IN SAME POOL.—Fur-  
8 ther losses in an area quota pool shall be offset by  
9 reducing the gain of any producer in the pool by the  
10 amount of pool gains attributed to the same pro-  
11 ducer from the sale of additional peanuts for domes-  
12 tic and export edible use.

13 (3) BUY-BACK GAINS WITHIN AREA.—Further  
14 losses in an area quota pool shall be offset by gains  
15 or profits attributable to sales of additional peanuts  
16 in that area pursuant to the provisions of section  
17 358e(g)(1)(A) of the Agricultural Adjustment Act of  
18 1938 (7 U.S.C. 1359a(g)(1)(A)).

19 (4) USE OF MARKETING ASSESSMENTS.—The  
20 Secretary shall use funds collected under subsection  
21 (g) (except funds attributable to handlers) to offset  
22 further losses in area quota pools. The Secretary  
23 shall transfer to the Treasury those funds collected  
24 under subsection (g) and available for use under this

1 subsection that the Secretary determines are not re-  
2 quired to cover losses in area quota pools.

3 (5) CROSS COMPLIANCE.—Further losses in  
4 area quota pools, other than losses incurred as a re-  
5 sult of transfers from additional loan pools to quota  
6 loan pools under section 358–1(b)(8) of the Agricul-  
7 tural Adjustment Act of 1938 (7 U.S.C. 1358–  
8 1(b)(8)), shall be offset by any gains or profits from  
9 quota pools in other production areas (other than  
10 separate type pools established under subsection  
11 (c)(2)(A) for Valencia peanuts produced in New  
12 Mexico) in such manner as the Secretary shall by  
13 regulation prescribe. If losses in area quota pools  
14 have not been entirely offset through use of the pre-  
15 ceding sentence, then further losses shall be offset  
16 by gains or profits attributable to sales of additional  
17 peanuts in other areas pursuant to section  
18 358e(g)(1)(A) of such Act (7 U.S.C.  
19 1359a(g)(1)(A)).

20 (6) INCREASED ASSESSMENTS.—If use of the  
21 authorities provided in the preceding paragraphs is  
22 not sufficient to cover losses in an area quota pool,  
23 the Secretary shall increase the marketing assess-  
24 ment established under subsection (g) by such an  
25 amount as the Secretary considers necessary to

1 cover the losses. The increased assessment shall  
2 apply only to quota peanuts covered by that pool.  
3 Amounts collected under subsection (g) as a result  
4 of the increased assessment shall be retained by the  
5 Secretary to cover losses in that pool.

6 (e) DISAPPROVAL OF QUOTAS.—Notwithstanding  
7 any other provision of law, no loan for quota peanuts may  
8 be made available by the Secretary for any crop of peanuts  
9 with respect to which poundage quotas have been dis-  
10 approved by producers, as provided for in section 358-  
11 1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C.  
12 1358-1(d)).

13 (f) QUALITY IMPROVEMENT.—

14 (1) IN GENERAL.—With respect to peanuts  
15 under loan, the Secretary shall—

16 (A) promote the crushing of peanuts at a  
17 greater risk of deterioration before peanuts of a  
18 lesser risk of deterioration;

19 (B) ensure that all Commodity Credit Cor-  
20 poration inventories of peanuts sold for domes-  
21 tic edible use must be shown to have been offi-  
22 cially inspected by licensed Department inspec-  
23 tors both as farmer stock and shelled or cleaned  
24 in-shell peanuts;

1           (C) continue to endeavor to operate the  
2           peanut program so as to improve the quality of  
3           domestic peanuts and ensure the coordination  
4           of activities under the Peanut Administrative  
5           Committee established under Marketing Agree-  
6           ment No. 146, regulating the quality of domes-  
7           tically produced peanuts (under the Agricul-  
8           tural Adjustment Act (7 U.S.C. 601 et seq.),  
9           reenacted with amendments by the Agricultural  
10          Marketing Agreement Act of 1937); and

11          (D) ensure that any changes made in the  
12          peanut program as a result of this subsection  
13          requiring additional production or handling at  
14          the farm level shall be reflected as an upward  
15          adjustment in the Department loan schedule.

16          (2) EXPORTS AND OTHER PEANUTS.—The Sec-  
17          retary shall require that all peanuts in the domestic  
18          and export markets fully comply with all quality  
19          standards under Marketing Agreement No. 146.

20          (g) MARKETING ASSESSMENT.—

21          (1) IN GENERAL.—The Secretary shall provide  
22          for a nonrefundable marketing assessment. The as-  
23          sessment shall be made on a per pound basis in an  
24          amount equal to 1.1 percent for each of the 1994  
25          and 1995 crops, 1.15 percent for the 1996 crop, and

1 1.2 percent for each of the 1997 through 2002  
2 crops, of the national average quota or additional  
3 peanut loan rate for the applicable crop.

4 (2) FIRST PURCHASERS.—

5 (A) IN GENERAL.—Except as provided  
6 under paragraphs (3) and (4), the first pur-  
7 chaser of peanuts shall—

8 (i) collect from the producer a mar-  
9 keting assessment equal to the quantity of  
10 peanuts acquired multiplied by—

11 (I) in the case of each of the  
12 1994 and 1995 crops, .55 percent of  
13 the applicable national average loan  
14 rate;

15 (II) in the case of the 1996 crop,  
16 .6 percent of the applicable national  
17 average loan rate; and

18 (III) in the case of each of the  
19 1997 through 2002 crops, .65 percent  
20 of the applicable national average loan  
21 rate;

22 (ii) pay, in addition to the amount col-  
23 lected under clause (i), a marketing assess-  
24 ment in an amount equal to the quantity  
25 of peanuts acquired multiplied by .55 per-

1 cent of the applicable national average loan  
2 rate; and

3 (iii) remit the amounts required under  
4 clauses (i) and (ii) to the Commodity Credit  
5 Corporation in a manner specified by the  
6 Secretary.

7 (B) DEFINITION OF FIRST PURCHASER.—

8 In this subsection, the term “first purchaser”  
9 means a person acquiring peanuts from a pro-  
10 ducer except that in the case of peanuts for-  
11 feited by a producer to the Commodity Credit  
12 Corporation, the term means the person acquir-  
13 ing the peanuts from the Commodity Credit  
14 Corporation.

15 (3) OTHER PRIVATE MARKETINGS.—In the case  
16 of a private marketing by a producer directly to a  
17 consumer through a retail or wholesale outlet or in  
18 the case of a marketing by the producer outside of  
19 the continental United States, the producer shall be  
20 responsible for the full amount of the assessment  
21 and shall remit the assessment by such time as is  
22 specified by the Secretary.

23 (4) LOAN PEANUTS.—In the case of peanuts  
24 that are pledged as collateral for a loan made under  
25 this section, the grower portion of the assessment

1 shall be deducted from the proceeds of the loan. The  
2 remainder of the assessment shall be paid by the  
3 first purchaser of the peanuts. For purposes of com-  
4 puting net gains on peanuts under this section, the  
5 reduction in loan proceeds shall be treated as having  
6 been paid to the producer.

7 (5) PENALTIES.—If any person fails to collect  
8 or remit the reduction required by this subsection or  
9 fails to comply with the requirements for record-  
10 keeping or otherwise as are required by the Sec-  
11 retary to carry out this subsection, the person shall  
12 be liable to the Secretary for a civil penalty up to  
13 an amount determined by multiplying—

14 (A) the quantity of peanuts involved in the  
15 violation; by

16 (B) the national average quota peanut rate  
17 for the applicable crop year.

18 (6) ENFORCEMENT.—The Secretary may en-  
19 force this subsection in the courts of the United  
20 States.

21 (h) CROPS.—Subsections (a) through (f) shall be ef-  
22 fective only for the 1996 through 2002 crops of peanuts.

23 (i) POUNDAGE QUOTAS.—

1           (1) IN GENERAL.—Part VI of subtitle B of title  
2           III of the Agricultural Adjustment Act of 1938 is  
3           amended—

4                   (A) in section 358–1 (7 U.S.C. 1358–1)—

5                           (i) in the section heading, by striking  
6                           **“1991 THROUGH 1997 CROPS OF”**;

7                           (ii) in subsections (a)(1), (b)(1)(B),  
8                           (b)(2)(A), (b)(2)(C), and (b)(3)(A), by  
9                           striking “of the 1991 through 1997 mar-  
10                          keting years” each place it appears and in-  
11                          serting “marketing year”;

12                          (iii) in subsection (a)(3), by striking  
13                          “1990” and inserting “1990, for the 1991  
14                          through 1995 marketing years, and 1995,  
15                          for the 1996 through 2002 marketing  
16                          years”;

17                          (iv) in subsection (b)(1)(A)—

18                                   (I) by striking “each of the 1991  
19                                   through 1997 marketing years” and  
20                                   inserting “each marketing year”; and

21                                   (II) in clause (i), by inserting be-  
22                                   fore the semicolon the following: “, in  
23                                   the case of the 1991 through 1995  
24                                   marketing years, and the 1995 mar-

1                   keting year, in the case of the 1996  
2                   through 2002 marketing years”; and

3                   (v) in subsection (f), by striking  
4                   “1997” and inserting “2002”;

5                   (B) in section 358b (7 U.S.C. 1358b)—

6                   (i) in the section heading, by striking  
7                   “**1991 THROUGH 1995 CROPS OF**”; and

8                   (ii) in subsection (c), by striking  
9                   “1995” and inserting “2002”;

10                  (C) in section 358c(d) (7 U.S.C.  
11                  1358c(d)), by striking “1995” and inserting  
12                  “2002”; and

13                  (D) in section 358e (7 U.S.C. 1359a)—

14                  (i) in the section heading, by striking  
15                  “**FOR 1991 THROUGH 1997 CROPS OF**  
16                  **PEANUTS**”; and

17                  (ii) in subsection (i), by striking  
18                  “1997” and inserting “2002”.

19                  (2) ELIGIBILITY FOR FARM POUNDAGE  
20                  QUOTA.—

21                  (A) CERTAIN FARMS INELIGIBLE.—Section  
22                  358–1(b)(1) of the Act (7 U.S.C. 1358–1(b)(1))  
23                  is amended by adding at the end the following:

24                  “(D) CERTAIN FARMS INELIGIBLE TO  
25                  HOLD QUOTA.—Effective beginning with the

1           1997 marketing year, the Secretary shall no  
2           longer establish farm poundage quotas under  
3           subparagraph (A) for farms—

4                   “(i) owned or controlled by municipi-  
5                   palities, airport authorities, schools, col-  
6                   leges, refuges, and other public entities  
7                   (not including universities for research  
8                   purposes); or

9                   “(ii) owned or controlled by a person  
10                  who is not a producer and resides in an-  
11                  other State.”.

12                  (B) ALLOCATION OF QUOTA TO OTHER  
13                  FARMS.—Section 358–1(b)(2) of the Act (7  
14                  U.S.C. 1358–1(b)(2)) is amended by adding at  
15                  the end the following:

16                   “(E) TRANSFER OF QUOTA FROM INELI-  
17                   GIBLE FARMS.—Any farm poundage quota held  
18                   on or after January 1, 1997, by a farm de-  
19                   scribed in paragraph (1)(D) shall be allocated  
20                   to other farms in the same State on such basis  
21                   as the Secretary may by regulation prescribe.”.

22                  (3) ELIMINATION OF QUOTA FLOOR.—Section  
23                  358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is  
24                  amended by striking the second sentence.

1           (4) TEMPORARY QUOTA ALLOCATION.—Section  
2       358–1 of the Act (7 U.S.C. 1358–1) is amended—

3           (A) in subsection (a)(1), by striking “do-  
4       mestic edible, seed,” and inserting “domestic  
5       edible use (except seed)”;

6           (B) in subsection (b)(2)—

7           (i) in subparagraph (A), by striking  
8       “subparagraph (B) and subject to”; and

9           (ii) by striking subparagraph (B) and  
10       inserting the following:

11       “(B) TEMPORARY QUOTA ALLOCATION.—

12           “(i) ALLOCATION RELATED TO SEED  
13       PEANUTS.—Temporary allocation of quota  
14       pounds for the marketing year only in  
15       which the crop is planted shall be made to  
16       producers for each of the 1996 through  
17       2002 marketing years as provided in this  
18       subparagraph.

19           “(ii) QUANTITY.—The temporary  
20       quota allocation shall be equal to the  
21       pounds of seed peanuts planted on the  
22       farm, as may be adjusted under regula-  
23       tions prescribed by the Secretary.

24           “(iii) ADDITIONAL QUOTA.—The tem-  
25       porary allocation of quota pounds under

1           this paragraph shall be in addition to the  
2           farm poundage quota otherwise established  
3           under this subsection and shall be credited,  
4           for the applicable marketing year only, in  
5           total to the producer of the peanuts on the  
6           farm in a manner prescribed by the Sec-  
7           retary.

8           “(iv) EFFECT OF OTHER REQUIRE-  
9           MENTS.—Nothing in this section alters or  
10          changes the requirements regarding the  
11          use of quota and additional peanuts estab-  
12          lished by section 358e(b).”; and

13          (C) in subsection (e)(3), strike “and seed  
14          and use on a farm”.

15          (5) SPRING AND FALL TRANSFERS WITHIN A  
16          STATE.—Section 358b(a)(1) of the Act (7 U.S.C.  
17          1358b(a)(1)) is amended—

18                 (A) by striking “, conditions, or limita-  
19                 tions” in the matter preceding the subpara-  
20                 graphs and inserting “and conditions”;

21                 (B) by striking “any such lease” in the  
22                 matter preceding the subparagraphs and insert-  
23                 ing “any such sale or lease”; and

24                 (C) by striking “in the fall or after the  
25                 normal planting season—” and subparagraphs

1 (A) and (B) and inserting the following: “in the  
2 spring (or before the normal planting season)  
3 or in the fall (or after the normal planting sea-  
4 son) with the owner or operator of a farm lo-  
5 cated within any county in the same State. In  
6 the case of a fall transfer or a transfer after the  
7 normal planting season, the transfer may be  
8 made only if not less than 90 percent of the  
9 quota (the farm quota exclusive of temporary  
10 quota transfers), plus any poundage quota  
11 transferred to the farm under this subsection,  
12 has been planted or considered planted on the  
13 farm from which the quota is to be leased.”.

14 (6) UNDERMARKETINGS.—Part VI of subtitle B  
15 of title III of the Act is amended—

16 (A) in section 358–1(b) (7 U.S.C. 1358–  
17 1(b))—

18 (i) in paragraph (1)(B), by striking  
19 “including—” and clauses (i) and (ii) and  
20 inserting “including any increases resulting  
21 from the allocation of quotas voluntarily  
22 released for 1 year under paragraph (7).”;

23 (ii) in paragraph (3)(B), by striking  
24 “include—” and clauses (i) and (ii) and in-  
25 serting “include any increase resulting

1 from the allocation of quotas voluntarily  
2 released for 1 year under paragraph (7).”;

3 and

4 (iii) by striking paragraphs (8) and  
5 (9); and

6 (B) in section 358b(a) (7 U.S.C.  
7 1358b(a))—

8 (i) in paragraph (1), by striking “(in-  
9 cluding any applicable under marketings)”  
10 both places it appears;

11 (ii) in paragraph (2), by striking “(in-  
12 cluding any applicable under marketings)”;  
13 and

14 (iii) in paragraph (3), by striking  
15 “(including any applicable  
16 undermarketings)”.

17 (7) DISASTER TRANSFERS.—Section 358–1(b)  
18 of the Act (7 U.S.C. 1358–1(b)), as amended by  
19 paragraph (6)(A)(iii), is further amended by adding  
20 at the end the following:

21 “(8) DISASTER TRANSFERS.—

22 “(A) IN GENERAL.—Except as provided in  
23 subparagraph (B), additional peanuts produced  
24 on a farm from which the quota poundage was  
25 not harvested and marketed because of drought,

1 flood, or any other natural disaster, or any  
2 other condition beyond the control of the pro-  
3 ducer, may be transferred to the quota loan  
4 pool for pricing purposes on such basis as the  
5 Secretary shall by regulation provide.

6 “(B) LIMITATION.—The poundage of pea-  
7 nuts transferred under subparagraph (A) shall  
8 not exceed the difference between—

9 “(i) the total quantity of peanuts  
10 meeting quality requirements for domestic  
11 edible use, as determined by the Secretary,  
12 marketed from the farm; and

13 “(ii) the total farm poundage quota,  
14 excluding quota pounds transferred to the  
15 farm in the fall.

16 “(C) SUPPORT RATE.—Peanuts trans-  
17 ferred under this paragraph shall be supported  
18 at 70 percent of the quota support rate for the  
19 marketing years in which the transfers occur.  
20 The transfers for a farm shall not exceed 25  
21 percent of the total farm quota pounds, exclud-  
22 ing pounds transferred in the fall.”.

1 **SEC. 107. SUGAR PROGRAM.**

2 (a) SUGARCANE.—The Secretary shall make loans  
3 available to processors of domestically grown sugarcane at  
4 a rate equal to 18 cents per pound for raw cane sugar.

5 (b) SUGAR BEETS.—The Secretary shall make loans  
6 available to processors of domestically grown sugar beets  
7 at a rate equal to 22.9 cents per pound for refined beet  
8 sugar.

9 (c) REDUCTION IN LOAN RATES.—

10 (1) REDUCTION REQUIRED.—The Secretary  
11 shall reduce the loan rate specified in subsection (a)  
12 for domestically grown sugarcane and subsection (b)  
13 for domestically grown sugar beets if the Secretary  
14 determines that negotiated reductions in export sub-  
15 sidies and domestic subsidies provided for sugar of  
16 the European Union and other major sugar growing,  
17 producing, and exporting countries in the aggregate  
18 exceed the commitments made as part of the Agree-  
19 ment on Agriculture.

20 (2) EXTENT OF REDUCTION.—The Secretary  
21 shall not reduce the loan rate under subsection (a)  
22 or (b) below a rate that provides an equal measure  
23 of support to that provided by the European Union  
24 and other major sugar growing, producing, and ex-  
25 porting countries, based on an examination of both

1 domestic and export subsidies subject to reduction  
2 in the Agreement on Agriculture.

3 (3) ANNOUNCEMENT OF REDUCTION.—The  
4 Secretary shall announce any loan rate reduction to  
5 be made under this subsection as far in advance as  
6 is practicable.

7 (4) MAJOR SUGAR COUNTRIES DEFINED.—For  
8 purposes of this subsection, the term “major sugar  
9 growing, producing, and exporting countries”  
10 means—

11 (A) the countries of the European Union;  
12 and

13 (B) the ten foreign countries not covered  
14 by subparagraph (A) that the Secretary deter-  
15 mines produce the greatest amount of sugar.

16 (5) AGREEMENT ON AGRICULTURE DEFINED.—  
17 For purposes of this subsection, the term “Agree-  
18 ment on Agriculture” means the Agreement on Agri-  
19 culture referred to in section 101(d)(2) of the Uru-  
20 guay Round Agreements Act (19 U.S.C.  
21 3511(d)(2)).

22 (d) TERM OF LOANS.—

23 (1) IN GENERAL.—Loans under this section  
24 during any fiscal year shall be made available not

1 earlier than the beginning of the fiscal year and  
2 shall mature at the earlier of—

3 (A) the end of 9 months; or

4 (B) the end of the fiscal year.

5 (2) SUPPLEMENTAL LOANS.—In the case of  
6 loans made under this section in the last 3 months  
7 of a fiscal year, the processor may repledge the  
8 sugar as collateral for a second loan in the subse-  
9 quent fiscal year, except that the second loan shall—

10 (A) be made at the loan rate in effect at  
11 the time the second loan is made; and

12 (B) mature in 9 months less the quantity  
13 of time that the first loan was in effect.

14 (e) LOAN TYPE; PROCESSOR ASSURANCES.—

15 (1) RECOURSE LOANS.—Subject to paragraph  
16 (2), the Secretary shall carry out this section  
17 through the use of recourse loans.

18 (2) NONRECOURSE LOANS.—During any fiscal  
19 year in which the tariff rate quota for imports of  
20 sugar into the United States is established at, or is  
21 increased to, a level in excess of 1,500,000 short  
22 tons raw value, the Secretary shall carry out this  
23 section by making available nonrecourse loans. Any  
24 recourse loan previously made available by the Sec-

1       retary under this section during the fiscal year shall  
2       be changed by the Secretary into a nonrecourse loan.

3           (3) PROCESSOR ASSURANCES.—If the Secretary  
4       is required under paragraph (2) to make  
5       nonrecourse loans available during a fiscal year or to  
6       change recourse loans into nonrecourse loans, the  
7       Secretary shall obtain from each processor that re-  
8       ceives a loan under this section such assurances as  
9       the Secretary considers adequate to ensure that the  
10      processor will provide payments to producers that  
11      are proportional to the value of the loan received by  
12      the processor for sugar beets and sugarcane deliv-  
13      ered by producers served by the processor. The Sec-  
14      retary may establish appropriate minimum payments  
15      for purposes of this paragraph.

16      (f) MARKETING ASSESSMENT.—

17           (1) SUGARCANE.—Effective for marketings of  
18      raw cane sugar during the 1996 through 2003 fiscal  
19      years, the first processor of sugarcane shall remit to  
20      the Commodity Credit Corporation a nonrefundable  
21      marketing assessment in an amount equal to—

22           (A) in the case of marketings during fiscal  
23      year 1996, 1.1 percent of the loan rate estab-  
24      lished under subsection (a) per pound of raw  
25      cane sugar, processed by the processor from do-

1           mestically produced sugarcane or sugarcane  
2           molasses, that has been marketed (including the  
3           transfer or delivery of the sugar to a refinery  
4           for further processing or marketing); and

5                   (B) in the case of marketings during each  
6           of fiscal years 1997 through 2003, 1.375 per-  
7           cent of the loan rate established under sub-  
8           section (a) per pound of raw cane sugar, proc-  
9           essed by the processor from domestically pro-  
10          duced sugarcane or sugarcane molasses, that  
11          has been marketed (including the transfer or  
12          delivery of the sugar to a refinery for further  
13          processing or marketing).

14          (2) SUGAR BEETS.—Effective for marketings of  
15          beet sugar during the 1996 through 2003 fiscal  
16          years, the first processor of sugar beets shall remit  
17          to the Commodity Credit Corporation a nonrefund-  
18          able marketing assessment in an amount equal to—

19                   (A) in the case of marketings during fiscal  
20          year 1996, 1.1794 percent of the loan rate es-  
21          tablished under subsection (a) per pound of  
22          beet sugar, processed by the processor from do-  
23          mestically produced sugar beets or sugar beet  
24          molasses, that has been marketed; and

1 (B) in the case of marketings during each  
2 of fiscal years 1997 through 2003, 1.47425  
3 percent of the loan rate established under sub-  
4 section (a) per pound of beet sugar, processed  
5 by the processor from domestically produced  
6 sugar beets or sugar beet molasses, that has  
7 been marketed.

8 (3) COLLECTION.—

9 (A) TIMING.—A marketing assessment re-  
10 quired under this subsection shall be collected  
11 on a monthly basis and shall be remitted to the  
12 Commodity Credit Corporation not later than  
13 30 days after the end of each month. Any cane  
14 sugar or beet sugar processed during a fiscal  
15 year that has not been marketed by September  
16 30 of the year shall be subject to assessment on  
17 that date. The sugar shall not be subject to a  
18 second assessment at the time that it is mar-  
19 keted.

20 (B) MANNER.—Subject to subparagraph  
21 (A), marketing assessments shall be collected  
22 under this subsection in the manner prescribed  
23 by the Secretary and shall be nonrefundable.

24 (4) PENALTIES.—If any person fails to remit  
25 the assessment required by this subsection or fails to

1 comply with such requirements for recordkeeping or  
2 otherwise as are required by the Secretary to carry  
3 out this subsection, the person shall be liable to the  
4 Secretary for a civil penalty up to an amount deter-  
5 mined by multiplying—

6 (A) the quantity of cane sugar or beet  
7 sugar involved in the violation; by

8 (B) the loan rate for the applicable crop of  
9 sugarcane or sugar beets.

10 (5) ENFORCEMENT.—The Secretary may en-  
11 force this subsection in a court of the United States.

12 (g) FORFEITURE PENALTY.—

13 (1) IN GENERAL.—A penalty shall be assessed  
14 on the forfeiture of any sugar pledged as collateral  
15 for a nonrecourse loan under this section.

16 (2) CANE SUGAR.—The penalty for cane sugar  
17 shall be 1 cent per pound.

18 (3) BEET SUGAR.—The penalty for beet sugar  
19 shall bear the same relation to the penalty for cane  
20 sugar as the marketing assessment for sugar beets  
21 bears to the marketing assessment for sugarcane.

22 (4) EFFECT OF FORFEITURE.—Any payments  
23 owed producers by a processor that forfeits any  
24 sugar pledged as collateral for a nonrecourse loan

1 shall be reduced in proportion to the loan forfeiture  
2 penalty incurred by the processor.

3 (h) INFORMATION REPORTING.—

4 (1) DUTY OF PROCESSORS AND REFINERS TO  
5 REPORT.—A sugarcane processor, cane sugar re-  
6 finer, and sugar beet processor shall furnish the Sec-  
7 retary, on a monthly basis, such information as the  
8 Secretary may require to administer sugar pro-  
9 grams, including the quantity of purchases of sugarcane,  
10 sugar beets, and sugar, and production, impor-  
11 tation, distribution, and stock levels of sugar.

12 (2) PENALTY.—Any person willfully failing or  
13 refusing to furnish the information, or furnishing  
14 willfully any false information, shall be subject to a  
15 civil penalty of not more than \$10,000 for each such  
16 violation.

17 (3) MONTHLY REPORTS.—Taking into consider-  
18 ation the information received under paragraph (1),  
19 the Secretary shall publish on a monthly basis com-  
20 posite data on production, imports, distribution, and  
21 stock levels of sugar.

22 (i) MARKETING ALLOTMENTS.—Part VII of subtitle  
23 B of title III of the Agricultural Adjustment Act of 1938  
24 (7 U.S.C. 1359aa et seq.) is repealed.

1 (j) CROPS.—This section (other than subsection (i))  
2 shall be effective only for the 1996 through 2002 crops  
3 of sugar beets and sugarcane.

4 **SEC. 108. ADMINISTRATION.**

5 (a) COMMODITY CREDIT CORPORATION.—

6 (1) USE OF CORPORATION.—The Secretary  
7 shall carry out this title through the Commodity  
8 Credit Corporation.

9 (2) PROHIBITION ON SALARIES AND EX-  
10 PENSES.—Notwithstanding any other provision of  
11 law, no funds of the Corporation shall be used for  
12 any salary or expense of any officer, employee, or  
13 agency of the Department of Agriculture.

14 (b) DETERMINATIONS BY SECRETARY.—A deter-  
15 mination made by the Secretary under this title or the  
16 Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et  
17 seq.) shall be final and conclusive.

18 (c) REGULATIONS.—The Secretary may issue such  
19 regulations as the Secretary determines necessary to carry  
20 out this title.

21 **SEC. 109. ELIMINATION OF PERMANENT PRICE SUPPORT**  
22 **AUTHORITY.**

23 (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—  
24 The Agricultural Adjustment Act of 1938 is amended—

25 (1) in title III—

1 (A) in subtitle B—

2 (i) by striking parts II through V (7  
3 U.S.C. 1326–1351); and

4 (ii) in part VI—

5 (I) by moving subsection (c) of  
6 section 358d (7 U.S.C. 1358d(c)) to  
7 appear after section 301(b)(17) (7  
8 U.S.C. 1301(b)(17)), redesignating  
9 the subsection as paragraph (18), and  
10 moving the margin of the paragraph 2  
11 ems to the right; and

12 (II) by striking sections 358,  
13 358a, and 358d (7 U.S.C. 1358,  
14 1358a, and 1359); and

15 (B) by striking subtitle D (7 U.S.C.  
16 1379a–1379j); and

17 (2) by striking title IV (7 U.S.C. 1401–1407).

18 (b) AGRICULTURAL ACT OF 1949.—

19 (1) TRANSFER OF CERTAIN SECTIONS.—The  
20 Agricultural Act of 1949 is amended—

21 (A) by transferring sections 106, 106A,  
22 and 106B (7 U.S.C. 1445, 1445–1, 1445–2) to  
23 appear after section 314A of the Agricultural  
24 Adjustment Act of 1938 (7 U.S.C. 1314–1) and

1 redesignating the transferred sections as sec-  
2 tions 315, 315A, and 315B, respectively;

3 (B) by transferring section 111 (7 U.S.C.  
4 1445f) to appear after section 304 of the Agri-  
5 cultural Adjustment Act of 1938 (7 U.S.C.  
6 1304) and redesignating the transferred section  
7 as section 305; and

8 (C) by transferring sections 404 and 416  
9 (7 U.S.C. 1424 and 1431) to appear after sec-  
10 tion 390 of the Agricultural Adjustment Act of  
11 1938 (7 U.S.C. 1390) and redesignating the  
12 transferred sections as sections 390A and  
13 390B, respectively.

14 (2) REPEAL.—The Agricultural Act of 1949 (7  
15 U.S.C. 1421 et seq.) (as amended by paragraph (1))  
16 is repealed.

17 (c) CONFORMING AMENDMENTS.—

18 (1) Section 361 of the Agricultural Adjustment  
19 Act of 1938 (7 U.S.C. 1361) is amended by striking  
20 “, corn, wheat, cotton, peanuts, and rice, estab-  
21 lished”.

22 (2) Section 371 of the Agricultural Adjustment  
23 Act of 1938 (7 U.S.C. 1371) is amended—

24 (A) in the first sentence of subsection (a),  
25 by striking “cotton, rice, peanuts, or”; and

1 (B) in the first sentence of subsection (b),  
2 by striking “cotton, rice, peanuts or”.

3 **SEC. 110. EFFECT OF AMENDMENTS.**

4 (a) EFFECT ON PRIOR CROPS.—Except as otherwise  
5 specifically provided and notwithstanding any other provi-  
6 sion of law, this title and the amendments made by this  
7 title shall not affect the authority of the Secretary to carry  
8 out a price support or production adjustment program for  
9 any of the 1991 through 1995 crops of an agricultural  
10 commodity established under a provision of law in effect  
11 immediately before the date of the enactment of this Act.

12 (b) LIABILITY.—A provision of this title or an  
13 amendment made by this title shall not affect the liability  
14 of any person under any provision of law as in effect be-  
15 fore the date of the enactment of this Act.

16 **TITLE II—DAIRY**

17 **SEC. 201. MILK PRICE SUPPORT PROGRAM.**

18 (a) SUPPORT ACTIVITIES.—During the period begin-  
19 ning on the date of the enactment of this Act and ending  
20 December 31, 2000, the Secretary of Agriculture shall  
21 support the price of milk produced in the 48 contiguous  
22 States through the purchase of cheese, butter, and nonfat  
23 dry milk produced from the milk.

1 (b) RATE.—The price of milk shall be supported at  
2 the following rates per hundredweight for milk containing  
3 3.67 percent butterfat:

4 (1) During calendar year 1996, \$10.15.

5 (2) During calendar year 1997, \$10.05.

6 (3) During calendar year 1998, \$9.95.

7 (4) During calendar year 1999, \$9.85.

8 (5) During calendar year 2000, \$9.75.

9 (c) BID PRICES.—The support purchase prices  
10 under this section for each of the products of milk (but-  
11 ter, cheese, and nonfat dry milk) announced by the Sec-  
12 retary shall be the same for all of that product sold by  
13 persons offering to sell the product to the Secretary. The  
14 purchase prices shall be sufficient to enable plants of av-  
15 erage efficiency to pay producers, on average, a price that  
16 is not less than the rate of price support for milk in ef-  
17 fect under subsection (b).

18 (d) SPECIAL RULE FOR BUTTER AND NONFAT DRY  
19 MILK—

20 (1) ALLOCATION OF PURCHASE PRICES.—The  
21 Secretary may allocate the rate of price support be-  
22 tween the purchase prices for nonfat dry milk and  
23 butter in a manner that will result in the lowest level  
24 of expenditures by the Commodity Credit Corpora-  
25 tion or achieve such other objectives as the Secretary

1 considers appropriate. The Secretary shall notify the  
2 Committee on Agriculture of the House of Rep-  
3 resentatives and the Committee on Agriculture, Nu-  
4 trition, and Forestry of the Senate of the allocation.

5 (2) TIMING OF PURCHASE PRICE ADJUST-  
6 MENTS.—The Secretary may make any such adjust-  
7 ments in the purchase prices for nonfat dry milk  
8 and butter the Secretary considers to be necessary  
9 not more than twice in each calendar year.

10 (e) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—

11 (1) REFUND REQUIRED.—The Secretary shall  
12 provide for a refund of the entire reduction required  
13 under section 204(h)(2) of the Agricultural Act of  
14 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day  
15 before the date of the enactment of this Act, in the  
16 price of milk received by a producer during calendar  
17 year 1995 or 1996, if the producer provides evidence  
18 that the producer did not increase marketings in cal-  
19 endar year 1995 or 1996 when compared to cal-  
20 endar year 1994 or 1995, respectively.

21 (2) EXCEPTION.—This subsection shall not apply  
22 with respect to a producer for a particular calendar  
23 year if the producer has already received a refund  
24 under section 204(h) of the Agricultural Act of 1949

1 for the same fiscal year before the date of the enact-  
2 ment of this Act.

3 (3) TREATMENT OF REFUND.—A refund under  
4 this subsection shall not be considered as any type  
5 of price support or payment for purposes of sections  
6 1211 and 1221 of the Food Security Act of 1985  
7 (16 U.S.C. 3811 and 3821).

8 (f) COMMODITY CREDIT CORPORATION.—The Sec-  
9 retary shall carry out the program authorized by this sec-  
10 tion through the Commodity Credit Corporation.

11 (g) PERIOD OF EFFECTIVENESS.—This section shall  
12 be effective only during the period beginning on the date  
13 of the enactment of this Act and ending on December 31,  
14 2000. The program authorized by this section shall ter-  
15minate on December 31, 2000, and shall be considered  
16 to have expired notwithstanding section 257 of the Bal-  
17 anced Budget and Emergency Deficit Control Act of  
18 1985 (2 U.S.C. 907).

19 **SEC. 202. CONSOLIDATION AND REFORM OF FEDERAL MILK**  
20 **MARKETING ORDERS.**

21 (a) AMENDMENT OF ORDERS.—As soon as prac-  
22 ticable after the date of the enactment of this Act, the  
23 Secretary shall amend Federal milk marketing orders is-  
24 sued under section 8c of the Agricultural Adjustment Act

1 (7 U.S.C. 608c), reenacted with amendments by the Ag-  
2 ricultural Marketing Agreement Act of 1937, to—

3 (1) limit the number of Federal milk marketing  
4 orders to between 10 and 14 orders; and

5 (2) provide for multiple basing points for the pric-  
6 ing of milk.

7 (b) EXPEDITED PROCESS.—Using the rulemaking  
8 procedures provided in section 553 of title 5, United  
9 States Code, the Secretary shall—

10 (1) announce the amendments required under  
11 subsection (a) not later than December 31, 1998;  
12 and

13 (2) implement the amendments not later than De-  
14 cember 31, 2000.

15 (c) FUNDING.—Effective beginning January 1,  
16 2001, the Secretary shall not use any funds to administer  
17 more than 14 Federal milk marketing orders.

18 (d) STUDY REGARDING FURTHER REFORMS.—Not  
19 later than January 1, 1998, the Secretary of Agriculture  
20 shall submit to Congress a report—

21 (1) reviewing the Federal milk marketing order  
22 system established pursuant to section 8c of the Ag-  
23 ricultural Adjustment Act (7 U.S.C. 608c), reen-  
24 acted with amendments by the Agricultural Market-

1       ing Agreement Act of 1937, in light of the reforms  
2       required by subsection (a); and

3           (2) containing such recommendations as the Sec-  
4       retary considers appropriate for further improve-  
5       ments and reforms to the Federal milk marketing  
6       order system.

7       **SEC. 203. DAIRY EXPORT INCENTIVE PROGRAM.**

8           (a) DURATION.—Section 153(a) of the Food Secu-  
9       rity Act of 1985 (15 U.S.C. 713a–14) is amended by  
10      striking “2001” and inserting “2002”.

11          (b) SOLE DISCRETION.—Section 153(b) of the Food  
12      Security Act of 1985 is amended by inserting “sole” be-  
13      fore “discretion”.

14          (c) ELEMENTS OF PROGRAM.—Section 153(c) of the  
15      Food Security Act of 1985 is amended—

16           (1) by striking “and” at the end of paragraph (1);

17           (2) by striking the period at the end of paragraph

18           (2) and inserting “; and”; and

19           (3) by adding at the end the following:

20           “(3) the maximum volume of dairy product ex-  
21      ports allowable consistent with the obligations of the  
22      United States as a member of the World Trade Or-  
23      ganization is exported under the program each year  
24      (minus the volume sold under section 1163 of the  
25      Food Security Act of 1985 (Public Law 99–198; 7

1 U.S.C. 1731 note) during that year), except to the  
2 extent that the export of such a volume under the  
3 program would, in the judgment of the Secretary,  
4 exceed the limitations on the value set forth in sub-  
5 section (f); and

6 “(4) payments may be made under the program  
7 for exports to any destination in the world for the  
8 purpose of market development, except a destination  
9 in a country with respect to which shipments from  
10 the United States are otherwise restricted by law.”.

11 (d) MARKET DEVELOPMENT.—Section 153(e)(1) of  
12 the Food Security Act of 1985 is amended—

13 (1) by striking “and” and inserting “the”; and

14 (2) by inserting before the period the following: “,  
15 and any additional amount that may be required to  
16 assist in the development of world markets for Unit-  
17 ed States dairy products”.

18 (e) MAXIMUM ALLOWABLE AMOUNTS.—Section 153  
19 of the Food Security Act of 1985 is amended by adding  
20 at the end the following:

21 “(f) REQUIRED FUNDING.—

22 “(1) IN GENERAL.—Except as provided in para-  
23 graph (2), the Commodity Credit Corporation shall  
24 in each year use money and commodities for the pro-  
25 gram under this section in the maximum amount

1 consistent with the obligations of the United States  
2 as a member of the World Trade Organization,  
3 minus the amount expended under section 1163 of  
4 the Food Security Act of 1985 (Public Law 99–198;  
5 7 U.S.C. 1731 note) during that year.

6 “(2) VOLUME LIMITATIONS.—The Commodity  
7 Credit Corporation may not exceed the limitations  
8 specified in subsection (c)(3) on the volume of allow-  
9 able dairy product exports.”.

10 **SEC. 204. EFFECT ON FLUID MILK STANDARDS IN THE**  
11 **STATE OF CALIFORNIA.**

12 Nothing in this Act or any other provision of law  
13 shall be construed to preempt, prohibit or otherwise limit  
14 the authority of the State of California, directly or indi-  
15 rectly, to establish or continue to effect any law, regula-  
16 tion or requirement regarding—

17 (1) the percentage of milk solids or solids not fat  
18 in fluid milk products sold at retail or marketed in  
19 the State of California; or

20 (2) the labeling of such fluid milk products with  
21 regard to milk solids or solids not fat.

22 **SEC. 205. REPEAL OF MILK MANUFACTURING MARKETING**  
23 **ADJUSTMENT.**

24 Section 102 of the Food, Agriculture, Conservation,  
25 and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

1 **SEC. 206. PROMOTION.**

2 (a) CONGRESSIONAL PURPOSE.—Section 1999B(a)  
3 of the Fluid Milk Promotion Act of 1990 (7 U.S.C.  
4 6401(a)) is amended—

5 (1) by redesignating paragraphs (6), (7) and (8)  
6 as paragraphs (7), (8) and (9), respectively; and

7 (2) by inserting after paragraph (5) the following  
8 new paragraph:

9 “(6) the congressional purpose underlying this  
10 subtitle is to maintain and expand markets for fluid  
11 milk products, not to maintain or expand any proc-  
12 essor’s share of those markets and that the subtitle  
13 does not prohibit or restrict individual advertising or  
14 promotion of fluid milk products since the programs  
15 created and funded by this subtitle are not extended  
16 to replace individual advertising and promotion ef-  
17 forts;”.

18 (b) CONGRESSIONAL POLICY.—Section 1999B(b) of  
19 the Fluid Milk Promotion Act of 1990 (7 U.S.C.  
20 6401(b)) is amended to read as follows:

21 “(b) POLICY.—It is declared to be the policy of Con-  
22 gress that it is in the public interest to authorize the es-  
23 tablishment, through the exercise of powers provided in  
24 this subtitle, of an orderly procedure for developing, fi-  
25 nancing, through adequate assessments on fluid milk  
26 products produced in the United States and carrying out

1 an effective, continuous, and coordinated program of pro-  
2 motion, research, and consumer information designed to  
3 strengthen the position of the dairy industry in the mar-  
4 ketplace and maintain and expand domestic and foreign  
5 markets and uses for fluid milk products, the purpose of  
6 which is not to compete with or replace individual adver-  
7 tising or promotion efforts designed to promote individual  
8 brand name or trade name fluid milk products, but rath-  
9 er to maintain and expand the markets for all fluid milk  
10 products, with the goal and purpose of this subtitle being  
11 a national governmental goal that authorizes and funds  
12 programs that result in government speech promoting  
13 government objectives.”.

14 (c) RESEARCH.—Section 1999C(6) of the Fluid Milk  
15 Promotion Act of 1990 (7 U.S.C. 6402(6)) is amended  
16 to read as follows:

17 “(6) RESEARCH.—The term ‘research’ means  
18 market research to support advertising and pro-  
19 motion efforts, including educational activities, re-  
20 search directed to product characteristics, product  
21 development, including new products or improved  
22 technology in production, manufacturing or process-  
23 ing of milk and the products of milk.”.

24 (d) VOTING.—(1) Section 1999N(b)(2) of the Fluid  
25 Milk Promotion Act of 1990 (7 U.S.C. 6413(b)(2)) is

1 amended by striking “all processors” and inserting “fluid  
2 milk processors voting in the referendum”.

3 (2) Section 1999O(c) of such Act (7 U.S.C. 6414(c))  
4 is amended by striking “all processors” each place it ap-  
5 pears and inserting “fluid milk processors voting in the  
6 referendum”.

7 (e) DURATION.—Section 1999O(a) of the Fluid Milk  
8 Promotion Act of 1990 (7 U.S.C. 6414(a)) is amended  
9 by striking “1996” and inserting “2002”.

## 10 **TITLE III—CONSERVATION**

### 11 **SEC. 301. CONSERVATION.**

12 (a) FUNDING.—Subtitle E of title XII of the Food  
13 Security Act of 1985 (16 U.S.C. 3841 et seq.) is amend-  
14 ed to read as follows:

### 15 **“Subtitle E—Funding**

#### 16 **“SEC. 1241. FUNDING.**

17 “(a) MANDATORY EXPENSES.—For each of fiscal  
18 years 1996 through 2002, the Secretary shall use the  
19 funds of the Commodity Credit Corporation to carry out  
20 the programs authorized by—

21 “(1) subchapter B of chapter 1 of subtitle D (in-  
22 cluding contracts extended by the Secretary pursu-  
23 ant to section 1437 of the Food, Agriculture, Con-  
24 servation, and Trade Act of 1990 (Public Law 101-  
25 624; 16 U.S.C. 3831 note));

1 “(2) subchapter C of chapter 1 of subtitle D; and

2 “(3) chapter 4 of subtitle D.

3 “(b) ENVIRONMENTAL QUALITY INCENTIVE PRO-  
 4 GRAM.—For each of fiscal years 1996 through 2002,  
 5 \$200,000,000 of the funds of the Commodity Credit Cor-  
 6 poration shall be available for providing technical assist-  
 7 ance, cost-sharing payments, and incentive payments for  
 8 practices authorized under the environmental quality in-  
 9 centive program under chapter 4 of subtitle D. At least  
 10 50 percent of the funds made available under this sub-  
 11 section for a fiscal year shall be used to provide technical  
 12 assistance, cost-sharing payments, and incentive pay-  
 13 ments under such chapter relating to livestock produc-  
 14 tion.”.

15 (b) ENVIRONMENTAL QUALITY INCENTIVE PRO-  
 16 GRAM.—Subtitle D of title XII of the Food Security Act  
 17 of 1985 (16 U.S.C. 3830 et seq.) is amended by adding  
 18 at the end the following:

19 **“CHAPTER 4—ENVIRONMENTAL QUALITY**  
 20 **INCENTIVE PROGRAM**

21 **“SEC. 1240. DEFINITIONS.**

22 “In this chapter and section 1241:

23 “(1) LAND MANAGEMENT PRACTICE.—The term  
 24 ‘land management practice’ means a site-specific nu-  
 25 trient or manure management, integrated pest man-

1       agement, irrigation management, tillage or residue  
2       management, grazing management, or other land  
3       management practice that the Secretary determines  
4       is needed to protect, in the most cost effective man-  
5       ner, water, soil, or related resources from degrada-  
6       tion.

7       “(2) LIVESTOCK.—The term ‘livestock’ means  
8       mature livestock, dairy cows, beef cattle, laying hens,  
9       turkeys, swine, sheep, and such other animals as de-  
10      termined by the Secretary.

11      “(3) PRODUCER.—The term ‘producer’ means a  
12      person who is engaged in livestock or agricultural  
13      production (as defined by the Secretary).

14      “(4) STRUCTURAL PRACTICE.—The term ‘struc-  
15      tural practice’ means—

16              “(A) the establishment of an animal waste  
17              management facility, terrace, grassed waterway,  
18              contour grass strip, filterstrip, tailwater pit, or  
19              other structural practice that the Secretary de-  
20              termines is needed to protect, in the most cost  
21              effective manner, water, soil, or related re-  
22              sources from degradation; and

23              “(B) the capping of abandoned wells.

1 **“SEC. 1240A. ESTABLISHMENT AND ADMINISTRATION OF**  
2 **ENVIRONMENTAL QUALITY INCENTIVE PRO-**  
3 **GRAM.**

4 “(a) ESTABLISHMENT.—

5 “(1) IN GENERAL.—During the 1996 through  
6 2002 fiscal years, the Secretary shall provide tech-  
7 nical assistance, cost-sharing payments, and incen-  
8 tive payments to producers who enter into contracts  
9 with the Secretary, through a environmental quality  
10 incentive program.

11 “(2) ELIGIBLE PRACTICES.—

12 “(A) STRUCTURAL PRACTICES.—A producer  
13 who implements a structural practice shall be  
14 eligible for technical assistance or cost-sharing  
15 payments, or both.

16 “(B) LAND MANAGEMENT PRACTICES.—A  
17 producer who performs a land management  
18 practice shall be eligible for technical assistance  
19 or incentive payments, or both.

20 “(3) ELIGIBLE LAND.—Assistance under this  
21 chapter may be provided with respect to land that  
22 is used for livestock or agricultural production and  
23 on which a serious threat to water, soil, or related  
24 resources exists, as determined by the Secretary, by  
25 reason of the soil types, terrain, climatic, soil, topo-

1 graphic, flood, or saline characteristics, or other fac-  
2 tors or natural hazards.

3 “(4) SELECTION CRITERIA.—In providing tech-  
4 nical assistance, cost-sharing payments, and incen-  
5 tive payments to producers in a region or watershed,  
6 the Secretary shall consider—

7 “(A) the significance of the water, soil, and  
8 related natural resource problems; and

9 “(B) the maximization of environmental ben-  
10 efits per dollar expended.

11 “(b) APPLICATION AND TERM.—

12 “(1) IN GENERAL.—A contract between a pro-  
13 ducer and the Secretary under this chapter may—

14 “(A) apply to 1 or more structural practices  
15 or 1 or more land management practices, or  
16 both; and

17 “(B) have a term of not less than 5, nor  
18 more than 10, years, as determined appropriate  
19 by the Secretary, depending on the practice or  
20 practices that are the basis of the contract.

21 “(2) DUTIES OF PRODUCERS AND SECRETARY.—

22 To receive cost-sharing or incentive payments, or  
23 technical assistance, participating producers shall  
24 comply with all terms and conditions of the contract  
25 and a plan, as established by the Secretary.

1 “(c) STRUCTURAL PRACTICES.—

2 “(1) COMPETITIVE OFFER.—The Secretary shall  
3 administer a competitive offer system for producers  
4 proposing to receive cost-sharing payments in ex-  
5 change for the implementation of 1 or more struc-  
6 tural practices by the producer. The competitive  
7 offer system shall consist of—

8 “(A) the submission of a competitive offer by  
9 the producer in such manner as the Secretary  
10 may prescribe; and

11 “(B) evaluation of the offer in light of the se-  
12 lection criteria established under subsection  
13 (a)(4) and the projected cost of the proposal, as  
14 determined by the Secretary.

15 “(C) CONCURRENCE OF OWNER.—If the producer  
16 making an offer to implement a structural practice  
17 is a tenant of the land involved in agricultural pro-  
18 duction, for the offer to be acceptable, the producer  
19 shall obtain the concurrence of the owner of the land  
20 with respect to the offer.

21 “(d) LAND MANAGEMENT PRACTICES.—The Sec-  
22 retary shall establish an application and evaluation proc-  
23 ess for awarding technical assistance or incentive pay-  
24 ments, or both, to a producer in exchange for the per-

1 formance of 1 or more land management practices by the  
2 producer.

3 “(e) COST-SHARING, INCENTIVE PAYMENTS, AND  
4 TECHNICAL ASSISTANCE.—

5 “(1) COST-SHARING PAYMENTS.—

6 “(A) IN GENERAL.—The Federal share of  
7 cost-sharing payments to a producer proposing  
8 to implement 1 or more structural practices  
9 shall not be greater than 75 percent of the pro-  
10 jected cost of each practice, as determined by  
11 the Secretary, taking into consideration any  
12 payment received by the producer from a State  
13 or local government.

14 “(B) OTHER PAYMENTS.—A producer shall  
15 not be eligible for cost-sharing payments for  
16 structural practices on eligible land under this  
17 chapter if the producer receives cost-sharing  
18 payments or other benefits for the same land  
19 under chapter 1, 2, or 3.

20 “(2) INCENTIVE PAYMENTS.—The Secretary shall  
21 make incentive payments in an amount and at a rate  
22 determined by the Secretary to be necessary to en-  
23 courage a producer to perform 1 or more land man-  
24 agement practices.

25 “(3) TECHNICAL ASSISTANCE.—

1           “(A) FUNDING.—The Secretary shall allocate  
2 funding under this chapter for the provision of  
3 technical assistance with respect to non-Federal  
4 lands according to the purpose and projected  
5 cost for which the technical assistance is pro-  
6 vided for a fiscal year. The allocated amount  
7 may vary according to the type of expertise re-  
8 quired, quantity of time involved, and other fac-  
9 tors as determined appropriate by the Sec-  
10 retary. Funding shall not exceed the projected  
11 cost to the Secretary of the technical assistance  
12 provided for a fiscal year.

13           “(B) OTHER AUTHORITIES.—The receipt of  
14 technical assistance under this chapter shall not  
15 affect the eligibility of the producer to receive  
16 technical assistance under other authorities of  
17 law available to the Secretary.

18           “(C) PRIVATE SOURCES.—The Secretary  
19 shall ensure that the process of writing and de-  
20 veloping proposals and plans for contracts  
21 under this chapter, and of assisting in the im-  
22 plementation of structural practices and land  
23 management practices covered by the contracts,  
24 are open to individuals in agribusiness, includ-  
25 ing agricultural producers, representatives from

1 agricultural cooperatives, agricultural input re-  
2 tail dealers, and certified crop advisers. The re-  
3 quirements of this subparagraph shall also  
4 apply to any other Department program using  
5 incentive payments, technical assistance, or  
6 cost-share payments and to pilot project pro-  
7 grams of the Department that require plans.

8 “(f) LIMITATION ON PAYMENTS.—

9 “(1) IN GENERAL.—The total amount of cost-  
10 sharing and incentive payments paid to a person  
11 under this chapter may not exceed—

12 “(A) \$10,000 for any fiscal year; or

13 “(B) \$50,000 for any multiyear contract.

14 “(2) EXCEPTION TO ANNUAL LIMIT.—The Sec-  
15 retary may exceed the limitation on the annual  
16 amount of a payment under paragraph (1)(A) on a  
17 case-by-case basis if the Secretary determines that a  
18 larger payment is essential to accomplish the land  
19 management practice or structural practice for  
20 which the payment is made.

21 “(3) REGULATIONS.—The Secretary shall issue  
22 regulations that are consistent with section 1001 for  
23 the purpose of—

24 “(A) defining the term ‘person’ as used in  
25 paragraph (1); and

1           “(B) prescribing such rules as the Secretary  
2           determines necessary to ensure a fair and rea-  
3           sonable application of the limitations estab-  
4           lished under this subsection.

5           “(g) REGULATIONS.—Not later than 180 days after  
6           the effective date of this subsection, the Secretary shall  
7           issue regulations to implement the environmental quality  
8           incentive program established under this chapter.”.

9           **SEC. 302. WETLANDS RESERVE PROGRAM.**

10          (a) ENROLLMENT.—Section 1237 of the Food Secu-  
11          rity Act of 1985 (16 U.S.C. 3837) is amended by strik-  
12          ing subsection (b) and inserting the following:

13          “(b) ENROLLMENT CONDITIONS.—

14                 “(1) MAXIMUM ENROLLMENT.—The total number  
15                 of acres enrolled in the wetlands reserve program  
16                 shall not exceed 975,000 acres.

17                 “(2) METHODS OF ENROLLMENT.—The Secretary  
18                 shall ensure, to the maximum extent practicable,  
19                 that of the total number of acres enrolled in the wet-  
20                 lands reserve program—

21                         “(A) one-third of the acres are enrolled  
22                         through the use of permanent easements;

23                         “(B) one-third of the acres are enrolled  
24                         through the use of 30-year easements (or ease-

1           ments of a shorter period if required under ap-  
2           plicable State laws); and

3           “(C) one-third of the acres are enrolled  
4           through the use of restoration cost-share agree-  
5           ments authorized under section 1237A(h).”.

6           “(3) TEMPORARY EMPHASIS ON CERTAIN ENROLL-  
7           MENT METHODS.—To achieve the enrollment rations  
8           specified in paragraph (2), the Secretary shall en-  
9           deavor, to the maximum extent practicable, to rely  
10          on the enrollment methods described in subpara-  
11          graphs (B) and (C) of paragraph (2) to enroll lands  
12          in the wetlands reserve program until such time as  
13          enrollments under each such subparagraph accounts  
14          for approximately one-third of all lands enrolled in  
15          the wetlands reserve.”

16          (b) ELIGIBILITY.—Section 1237(c) of the Food Se-  
17          curity Act of 1985 (16 U.S.C. 3837(c)) is amended by  
18          striking “2000” and inserting “2002”.

19          (c) EASEMENTS AND RESTORATION COST-SHARE  
20          AGREEMENTS.—Section 1237A of the Food Security Act  
21          of 1985 (16 U.S.C. 3837a) is amended—

22                 (1) in the section heading, by inserting before the  
23                 period at the end the following: “**AND RES-**  
24                 **TORATION        COST-SHARE        AGREE-**  
25                 **MENTS**”;

1           (2) by striking subsection (c) and inserting the  
2 following:

3           “(c) RESTORATION PLANS.—The development of a  
4 restoration plan, including any compatible use, under this  
5 section shall be made through the local Natural Re-  
6 sources Conservation Service representative.”;

7           (3) in subsection (f), by striking the third sen-  
8 tence and inserting the following: “Compensation  
9 may be provided in not less than 5, nor more than  
10 30, annual payments of equal or unequal size, as  
11 agreed to by the owner and the Secretary.”; and

12           (4) by adding at the end the following:

13           “(h) RESTORATION COST-SHARE AGREEMENTS.—  
14 The Secretary may enroll land in the wetland reserve  
15 program through agreements that require the landowner  
16 to restore wetlands on the land, if the agreement does  
17 not provide the Secretary with an easement. Other than  
18 cost share and technical assistance provided under sec-  
19 tion 1237C(b), the Secretary may not provide compensa-  
20 tion for an agreement under this subsection.”.

21           (d) SHARE AND TECHNICAL ASSISTANCE.—Section  
22 1237C of the Food Security Act of 1985 (16 U.S.C.  
23 3837c) is amended by striking subsection (b) and insert-  
24 ing the following:

25           “(b) COST SHARE AND TECHNICAL ASSISTANCE.—

1           “(1) EASEMENTS.—In the case of an easement  
2 entered into during the 1996 through 2002 calendar  
3 years, in making cost share payments under sub-  
4 section (a)(1), the Secretary shall—

5           “(A) in the case of a permanent easement,  
6 pay the owner an amount that is not less than  
7 75 percent, but not more than 100 percent, of  
8 the eligible costs; and

9           “(B) in the case of a 30-year easement, pay  
10 the owner an amount that is not less than 50  
11 percent, but not more than 75 percent, of the  
12 eligible costs.

13           “(2) RESTORATION COST-SHARE AGREEMENTS.—  
14 In making cost share payments in connection with a  
15 restoration cost-share agreement entered into under  
16 section 1237(A)(h), the Secretary shall pay the  
17 owner an amount that is not less than 50 percent,  
18 but not more than 75 percent, of the eligible costs.

19           “(3) TECHNICAL ASSISTANCE.—The Secretary  
20 shall provide owners with technical assistance to as-  
21 sist owners in complying with the terms of ease-  
22 ments and restoration cost-share agreements.”.

23           “(e) EFFECT ON EXISTING EASEMENTS.—The  
24 amendments made by this section shall not affect the va-  
25 lidity or terms of any easements acquired by the Sec-

1   retary of Agriculture under subchapter C of chapter 1 of  
2   subtitle D of title XII of the Food Security Act of 1985  
3   (16 U.S.C. 3837 et seq.) before the date of the enact-  
4   ment of this Act or any payments required to be made  
5   in connection with such easements.

6   **SEC. 303. ELIMINATION OF CONSULTATION REQUIRE-**  
7                                   **MENTS WITH SECRETARY OF THE INTERIOR.**

8           Section 1242 of the Food Security Act of 1985 (16  
9   U.S.C. 3842) is amended—

10           (1) by striking “(a)” before “In carrying out”;

11           and

12           (2) by striking subsection (b).

13   **SEC. 304. ENVIRONMENTAL CONSERVATION ACREAGE RE-**  
14                                   **SERVE PROGRAM.**

15           (a) PROGRAM EXTENSIONS.—Section 1230(a) of the  
16   Food Security Act of 1985 (16 U.S.C. 3830(a)) is  
17   amended by striking “1995” and inserting “2002”.

18           (b) CONSERVATION AND IMPROVEMENT OF WILD-  
19   LIFE HABITAT.—Such section is further amended by in-  
20   serting “and wildlife habitat” after “soil and water re-  
21   sources”.

22   **SEC. 305. CONSERVATION RESERVE PROGRAM.**

23           (a) PROGRAM EXTENSIONS.—

24           (1) CONSERVATION RESERVE PROGRAM.—Section  
25           1231 of the Act (16 U.S.C. 3831) is amended in

1 subsections (a) and (b)(3), by striking “1995” each  
2 place it appears and inserting “2002”.

3 (3) DUTIES OF OWNERS AND OPERATORS.—Sec-  
4 tion 1232(c) of the Act (16 U.S.C. 3832(c)) is  
5 amended by striking “1995” and inserting “2002”.

6 (b) MAXIMUM ENROLLMENT.—Section 1231(d) of  
7 the Food Security Act of 1985 (16 U.S.C. 3831(d)) is  
8 amended by striking “total of” and all that follows  
9 through the period at the end of the subsection and in-  
10 serting “total of 36,400,000 acres during the 1986  
11 through 2002 calendar years (including contracts ex-  
12 tended by the Secretary pursuant to section 1437(c) of  
13 the Food, Agriculture, Conservation, and Trade Act of  
14 1990 (Public Law 101–624; 16 U.S.C. 3831 note).”.

15 (c) OPTIONAL CONTRACT TERMINATION BY PRO-  
16 DUCERS.—Section 1235 of the Food Security Act of  
17 1985 (16 U.S.C. 3835) is amended by adding at the end  
18 the following new subsection:

19 “(e) TERMINATIONAL BY OWNER OR OPERATOR.—

20 (1) EARLY TERMINATION AUTHORIZED.—The  
21 Secretary shall allow an owner or operator of land  
22 that, on the date of the enactment of the Agricul-  
23 tural Market Transition Act, is covered by a con-  
24 tract that was entered into under this subchapter at  
25 least five years before that date to terminate the

1 contract with respect to all or a portion of the cov-  
2 ered land. The owner or operator shall provide the  
3 Secretary with reasonable notice of the termination  
4 request.

5 “(2) CERTAIN LANDS EXCEPTED.—Notwithstand-  
6 ing paragraph (1), the following lands shall not be  
7 subject to an early termination of contract under  
8 this subsection:

9 “(A) Filterstrips, waterways, strips adjacent  
10 to riparian areas, windbreaks, and shelterbelts.

11 “(B) Land with an erodibility index of more  
12 than 15.

13 “(C) Other lands of high environmental  
14 value, as determined by the Secretary.

15 “(3) EFFECTIVE DATE.—The contract termi-  
16 nation shall take effect 60 days after the date on  
17 which the owner or operator submits the notice  
18 under paragraph (1).

19 “(4) PRORATED RENTAL PAYMENT.—If a contract  
20 entered into under this subchapter is terminated  
21 under this subsection before the end of the fiscal  
22 year for which a rental payment is due, the Sec-  
23 retary shall provide a prorated rental payment cover-  
24 ing the portion of the fiscal year during which the  
25 contract was in effect.

1           “(5) RENEWED ENROLLMENT.—The termination  
2 of a contract entered into under this subchapter  
3 shall not affect the ability of the owner or operator  
4 who requested the termination to submit a subse-  
5 quent bid to enroll the land that was subject to the  
6 contract into the conservation reserve.

7           “(6) CONSERVATION REQUIREMENTS.—If land  
8 that was subject to a contract is returned to produc-  
9 tion of an agricultural commodity, the conservation  
10 requirements under subtitles B and C shall apply to  
11 the use of the land to the extent that the require-  
12 ments are similar to those requirements imposed on  
13 other similar lands in the area, except than the re-  
14 quirements may not be more onerous than the re-  
15 quirements imposed on other lands.”.

16           (d) USE OF UNEXPENDED FUNDS.—Section 1231  
17 of the Food Security Act of 1985 (16 U.S.C. 3831) is  
18 amended by adding at the end the following:

19           “(h) USE OF UNEXPENDED FUNDS FROM CON-  
20 TRACT TERMINATIONS.—If a contract entered into under  
21 this section is terminated, voluntarily or otherwise, before  
22 the expiration date specified in the contract, the Sec-  
23 retary may use funds, already available to the Secretary  
24 to cover payments under the contract, but unexpended as  
25 a result of the contract termination, to enroll other eligi-

1 ble lands in the conservation reserve established under  
2 this subchapter.”.

3 (e) FAIR MARKET VALUE RENTAL RATES.—

4 (1) IN GENERAL.—Section 1234(c) of the Food  
5 Security Act of 1985 (16 U.S.C. 3834(c)) is amend-  
6 ed by adding at the end the following new para-  
7 graph:

8 “(5) In the case of a contract covering land which  
9 has not been previously enrolled in the conservation re-  
10 serve, annual rental payments under the contract may  
11 not exceed the average fair market rental rate for com-  
12 parable lands in the county in which the lands are lo-  
13 cated. This paragraph shall not apply to the extension of  
14 an existing contract.”

15 (2) APPLICATION OF AMENDMENT.—The amend-  
16 ment made by paragraph (1) shall apply with re-  
17 spect to contracts for the enrollment of lands in the  
18 conservation reserve program under section 1231 of  
19 the Food Security Act of 1985 (16 U.S.C. 3831))  
20 entered into after the date of the enactment of this  
21 Act.

22 (f) ENROLLMENTS IN 1997.—Section 725 of the Ag-  
23 riculture, Rural Development, Food and Drug Adminis-  
24 tration, and Related Agencies Appropriations Act, 1996  
25 (Public Law 104–37; 109 Stat. 332), is amended by

1 striking the proviso relating to enrollment of new acres  
2 in 1997.

3 **TITLE IV—AGRICULTURAL PRO-**  
4 **MOTION AND EXPORT PRO-**  
5 **GRAMS**

6 **Subtitle A—Agricultural Promotion**  
7 **and Export Enhancement Pro-**  
8 **grams**

9 **SEC. 401. MARKET PROMOTION PROGRAM.**

10 Effective as of October 1, 1995, section 211(c)(1) of  
11 the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1))  
12 is amended—

13 (1) by striking “and” after “1991 through  
14 1993,”; and

15 (2) by striking “through 1997,” and inserting  
16 “through 1995, and not more than \$100,000,000  
17 for each of fiscal years 1996 through 2002,”.

18 **SEC. 402. EXPORT ENHANCEMENT PROGRAM.**

19 (a) **GENERALLY.**—Effective as of October 1, 1995,  
20 section 301(e)(1) of the Agricultural Trade Act of 1978  
21 (7 U.S.C. 5651(e)(1)) is amended to read as follows:

22 “(1) **IN GENERAL.**—The Commodity Credit  
23 Corporation shall make available to carry out the  
24 program established under this section not more  
25 than—

1           “(A) \$350,000,000 for fiscal year 1996;  
2           “(B) \$350,000,000 for fiscal year 1997;  
3           “(C) \$500,000,000 for fiscal year 1998;  
4           “(D) \$550,000,000 for fiscal year 1999;  
5           “(E) \$579,000,000 for fiscal year 2000;  
6           “(F) \$478,000,000 for fiscal year 2001;  
7           and  
8           “(G) \$478,000,000 for fiscal year 2002.”.

9           (b) PRIORITY FUNDING FOR WHEAT FLOUR.—Sec-  
10 tion 301 of the Agricultural Trade Act of 1978 (7 U.S.C.  
11 5651) is amended by adding at the end the following:

12           “(h) PRIORITY FUNDING FOR WHEAT FLOUR.—  
13 Consistent, as determined by the Secretary, with the obli-  
14 gations and reduction commitments undertaken by the  
15 United States set forth in the Uruguay Round Agree-  
16 ments, the Secretary shall announce awards under this  
17 section on an annual basis for the sale of wheat flour in  
18 sufficient amount to maintain the percentage of market  
19 share of world commercial flour markets achieved by the  
20 United States wheat flour industry during the Uruguay  
21 Round base period years of 1986 through 1990.”.

1 **Subtitle B—Amendments to Agri-**  
2 **cultural Trade Development and**  
3 **Assistance Act of 1954 and Re-**  
4 **lated Statutes**

5 **SEC. 411. FOOD AID TO DEVELOPING COUNTRIES.**

6 (a) IN GENERAL.—Section 3 of the Agricultural  
7 Trade Development and Assistance Act of 1954 (7  
8 U.S.C. 1691a) is amended to read as follows:

9 **“SEC. 3. FOOD AID TO DEVELOPING COUNTRIES.**

10 “(a) POLICY.—In light of the Uruguay Round  
11 Agreement on Agriculture and the Ministerial Decision  
12 on Measures Concerning the Possible Negative Effects of  
13 the Reform Program on Least-Developed and Net-Food  
14 Importing Developing Countries, the United States reaf-  
15 firms the commitment of the United States to providing  
16 food aid to developing countries.

17 “(b) SENSE OF CONGRESS.—It is the sense of Con-  
18 gress that—

19 “(1) the President should initiate consultations  
20 with other donor nations to consider appropriate lev-  
21 els of food aid commitments to meet the legitimate  
22 needs of developing countries;

23 “(2) the United States should increase its con-  
24 tribution of bona fide food assistance to developing

1 countries consistent with the Agreement on Agri-  
2 culture.”.

3 (b) CONFORMING AMENDMENT.—Section 411 of the  
4 Uruguay Round Agreements Act (19 U.S.C. 3611) is  
5 amended by striking subsection (e).

6 **SEC. 412. TRADE AND DEVELOPMENT ASSISTANCE.**

7 Section 101 of the Agricultural Trade Development  
8 and Assistance Act of 1954 (7 U.S.C. 1701) is amend-  
9 ed—

10 (1) by striking “developing countries” each place  
11 it appears and inserting “developing countries and  
12 private entities”; and

13 (2) in subsection (b), by inserting “and entities”  
14 before the period at the end.

15 **SEC. 413. AGREEMENTS REGARDING ELIGIBLE COUNTRIES**  
16 **AND PRIVATE ENTITIES.**

17 Section 102 of the Agricultural Trade Development  
18 and Assistance Act of 1954 (7 U.S.C. 1702) is amended  
19 to read as follows:

20 **“SEC. 102. AGREEMENTS REGARDING ELIGIBLE COUNTRIES**  
21 **AND PRIVATE ENTITIES.**

22 “(a) PRIORITY.—In selecting agreements to be en-  
23 tered into under this title, the Secretary shall give prior-  
24 ity to agreements providing for the export of agricultural  
25 commodities to developing countries that—

1           “(1) have the demonstrated potential to become  
2           commercial markets for competitively priced United  
3           States agricultural commodities;

4           “(2) are undertaking measures for economic de-  
5           velopment purposes to improve food security and ag-  
6           ricultural development, alleviate poverty, and pro-  
7           mote broad-based equitable and sustainable develop-  
8           ment; and

9           “(3) demonstrate the greatest need for food.

10          “(b) PRIVATE ENTITIES.—An agreement entered  
11          into under this title with a private entity shall require  
12          such security, or such other provisions as the Secretary  
13          determines necessary, to provide reasonable and adequate  
14          assurance of repayment of the financing extended to the  
15          private entity.

16          “(c) AGRICULTURAL MARKET DEVELOPMENT  
17          PLAN.—

18                 “(1) DEFINITION OF AGRICULTURAL TRADE OR-  
19                 GANIZATION.—In this subsection, the term ‘agricul-  
20                 tural trade organization’ means a United States ag-  
21                 ricultural trade organization that promotes the ex-  
22                 port and sale of a United States agricultural com-  
23                 modity and that does not stand to profit directly  
24                 from the specific sale of the commodity.

1           “(2) AN.—The Secretary shall consider a develop-  
2           ing country for which an agricultural market devel-  
3           opment plan has been approved under this sub-  
4           section to have the demonstrated potential to become  
5           a commercial market for competitively priced United  
6           States agricultural commodities for the purpose of  
7           granting a priority under subsection (a).

8           “(3) REQUIREMENTS.—

9           ‘(A) IN GENERAL.—To be approved by the  
10           Secretary, an agricultural market development  
11           plan shall—

12                   “(i) be submitted by a developing coun-  
13                   try or private entity, in conjunction with  
14                   an agricultural trade organization;

15                   “(ii) describe a project or program for  
16                   the development and expansion of a United  
17                   States agricultural commodity market in a  
18                   developing country, and the economic de-  
19                   velopment of the country, using funds de-  
20                   rived from the sale of agricultural com-  
21                   modities received under an agreement de-  
22                   scribed in section 101;

23                   “(iii) provide for any matching funds  
24                   that are required by the Secretary for the  
25                   project or program;

1           “(iv) provide for a results-oriented  
2           means of measuring the success of the  
3           project or program; and

4           “(v) provide for graduation to the use of  
5           non-Federal funds to carry out the project  
6           or program, consistent with requirements  
7           established by the Secretary.

8           “(B) AGRICULTURAL TRADE ORGANIZA-  
9           TION.—The project or program shall be de-  
10          signed and carried out by the agricultural trade  
11          organization.

12          “(C) ADDITIONAL REQUIREMENTS.—An agri-  
13          cultural market development plan shall contain  
14          such additional requirements as are determined  
15          necessary by the Secretary.

16          “(4) ADMINISTRATIVE COSTS.—

17                 “(A) IN GENERAL.—The Secretary shall  
18                 make funds made available to carry out this  
19                 title available for the reimbursement of admin-  
20                 istrative expenses incurred by agricultural trade  
21                 organizations in developing, implementing, and  
22                 administering agricultural market development  
23                 plans, subject to such requirements and in such  
24                 amounts as the Secretary considers appropriate.

1           “(B) DURATION.—The funds shall be made  
2           available to agricultural trade organizations for  
3           the duration of the applicable agricultural mar-  
4           ket development plan.

5           “(C) TERMINATION.—The Secretary may ter-  
6           minate assistance made available under this  
7           subsection if the agricultural trade organization  
8           is not carrying out the approved agricultural  
9           market development plan.”.

10 **SEC. 414. TERMS AND CONDITIONS OF SALES.**

11           Section 103 of the Agricultural Trade Development  
12           and Assistance Act of 1954 (7 U.S.C. 1703) is amend-  
13           ed—

14           “(1) in subsection (a)(2)(A)—

15           (A) by striking “a recipient country to  
16           make”; and

17           (B) by striking “such country” and inserting  
18           “the appropriate country”;

19           (2) in subsection (c), by striking “less than  
20           10 nor”; and

21           (3) in subsection (d)—

22           (A) by striking “recipient country” and in-  
23           serting “developing country or private entity”;

24           and

25           (B) by striking “7” and inserting “5”.

1 **SEC. 415. USE OF LOCAL CURRENCY PAYMENT.**

2 Section 104 of the Agricultural Trade Development  
3 and Assistance Act of 1954 (7 U.S.C. 1704) is amend-  
4 ed—

5 (1) in subsection (a), by striking “recipient coun-  
6 try” and inserting “developing country or private en-  
7 tity”; and

8 (2) in subsection (c)—

9 (A) by striking “recipient country” each  
10 place it appears and inserting “appropriate de-  
11 veloping country”; and

12 (B) in paragraph (3), by striking “recipient  
13 countries” and inserting “appropriate develop-  
14 ing countries”.

15 **SEC. 416. ELIGIBLE ORGANIZATIONS.**

16 Section 202 of the Agricultural Trade Development  
17 and Assistance Act of 1954 (7 U.S.C. 1722) is amend-  
18 ed—

19 (1) by striking subsection (b) and inserting the  
20 following:

21 “(b) NONEMERGENCY ASSISTANCE.—

22 “(1) IN GENERAL.—The Administrator may pro-  
23 vide agricultural commodities for nonemergency as-  
24 sistance under this title through eligible organiza-  
25 tions (as described in subsection (d)) that have en-

1       tered into an agreement with the Administrator to  
2       use the commodities in accordance with this title.

3       “(2) LIMITATION.—The Administrator may not  
4       deny a request for funds or commodities submitted  
5       under this subsection because the program for which  
6       the funds or commodities are requested—

7               “(A) would be carried out by the eligible or-  
8               ganization in a foreign country in which the  
9               Agency for International Development does not  
10              have a mission, office, or other presence; or

11              “(B) is not part of a development plan for  
12              the country prepared by the Agency.”; and

13       (2) in subsection (e)—

14              (A) in the subsection heading, by striking  
15              “PRIVATE VOLUNTARY ORGANIZATIONS AND  
16              COOPERATIVES” and inserting “ELIGIBLE OR-  
17              GANIZATIONS”;

18              (B) in paragraph (1)—

19                      (i) by striking “\$13,500,000” and in-  
20                      serting “\$28,000,000”; and

21                      (ii) by striking “private voluntary orga-  
22                      nizations and cooperatives to assist such  
23                      organizations and cooperatives” and insert-  
24                      ing “eligible organizations described in  
25                      subsection (d), to assist the organizations”;

1 (C) in paragraph (3), by striking “a private  
2 voluntary organization or cooperative, the Ad-  
3 ministrator may provide assistance to that or-  
4 ganization or cooperative” and inserting “an el-  
5 igible organization, the Administrator may pro-  
6 vide assistance to the eligible organization”.

7 **SEC. 417. GENERATION AND USE OF FOREIGN CUR-**  
8 **RENCIES.**

9 Section 203 of the Agricultural Trade Development  
10 and Assistance Act of 1954 (7 U.S.C. 1723) is amend-  
11 ed—

12 (1) in subsection (a), by inserting “, or in a coun-  
13 try in the same region,” after “in the recipient coun-  
14 try”;

15 (2) in subsection (b)—

16 (A) by inserting “or in countries in the same  
17 region,” after “in recipient countries,”; and

18 (B) by striking “10 percent” and inserting  
19 “15 percent”;

20 (3) in subsection (c), by inserting “or in a country  
21 in the same region,” after “in the recipient coun-  
22 try,”; and

23 (4) in subsection (d)(2), by inserting “or within a  
24 country in the same region” after “within the recipi-  
25 ent country”.

1 **SEC. 418. GENERAL LEVELS OF ASSISTANCE UNDER PUB-**  
2 **LIC LAW 480.**

3 Section 204(a) of the Agricultural Trade Develop-  
4 ment and Assistance Act of 1954 (7 U.S.C. 1724(a)) is  
5 amended—

6 (1) in paragraph (1), by striking “amount that”  
7 and all that follows through the period at the end  
8 and inserting “amount that for each of fiscal years  
9 1996 through 2002 is not less than 2,025,000 met-  
10 ric tons.”;

11 (2) in paragraph (2), by striking “amount that”  
12 and all that follows through the period at the end  
13 and inserting “amount that for each of fiscal years  
14 1996 through 2002 is not less than 1,550,000 met-  
15 ric tons.”; and

16 (3) in paragraph (3), by adding at the end the fol-  
17 lowing: “No waiver shall be made before the begin-  
18 ning of the applicable fiscal year.”.

19 **SEC. 419. FOOD AND CONSULTATIVE GROUP.**

20 Section 205 of the Agricultural Trade Development  
21 and Assistance Act of 1954 (7 U.S.C. 1725) is amend-  
22 ed—

23 (1) in subsection (a), by striking “private vol-  
24 untary organizations, cooperatives and indigenous  
25 non-governmental organizations” and inserting “eli-  
26 gible organizations described in section 202(d)(1)”;

1 (2) in subsection (b)—

2 (A) in paragraph (2), by striking “for Inter-  
3 national Affairs and Commodity Programs”  
4 and inserting “of Agriculture for Farm and  
5 Foreign Agricultural Services”;

6 (B) in paragraph (4), by striking “and” at  
7 the end;

8 (C) in paragraph (5), by striking the period  
9 at the end and inserting “; and”; and

10 (D) by adding at the end the following:

11 “(6) representatives from agricultural producer  
12 groups in the United States.”;

13 (3) in the second sentence of subsection (d), by in-  
14 serting “(but at least twice per year)” after “when  
15 appropriate”; and

16 (4) in subsection (f), by striking “1995” and in-  
17 serting “2002”.

18 **SEC. 420. SUPPORT OF NONGOVERNMENTAL ORGANIZA-**  
19 **TIONS.**

20 (a) **IN GENERAL.**—Section 306(b) of the Agricul-  
21 tural Trade Development and Assistance Act of 1954 (7  
22 U.S.C. 1727e(b)) is amended—

23 (1) in the subsection heading, by striking “INDIG-  
24 ENOUS NON-GOVERNMENTAL” and inserting “NON-  
25 GOVERNMENTAL”; and

1           (2) by striking “utilization of indigenous” and in-  
2           serting “utilization of”.

3           (b) CONFORMING AMENDMENT.—Section 402 of the  
4           Agricultural Trade Development and Assistance Act of  
5           1954 (7 U.S.C. 1732) is amended by striking paragraph  
6           (6) and inserting the following:

7           “(6) NONGOVERNMENTAL ORGANIZATION.—The  
8           term ‘nongovernmental organization’ means an orga-  
9           nization that works at the local level to solve devel-  
10          opment problems in a foreign country in which the  
11          organization is located, except that the term does  
12          not include an organization that is primarily an  
13          agency or instrumentality of the government of the  
14          foreign country.”.

15   **SEC. 421. COMMODITY DETERMINATIONS.**

16          Section 401 of the Agricultural Trade Development  
17          and Assistance Act of 1954 (7 U.S.C. 1731) is amend-  
18          ed—

19               (1) by striking subsections (a) through (d) and in-  
20               serting the following:

21               “(a) AVAILABILITY OF COMMODITIES.—No agricul-  
22               tural commodity shall be available for disposition under  
23               this Act if the Secretary determines that the disposition  
24               would reduce the domestic supply of the commodity below  
25               the supply needed to meet domestic requirements and

1 provide adequate carryover (as determined by the Sec-  
2 retary), unless the Secretary determines that some part  
3 of the supply should be used to carry out urgent humani-  
4 tarian purposes under this Act.”;

5 (2) by redesignating subsections (e) and (f) as  
6 subsections (b) and (c), respectively; and

7 (3) in subsection (c) (as so redesignated), by  
8 striking “(e)(1)” and inserting “(b)(1)”.

9 **SEC. 422. GENERAL PROVISIONS.**

10 Section 403 of the Agricultural Trade Development  
11 and Assistance Act of 1954 (7 U.S.C. 1733) is amend-  
12 ed—

13 (1) in subsection (b)—

14 (A) in the subsection heading, by striking  
15 “CONSULTATIONS” and inserting “IMPACT ON  
16 LOCAL FARMERS AND ECONOMY”; and

17 (B) by striking “consult with” and all that  
18 follows through “other donor organizations to”;

19 (2) in subsection (c)—

20 (A) by striking “from countries”; and

21 (B) by striking “for use” and inserting “or  
22 use”;

23 (3) in subsection (f)—

24 (A) by inserting “or private entities, as ap-  
25 propriate,” after “from countries”; and

1 (B) by inserting “or private entities” after  
2 “such countries”; and  
3 (4) in subsection (i)(2), by striking subparagraph  
4 (C).

5 **SEC. 423. AGREEMENTS.**

6 Section 404 of the Agricultural Trade Development  
7 and Assistance Act of 1954 (7 U.S.C. 1734) is amend-  
8 ed—

9 (1) in subsection (a), by inserting “with foreign  
10 countries” after “Before entering into agreements”;

11 (2) in subsection (b)(2)—

12 (A) by inserting “with foreign countries”  
13 after “with respect to agreements entered into”;  
14 and

15 (B) by inserting before the semicolon at the  
16 end the following: “and broad-based economic  
17 growth”; and

18 (3) in subsection (c), by striking paragraph (1)  
19 and inserting the following:

20 “(1) IN GENERAL.—Agreements to provide assist-  
21 ance on a multi-year basis to recipient countries or  
22 to eligible organizations—

23 “(A) may be made available under titles I  
24 and III; and

25 “(B) shall be made available under title II.”.

1 **SEC. 424. ADMINISTRATIVE PROVISIONS.**

2 Section 407 of the Agricultural Trade Development  
3 and Assistance Act of 1954 (7 U.S.C. 1736a) is amend-  
4 ed—

5 (1) in subsection (a)—

6 (A) in paragraph (1), by inserting “or private  
7 entity that enters into an agreement under title  
8 I” after “importing country”; and

9 (B) in paragraph (2), by adding at the end  
10 the following: “Resulting contracts may contain  
11 such terms and conditions as the Secretary de-  
12 termines are necessary and appropriate.”;

13 (2) in subsection (c)—

14 (A) in paragraph (1)(A), by inserting “im-  
15 porter or” before “importing country”; and

16 (B) in paragraph (2)(A), by inserting “im-  
17 porter or” before “importing country”;

18 (3) in subsection (d)—

19 (A) by striking paragraph (2) and inserting  
20 the following:

21 “(2) FREIGHT PROCUREMENT.—

22 Notwithstanding the Federal Property and Admin-  
23 istrative Services Act of 1949 (40 U.S.C. 471 et  
24 seq.) or other similar provisions of law relating to  
25 the making or performance of Federal Government  
26 contracts, ocean transportation under titles II and

1 III may be procured on the basis of such full and  
2 open competitive procedures. Resulting contracts  
3 may contain such terms and conditions, as the Ad-  
4 ministrator determines are necessary and appro-  
5 priate.”; and

6 (B) by striking paragraph (4);

7 (4) in subsection (g)(2)—

8 (A) in subparagraph (B), by striking “and”  
9 at the end;

10 (B) in subparagraph (C), by striking the pe-  
11 riod at the end and inserting “; and”; and

12 (C) by adding at the end the following:

13 “(D) an assessment of the progress towards  
14 achieving food security in each country receiv-  
15 ing food assistance from the United States Gov-  
16 ernment, with special emphasis on the nutri-  
17 tional status of the poorest populations in each  
18 country.”; and

19 (5) by striking subsection (h).

20 **SEC. 425. EXPIRATION DATE.**

21 Section 408 of the Agricultural Trade Development  
22 and Assistance Act of 1954 (7 U.S.C. 1736b) is amended  
23 by striking “1995” and inserting “2002”.

1 **SEC. 426. REGULATIONS.**

2 Section 409 of the Agricultural Trade Development  
3 and Assistance Act of 1954 (7 U.S.C. 1736c) is repealed.

4 **SEC. 427. INDEPENDENT EVALUATION OF PROGRAMS.**

5 Section 410 of the Agricultural Trade Development  
6 and Assistance Act of 1954 (7 U.S.C. 1736d) is repealed.

7 **SEC. 428. AUTHORIZATION OF APPROPRIATIONS.**

8 (a) IN GENERAL.—Section 412 of the Agricultural  
9 Trade Development and Assistance Act of 1954 (7  
10 U.S.C. 1736f) is amended—

11 (1) by striking subsections (b) and (c) and insert-  
12 ing the following:

13 “(b) TRANSFER OF FUNDS.—Notwithstanding any  
14 other provision of law, the President may direct that—

15 “(1) up to 15 percent of the funds available for  
16 any fiscal year for carrying out title I or III of this  
17 Act be used to carry out any other title of this Act;  
18 and

19 “(2) up to 100 percent of funds available for title  
20 III be used to carry out title II.”; and

21 (2) by redesignating subsections (d) and (e) as  
22 subsections (c) and (d), respectively.

23 (b) RELATION TO OTHER WAIVER.—Section  
24 204(a)(3) of the Agricultural Trade Development and As-  
25 sistance Act of 1954 (7 U.S.C. 1724(a)(3)) is amended  
26 by inserting “all authority to transfer from title I under

1 section 412 has been exercised with respect to that fiscal  
2 year and” after “any fiscal year if”.

3 **SEC. 429. COORDINATION OF FOREIGN ASSISTANCE PRO-**  
4 **GRAMS.**

5 Section 413 of the Agricultural Trade Development  
6 and Assistance Act of 1954 (7 U.S.C. 1736g) is amended  
7 by inserting “title III of” before “this Act” each place it  
8 appears.

9 **SEC. 430. USE OF CERTAIN LOCAL CURRENCY.**

10 Title IV of the Agricultural Trade Development and  
11 Assistance Act of 1954 (7 U.S.C. 1731 et seq.) (as  
12 amended by section 222) is further amended by adding  
13 at the end the following:

14 **“SEC. 416. USE OF CERTAIN LOCAL CURRENCY.**

15 “Local currency payments received by the United  
16 States pursuant to agreements entered into under title I  
17 (as in effect on November 27, 1990) may be utilized by  
18 the Secretary in accordance with section 108 (as in effect  
19 on November 27, 1990).”.

20 **SEC. 431. LEVEL OF ASSISTANCE TO FARMER TO FARMER**  
21 **PROGRAM.**

22 Section 501(c) of the Agricultural Trade Develop-  
23 ment and Assistance Act of 1954 (7 U.S.C. 1737(c)) is  
24 amended—

25 (1) by striking “0.2” and inserting “0.4”;

1 (2) by striking “0.1” and inserting “0.2”; and

2 (3) by striking “1991 through 1955” and insert-  
3 ing “1996 through 2002”.

4 **SEC. 432. FOOD SECURITY COMMODITY RESERVE.**

5 (a) FOOD SECURITY COMMODITY RESERVE ACT OF  
6 1995.—The title heading of title III of the Agricultural  
7 Act of 1980 (7 U.S.C. 1736f–1 note) is amended by  
8 striking “**FOOD SECURITY WHEAT RESERVE**  
9 **ACT OF 1980**” and inserting “**FOOD SECURITY**  
10 **COMMODITY RESERVE ACT OF 1995**”.

11 (b) SHORT TITLE.—Section 301 of the Act (7  
12 U.S.C. 1736f–1 note) is amended by striking “Food Se-  
13 curity Wheat Reserve Act of 1980” and inserting “Food  
14 Security Commodity Reserve Act of 1995”.

15 (c) IN GENERAL.—Section 302 of the Act (7 U.S.C.  
16 1736f–1) is amended—

17 (1) in the section heading, by striking “**FOOD**  
18 **SECURITY WHEAT RESERVE**” and insert-  
19 ing “**FOOD SECURITY COMMODITY RE-**  
20 **SERVE**”;

21 (2) so that subsection (a) reads as follows:

22 “(a) IN GENERAL.—To provide for a reserve solely  
23 to meet emergency humanitarian food needs in developing  
24 countries, the Secretary shall establish a reserve stock of  
25 wheat, rice, corn, or sorghum, or any combination of the

1 commodities, totaling not more than 4,000,000 metric  
2 tons for use as described in subsection (c).”;

3 (3) so that subsection (b)(1) reads as follows:

4 “(b) COMMODITIES IN RESERVE.—

5 “(1) IN GENERAL.—The reserve established under  
6 this section shall consist of—

7 “(A) wheat in the reserve established under  
8 the Food Security Commodity Reserve Act of  
9 1980 as of the date of enactment of the Food  
10 For Peace Reauthorization Act of 1995;

11 “(B) wheat, rice, corn, and sorghum (re-  
12 ferred to in this section as ‘eligible commod-  
13 ities’) acquired in accordance with paragraph  
14 (2) to replenish eligible commodities released  
15 from the reserve, including wheat to replenish  
16 wheat released from the reserve established  
17 under the Food Security Wheat Reserve Act of  
18 1980 but not replenished as of the date of en-  
19 actment of the Food For Peace Reauthorization  
20 Act of 1995; and

21 “(C) such rice, corn, and sorghum as the  
22 Secretary of Agriculture (referred to in this sec-  
23 tion as the ‘Secretary’) may, at such time and  
24 in such manner as the Secretary determines ap-  
25 propriate, acquire as a result of exchanging an

1 equivalent value of wheat in the reserve estab-  
2 lished under this section.”;

3 (4) in subsection (b)(2)—

4 (A) by striking “(2)(A) Subject to” and in-  
5 serting the following:

6 “(2) REPLENISHMENT OF RESERVE.—

7 “(A) IN GENERAL.—Subject to;

8 (B) in subparagraph (A)—

9 (i) by striking “(i) of this section stocks  
10 of wheat” and inserting “(i) stocks of eligi-  
11 ble commodities”;

12 (ii) in clause (ii), by striking “stocks of  
13 wheat” and inserting “stocks of eligible  
14 commodities”; and

15 (iii) in the second sentence, by striking  
16 “wheat” and inserting “eligible commod-  
17 ities”; and

18 (C) in subparagraph (B)—

19 (i) by striking “(B) Not later” and in-  
20 serting “(B) TIME FOR REPLENISHMENT  
21 OF RESERVE.—Not later”; and

22 (ii) in clause (ii), by striking “wheat”  
23 and inserting “eligible commodities”;

24 (5) so that subsections (c) through (f) read as fol-  
25 lows:

1 “(c) RELEASE OF ELIGIBLE COMMODITIES.—

2 “(1) DETERMINATION.—If the Secretary deter-  
3 mines that the amount of commodities allocated for  
4 minimum assistance under section 204(a)(1) of the  
5 Agricultural Trade Development and Assistance Act  
6 of 1954 (7 U.S.C. 1724(a)(1)) less the amount of  
7 commodities allocated for minimum non-emergency  
8 assistance under section 204(a)(2) of the Act (7  
9 U.S.C. 1724(a)(2)) will be insufficient to meet the  
10 need for commodities for emergency assistance  
11 under section 202(a) of the Act (7 U.S.C. 1722(a)),  
12 the Secretary in any fiscal year may release from the  
13 reserve—

14 “(A) up to 500,000 metric tons of wheat or  
15 the equivalent value of eligible commodities  
16 other than wheat; and

17 “(B) any eligible commodities which under  
18 subparagraph (A) could have been released but  
19 were not released in prior fiscal years.

20 “(2) AVAILABILITY OF COMMODITIES.—Commod-  
21 ities released under paragraph (1) shall be made  
22 available under title II of the Agricultural Trade De-  
23 velopment and Assistance Act of 1954 (7 U.S.C.  
24 1721 et seq.) for emergency assistance.

1           “(3) EXCHANGE.—The Secretary may exchange  
2           an eligible commodity for another United States  
3           commodity of equal value, including powdered milk,  
4           pulses, and vegetable oil.

5           “(4) USE OF NORMAL COMMERCIAL PRACTICES.—  
6           To the maximum extent practicable consistent with  
7           the fulfillment of the purposes of this section and  
8           the effective and efficient administration of this sec-  
9           tion, the Secretary shall use the usual and cus-  
10          tomary channels, facilities, arrangements, and prac-  
11          tices of the trade and commerce.

12          “(5) WAIVER OF MINIMUM TONNAGE REQUIRE-  
13          MENTS.—Nothing in this subsection shall require  
14          the exercise of the waiver under section 204(a)(3) of  
15          the Agricultural Trade Development and Assistance  
16          Act of 1954 (7 U.S.C. 1724(a)(3)) as a prerequisite  
17          for the release of eligible commodities under this  
18          subsection.

19          “(d) TRANSPORTATION AND HANDLING COSTS.—

20                 “(1) IN GENERAL.—The cost of transportation  
21                 and handling of eligible commodities released from  
22                 the reserve established under this section shall be  
23                 paid by the Commodity Credit Corporation in ac-  
24                 cordance with section 406 of the Agricultural Trade

1 Development and Assistance Act of 1954 (7 U.S.C.  
2 1736).

3 “(2) REIMBURSEMENT.—

4 “(A) IN GENERAL.—The Commodity Credit  
5 Corporation shall be reimbursed for the costs  
6 incurred under paragraph (1) from the funds  
7 made available to carry out the Agricultural  
8 Trade Development and Assistance Act of 1954  
9 (7 U.S.C. 1691 et seq.)

10 “(B) BASIS FOR REIMBURSEMENT.—The re-  
11 imbursement shall be made on the basis of the  
12 lesser of the actual cost incurred by the Com-  
13 modity Credit Corporation less any savings  
14 achieved as a result of decreased storage and  
15 handling costs for the reserve.

16 “(C) DECREASED STORAGE AND HANDLING  
17 COSTS.—For purposes of this subsection, ‘de-  
18 creased storage and handling costs’ shall mean  
19 the total actual costs for storage and handling  
20 incurred by the Commodity Credit Corporation  
21 for the reserve established under title III of the  
22 Agricultural Act of 1980 in fiscal year 1995  
23 less the total actual costs for storage and han-  
24 dling incurred by the Corporation for the re-

1           serve established under this Act in the fiscal  
2           year for which the savings are calculated.

3           “(e) MANAGEMENT OF RESERVE.—The Secretary  
4 shall provide for—

5           “(1) the management of eligible commodities in  
6           the reserve as to location and quality of commodities  
7           needed to meet emergency situations; and

8           “(2) the periodic rotation of eligible commodities  
9           in the reserve to avoid spoilage and deterioration of  
10          such stocks.

11          “(f) TREATMENT OF RESERVE UNDER OTHER  
12 LAW.—Eligible commodities in the reserve established  
13 under this section shall not be—

14          “(1) considered a part of the total domestic sup-  
15          ply (including carryover) for the purpose of admin-  
16          istering the Agricultural Trade Development and As-  
17          sistance Act of 1954 (7 U.S.C. 1691 et seq.); and

18          “(2) subject to any quantitative limitation on ex-  
19          ports that may be imposed under section 7 of the  
20          Export Administration Act of 1979 (50 U.S.C. App.  
21          2406).”;

22          (6) in subsection (g)—

23                  (A) by striking “(g)(1) The” and inserting  
24                  the following:

1 “(g) USE OF COMMODITY CREDIT CORPORATION.—  
2 The”;

3 (B) by striking “wheat” and inserting “an el-  
4 igible commodity”; and

5 (C) by striking paragraph (2);

6 (7) in subsection (h)—

7 (A) by striking “(h) Any” and inserting:

8 “(h) FINALITY OF DETERMINATION.—Any”; and

9 (B) by striking “President or the Secretary  
10 of Agriculture” and inserting “Secretary”; and

11 (8) in subsection (i)—

12 (A) by striking “(i) The” and inserting:

13 “(i) TERMINATION OF AUTHORITY.—The”;

14 (B) by striking “wheat” each place it appears  
15 and inserting “eligible commodities”; and

16 (C) by striking “1995” each place it appears  
17 and inserting “2002”.

18 (d) EFFECTIVE DATE.—Section 303 of the Act (7  
19 U.S.C. 1736–1 note) is amended by striking “October 1,  
20 1980” and all that follows through the end of the section  
21 and inserting “on the date of enactment of this Act.”.

22 (e) CONFORMING AMENDMENT.—Section 208(d)(2)  
23 of the Agriculture Trade Suspension Adjustment Act of  
24 1980 (7 U.S.C. 4001(d)(2)) is amended to read as fol-  
25 lows:

1           “(2) APPLICABILITY OF CERTAIN PROVISIONS.—  
2           Subsections (b)(2), (c), (e), and (f) of section 302 of  
3           the Food Security Commodity Reserve Act of 1995  
4           shall apply to commodities in any reserve established  
5           under paragraph (1), except that the references to  
6           ‘eligible commodities’ in the subsections shall be  
7           deemed to be references to ‘agricultural commod-  
8           ities’.”.

9   **SEC. 423. FOOD FOR PROGRESS PROGRAM.**

10          The Food for Progress Act of 1985 (7 U.S.C.  
11 1736o) is amended—

12           (1) in subsection (b)—

13                (A) in paragraph (1)—

14                   (i) by striking “(b)(1)” and inserting

15                   “(b)”; and

16                   (ii) in the first sentence, by inserting

17                   “intergovernmental organizations” after

18                   “cooperatives”; and

19                (B) by striking paragraph (2);

20           (2) in subsection (e)(4), by striking “203” and in-

21           serting “406”;

22           (3) in subsection (f)—

23                (A) in paragraph (1), by striking “in the case

24                of the independent states of the former Soviet

25                Union,”;

1 (B) by striking paragraph (2);

2 (C) in paragraph (4), by inserting “in each  
3 of fiscal years 1996 through 2002” after “may  
4 be used”; and

5 (D) by redesignating paragraphs (3) through  
6 (5) as paragraphs (2) through (4), respectively;  
7 (4) in subsection (g), by striking “1995” and in-  
8 serting “2002”;

9 (5) in subsection (j), by striking “shall” and in-  
10 serting “may”;

11 (6) in subsection (k), by striking “1995” and in-  
12 serting “2002”;

13 (7) in subsection (l)(1)—

14 (A) by striking “1991 through 1995” and in-  
15 serting “1996 through 2002”; and

16 (B) by inserting “, and to provide technical  
17 assistance for monetization programs,” after  
18 “monitoring of food assistance programs”; and

19 (8) in subsection (m)—

20 (A) by striking “with respect to the inde-  
21 pendent states of the former Soviet Union”;

22 (B) by striking “private voluntary organiza-  
23 tions and cooperatives” each place it appears  
24 and inserting “agricultural trade organizations,

1 intergovernmental organizations, private vol-  
2 untary organizations, and cooperatives”; and

3 (C) in paragraph (2), by striking “in the  
4 independent states”.

5 **Subtitle C—Amendments to Agricultural Trade Act**  
6 **of 1978**

7 **SEC. 451. AGRICULTURAL EXPORT PROMOTION STRATEGY.**

8 (a) IN GENERAL.—Section 103 of the Agricul-  
9 tural Trade Act of 1978 (7 U.S.C. 5603) is amended to  
10 read as follows:

11 **“SEC. 103. AGRICULTURAL EXPORT PROMOTION STRATEGY.**

12 “(a) IN GENERAL.—The Secretary shall develop a  
13 strategy for implementing Federal agricultural export  
14 promotion programs that takes into account the new  
15 market opportunities for agricultural products, including  
16 opportunities that result from—

17 “(1) the North American Free Trade Agreement  
18 and the Uruguay Round Agreements;

19 “(2) any accession to membership in the World  
20 Trade Organization;

21 “(3) the continued economic growth in the Pacific  
22 Rim; and

23 “(4) other developments.

24 “(b) PURPOSE OF STRATEGY.—The strategy devel-  
25 oped under subsection (a) shall encourage the mainte-

1 nance, development, and expansion of export markets for  
2 United States agricultural commodities and related prod-  
3 ucts, including high-value and value-added products.

4 “(c) GOALS OF STRATEGY.—The strategy developed  
5 under subsection (a) shall have the following goals:

6 “(1) By September 30, 2002, increasing the value  
7 of annual United States agricultural exports to  
8 \$60,000,000,000.

9 “(2) By September 30, 2002, increasing the Unit-  
10 ed States share of world export trade in agricultural  
11 products significantly above the average United  
12 States share from 1993 through 1995.

13 “(3) By September 30, 2002, increasing the Unit-  
14 ed States share of world trade in high-value agricul-  
15 tural products to 20 percent.

16 “(4) Ensuring that the value of United States ex-  
17 ports of agricultural products increases at a faster  
18 rate than the rate of increase in the value of overall  
19 world export trade in agricultural products.

20 “(5) Ensuring that the value of United States ex-  
21 ports of high-value agricultural products increases at  
22 a faster rate than the rate of increase in overall  
23 world export trade in high-value agricultural prod-  
24 ucts.

25 “(6) Ensuring to the extent practicable that—

1           “(A) substantially all obligations undertaken  
2           in the Uruguay Round Agreement on Agri-  
3           culture that provide significantly increased ac-  
4           cess for United States agricultural commodities  
5           are implemented to the extent required by the  
6           Uruguay Round Agreements; or

7           “(B) applicable United States trade laws are  
8           used to secure United States rights under the  
9           Uruguay Round Agreement on Agriculture.

10          “(d) PRIORITY MARKETS.—

11           “(1) IDENTIFICATION OF MARKETS.—In develop-  
12           ing the strategy required under subsection (a), the  
13           Secretary shall identify as priority markets—

14           “(A) those markets in which imports of agri-  
15           cultural products show the greatest potential  
16           for increase by September 30, 2002; and

17           “(B) those markets in which, with the assist-  
18           ance of Federal export promotion programs, ex-  
19           ports of United States agricultural products  
20           show the greatest potential for increase by Sep-  
21           tember 30, 2002.

22           “(2) IDENTIFICATION OF SUPPORTING OFFICES.—  
23           The President shall identify annually in the budget  
24           of the United States Government submitted under  
25           section 1105 of title 31, United States Code, each

1 overseas office of the Foreign Agricultural Service  
2 that provides assistance to United States exporters  
3 in each of the priority markets identified under  
4 paragraph (1).

5 “(e) REPORT.—Not later than December 31, 2001,  
6 the Secretary shall prepare and submit a report to Con-  
7 gress assessing progress in meeting the goals established  
8 by subsection (c).

9 “(f) FAILURE TO MEET GOALS.—Notwithstanding  
10 any other law, if the Secretary determines that more than  
11 2 of the goals established by subsection (c) are not met  
12 by September 30, 2002, the Secretary may not carry out  
13 agricultural trade programs under the Agricultural Trade  
14 Act of 1978 (7 U.S.C. 5601 et seq.) as of that date.

15 “(g) NO PRIVATE RIGHT OF ACTION.—This section  
16 shall not create any private right of action.”.

17 (b) CONTINUATION OF FUNDING.—

18 (1) IN GENERAL.—If the Secretary of Agriculture  
19 makes a determination under section 103(f) of the  
20 Agricultural Trade Act of 1978 (as amended by sub-  
21 section (a)), the Secretary shall utilize funds of the  
22 Commodity Credit Corporation to promote United  
23 States agricultural exports in a manner consistent  
24 with the Commodity Credit Corporation Chapter Act

1 (15 U.S.C. 714 et seq.) and obligations pursuant to  
2 the Uruguay Round Agreements.

3 (2) FUNDING.—The amount of Commodity Credit  
4 Corporation funds used to carry out paragraph (1)  
5 during a fiscal year shall not exceed the total outlays  
6 for agricultural trade programs under the Agricul-  
7 tural Trade Act of 1978 (7 U.S.C. 5601 et seq.)  
8 during fiscal year 2002.

9 (c) ELIMINATION OF REPORT.—

10 (1) IN GENERAL.—Section 601 of the Agricultural  
11 Trade Act of 1978 ( 7 U.S.C. 5711) is repealed.

12 (2) CONFORMING AMENDMENT.—The last sen-  
13 tence of section 603 of the Agricultural Trade Act  
14 of 1978 (7 U.S.C. 5713) is amendment by striking  
15 “, in a consolidated report,” and all that follows  
16 through “section 601” and inserting “ or in a con-  
17 solidated report”.

18 **SEC. 452. EXPORT CREDITS.**

19 (a) EXPORT CREDIT GUARANTEE PROGRAM.—Sec-  
20 tion 202 of the Agricultural Trade Act of 1978 ( 7  
21 U.S.C. 5622) is amended—

22 (1) in subsection (a)—

23 (A) by striking “GUARANTEES.—The” and  
24 inserting the following “GUARANTEES.—

25 “(1) IN GENERAL.—The”; and

1 (B) by adding at the end the following:

2 “(2) SUPPLIER CREDITS.—In carrying out this  
3 section, the Commodity credit Corporation may issue  
4 guarantees for the repayment of credit made avail-  
5 able for a period of not more than 180 days by a  
6 United States exporter to a buyer in a foreign coun-  
7 try.”;

8 (2) in subsection (f)—

9 (A) by striking “(f) RESTRICTIONS.—The”  
10 and inserting the following:

11 “(f) Restrictions.—

12 “(1) IN GENERAL.—The”; and

13 (B) by adding at the end the following:

14 “(2) CRITERIA FOR DETERMINATION.—In mak-  
15 ing the determination required under paragraph (1)  
16 with respect to credit guarantees under subsection  
17 (b) for a country, the Secretary may consider, in ad-  
18 dition to financial, macroeconomic, and monetary in-  
19 dicators—

20 “(A) whether an International Monetary  
21 Fund standby agreement, Paris Club reschedul-  
22 ing plan, or other economic restructuring plan  
23 is in place with respect to the country;

24 “(B) the convertibility of the currency of  
25 the country;

1           “(C) whether the country provides ade-  
2           quate legal protection for foreign investments;

3           “(D) whether the country has viable finan-  
4           cial markets;

5           “(E) whether the country provides ade-  
6           quate legal protection for the private property  
7           rights of citizens of the country; and

8           “(F) any other factors that are relevant to  
9           the ability of the country to service the debt of  
10          the country.”;

11          (3) by striking subsection (h) and inserting the  
12          following:

13           “(h) UNITED STATES AGRICULTURAL COMPO-  
14          NENTS.—The Commodity Credit Corporation shall fi-  
15          nance or guarantee under this section only United States  
16          agricultural commodities.”;

17          (4) in subsection (i)—

18           (A) by striking “INSTITUTIONS.—A finan-  
19          cial” and inserting the following: “INSTITU-  
20          TIONS.—

21          “(1) IN GENERAL.—A financial”;

22           (B) by striking paragraph (1);

23           (C) by striking “(2) is” and inserting the  
24          following:

25           “(A) is”;

1 (D) by striking “(3) is” and inserting the  
2 following:

3 “(B) is”; and

4 (E) by adding at the end the following:

5 “(2) THIRD COUNTRY BANKS.—The Commodity  
6 Credit Corporation may guarantee under subsections  
7 (a) and (b) the repayment of credit made available  
8 to finance an export sale irrespective of whether the  
9 obligor is located in the country to which the export  
10 sale is destined.”; and

11 (5) by striking subsection (k) and inserting the  
12 following:

13 “(k) PROCESSED AND HIGH-VALUE PRODUCTS.—

14 “(1) IN GENERAL.—In issuing export credit  
15 guarantees under this section, the Commodity Credit  
16 Corporation shall, subject to paragraph (2), ensure  
17 that not less than 25 percent for each of fiscal years  
18 1996 and 1997, 30 percent for each of fiscal years  
19 1998 and 1999, and 35 percent of each of fiscal  
20 years 2000, 2001, and 2002, of the total amount of  
21 credit guarantees issued for a fiscal year is issued to  
22 promote the export of processed or high-value agri-  
23 cultural products and that the balance is issued to  
24 promote the export of bulk or raw agricultural com-  
25 modities.

1           “(2) LIMITATION.—The percentage requirement  
2 of paragraph (1) shall apply for a fiscal year to the  
3 extent that a reduction in the total amount of credit  
4 guarantees issued for the fiscal year is not required  
5 to meet the percentage requirement.”.

6           (b) FUNDING LEVELS.—Section 211(b) of the Ag-  
7 ricultural Trade Act of 1978 (7 U.S.C. 5641(b)) is  
8 amended—

9           (1) by striking paragraph (2);

10           (2) by redesignating subparagraph (B) of para-  
11 graph (1) as paragraph (2) and indenting the mar-  
12 gin of paragraph (2) (as so redesignated) so as to  
13 align with the margin of paragraph (1); and

14           (3) by striking paragraph (1) and inserting the  
15 following:

16           “(1) EXPORT CREDIT GUARANTEES.—The  
17 Commodity Credit Corporation shall make available  
18 for each of fiscal years 1996 through 2002 not less  
19 than \$5,500,000,000 in credit guarantees under  
20 subsections (a) and (b) of section 202.”.

21           (c) DEFINITIONS.—Section 102(7) of the Agricul-  
22 tural Trade Act of 1978 (7 U.S.C. 5602(7)) is amended  
23 by striking subparagraphs (A) and (B) and inserting the  
24 following:

1           “(A) an agricultural commodity or product  
2           entirely produced in the United States; or

3           “(B) a product of an agricultural commod-  
4           ity—

5                   “(i) 90 percent or more of the agricul-  
6                   tural components of which by weight, ex-  
7                   cluding packaging and added water, is en-  
8                   tirely produced in the United States; and

9                   “(ii) that the Secretary determines to  
10                  be a United States high value agricultural  
11                  product.”.

12           (d) REGULATIONS.—Not later than 180 days  
13 after the effective date of this title, the Secretary of agri-  
14 culture shall issue regulations to carry out the amend-  
15 ments made by this section.

16 **SEC. 453. EXPORT PROGRAM AND FOOD ASSISTANCE**  
17 **TRANSFER AUTHORITY.**

18           The Secretary of Agriculture shall fully utilize and  
19 aggressively implement the full range of agricultural ex-  
20 port programs authorized in this Act and any other Act,  
21 in any combination, to help United States agriculture  
22 maintain and expand export markets, promote United  
23 States agricultural commodity and product exports,  
24 counter subsidized foreign competition, and capitalize on  
25 potential new market opportunities. Consistent with Unit-

1 ed States obligations under GATT, if the Secretary de-  
2 termines that funds available under 1 or more export  
3 subsidy programs cannot be fully or effectively utilized  
4 for such programs, the Secretary may utilize such funds  
5 for other authorized agricultural export and food assist-  
6 ance programs to achieve the above objectives and to fur-  
7 ther enhance the overall global competitiveness of United  
8 States agriculture. Funds so utilized shall be in addition  
9 to funds which may otherwise be authorized or appro-  
10 priated for such other agricultural export programs.

11 **SEC. 454. ARRIVAL CERTIFICATION.**

12 Section 401 of the Agricultural Trade Act of 1978  
13 (7 U.S.C. 5662(a)) is amended by striking subsection (a)  
14 and inserting the following:

15 “(a) ARRIVAL CERTIFICATION.—With respect to a  
16 commodity provided, or for which financing or a credit  
17 guarantee or other assistance is made available, under a  
18 program authorized in section 201, 202, or 301, the  
19 Commodity Credit Corporation shall require the exporter  
20 of the commodity to maintain records of an official or  
21 customary commercial nature or other documents as the  
22 Secretary may require, and shall allow representatives of  
23 the Commodity Credit Corporation access to the records  
24 or documents as needed, to verify the arrival of the com-

1 modify in the country that was the intended destination  
2 of the commodity.”.

3 **SEC. 455. REGULATIONS.**

4 Section 404 of the Agricultural Trade Act of 1978  
5 (7 U.S.C. 5664) is repealed.

6 **SEC. 456. FOREIGN AGRICULTURAL SERVICE.**

7 Section 503 of the Agricultural Trade Act of 1978  
8 (7 U.S.C. 5693) is amended to read as follows:

9 **“SEC. 503. ESTABLISHMENT OF THE FOREIGN AGRICUL-**  
10 **TURAL SERVICE.**

11 “The Service shall assist the Secretary in carrying  
12 out the agricultural trade policy and international co-  
13 operation policy of the United States by—

14 “(1) acquiring information pertaining to agricul-  
15 tural trade;

16 “(2) carrying out market promotion and develop-  
17 ment activities;

18 “(3) providing agricultural technical assistance  
19 and training; and

20 “(4) carrying out the programs authorized under  
21 this Act, the Agricultural Trade Development and  
22 Assistance Act of 1954 (7 U.S.C. 1691 et seq.), and  
23 other Acts.”.

1 **SEC. 457. REPORTS.**

2       The first sentence of section 603 of the Agricultural  
3 Trade Act of 1978 (7 U.S.C. 5713) is amended by strik-  
4 ing “The” and inserting “Subject to section 217 of the  
5 Department of Agriculture Reorganization Act of 1994  
6 (7 U.S.C. 6917), the”.

7                               **Subtitle D—Miscellaneous**

8 **SEC. 471. REPORTING REQUIREMENTS RELATING TO TO-**  
9                               **BACCO.**

10       Section 214 of the Tobacco Adjustment Act of 1983  
11 (7 U.S.C. 509) is repealed.

12 **SEC. 472. TRIGGERED EXPORT ENHANCEMENT.**

13       (a) READJUSTMENT OF SUPPORT LEVELS.—Section  
14 1302 of the Omnibus Budget Reconciliation Act of 1990  
15 (Public Law 101–508; 7 U.S.C. 1421 note) is repealed.

16       (b) TRIGGERED MARKETING LOANS AND EXPORT  
17 ENHANCEMENT.—Section 4301 of the Omnibus Trade  
18 and Competitiveness Act of 1988 (Public Law 100–418;  
19 7 U.S.C. 1446 note) is repealed.

20       (c) EFFECTIVE DATE.—The amendments made by  
21 this section shall be effective beginning with the 1996  
22 crops of wheat, feed grains, upland cotton, and rice.

23 **SEC. 473. DISPOSITION OF COMMODITIES TO PREVENT**  
24                               **WASTE.**

25       Section 416 of the Agricultural Act of 1949 (7  
26 U.S.C. 1431) is amended—

1 (1) in subsection (b)—

2 (A) in paragraph (1), by inserting after the  
3 first sentence the following: “The Secretary  
4 may use funds of the Commodity Credit Cor-  
5 poration to cover administrative expenses of the  
6 programs.”;

7 (B) in paragraph (7)(D)(iv), by striking “one  
8 year of acquisition” and all that follows and in-  
9 serting the following: “a reasonable length of  
10 time, as determined by the Secretary, except  
11 that the Secretary may permit the use of pro-  
12 ceeds in a country other than the country of or-  
13 igin—

14 “(I) as necessary to expedite the transpor-  
15 tation of commodities and products furnished  
16 under this subsection; or

17 “(II) if the proceeds are generated in a cur-  
18 rency generally accepted in the other country.”;

19 (C) in paragraph (8), by striking subpara-  
20 graph (C); and

21 (D) by striking paragraphs (10), (11), and  
22 (12); and

23 (2) by striking subsection (c).

1 **SEC. 474. DEBT-FOR-HEALTH-AND-PROTECTION SWAP.**

2 (a) IN GENERAL.—Section 1517 of the Food, Agri-  
3 culture, Conservation, and Trade Act of 1990 (7 U.S.C.  
4 1706) is repealed.

5 (b) CONFORMING AMENDMENT.—Subsection (e)(3)  
6 of the Food for Progress Act of 1985 (7 U.S.C.  
7 1736o(e)(3)) is amended by striking “section 106” and  
8 inserting “section 103”.

9 **SEC. 475. POLICY ON EXPANSION OF INTERNATIONAL MAR-**  
10 **KETS.**

11 Section 1207 of the Agriculture and Food Act of  
12 1981 (7 U.S.C. 1736m) is repealed.

13 **SEC. 476. POLICY ON MAINTENANCE AND DEVELOPMENT**  
14 **OF EXPORT MARKETS.**

15 Section 1121 of the Food Security Act of 1985 (7  
16 U.S.C. 1736p) is amended—

17 (1) by striking subsection (a); and

18 (2) in subsection (b)—

19 (A) by striking “(b)”; and

20 (B) by striking paragraphs (1) through (4)

21 and inserting the following:

22 “(1) be the premier supplier of agricultural and  
23 food products to world markets and expand exports  
24 of high value products;

1           “(2) support the principle of free trade and the  
2           promotion of fair trade in agricultural commodities  
3           and products;

4           “(3) cooperate fully in all efforts to negotiate with  
5           foreign countries further reductions in tariff and  
6           nontariff barriers to trade, including sanitary and  
7           phytosanitary measures and trade-distorting sub-  
8           sidies;

9           “(4) aggressively counter unfair foreign trade  
10          practices as a means of encouraging fairer trade;”.

11 **SEC. 477. POLICY ON TRADE LIBERALIZATION.**

12          Section 1122 of the Food Security Act of 1985 (7  
13 U.S.C. 1736q) is repealed.

14 **SEC. 478. AGRICULTURAL TRADE NEGOTIATIONS.**

15          Section 1123 of the Food Security Act of 1985 (7  
16 U.S.C. 1736r) is amended to read as follows:

17 **“SEC. 1123. TRADE NEGOTIATIONS POLICY.**

18          “(a) FINDINGS.—Congress finds that—

19               “(1) on a level playing field, United States pro-  
20               ducers are the most competitive suppliers of agricul-  
21               tural products in the world;

22               “(2) exports of United States agricultural prod-  
23               ucts will account for \$54,000,000,000 in 1995, con-  
24               tributing a net \$24,000,000,000 to the merchandise

1 trade balance of the United States and supporting  
2 approximately 1,000,000 jobs;

3 “(3) increased agricultural exports are critical to  
4 the future of the farm, rural, and overall United  
5 States economy, but the opportunities for increased  
6 agricultural exports are limited by the unfair sub-  
7 sidies of the competitors of the United States, and  
8 a variety of tariff and nontariff barriers to highly  
9 competitive United States agricultural products;

10 “(4) international negotiations can play a key role  
11 in breaking down barriers to United States agricul-  
12 tural exports;

13 “(5) the Uruguay Round Agreement on Agri-  
14 culture made significant progress in the attainment  
15 of increased market access opportunities for United  
16 States exports of agricultural products, for the first  
17 time—

18 “(A) restraining foreign trade-distorting do-  
19 mestic support and export subsidy programs;  
20 and

21 “(B) developing common rules for the appli-  
22 cation of sanitary and phytosanitary restric-  
23 tions;

1 that should result in increased exports of United  
2 States agricultural products, jobs, and income  
3 growth in the United States;

4 “(6) the Uruguay Round Agreement on Agri-  
5 culture did not succeed in completely eliminating  
6 trade distorting domestic support and export sub-  
7 sidies by—

8 “(A) allowing the European Union to con-  
9 tinue unreasonable levels of spending on export  
10 subsidies; and

11 “(B) failing to discipline monopolistic state  
12 trading entities, such as the Canadian Wheat  
13 Board, that use nontransparent and discrimina-  
14 tory pricing as a hidden de facto export sub-  
15 sidy;

16 “(7) during the period 1996 through 2002, there  
17 will be several opportunities for the United States to  
18 negotiate fairer trade in agricultural products, in-  
19 cluding further negotiations under the World Trade  
20 Organization, and steps toward possible free trade  
21 agreements of the Americas and Asian-Pacific Eco-  
22 nomic Cooperation (APEC); and

23 “(8) the United States should aggressively use  
24 these opportunities to achieve more open and fair  
25 opportunities for trade in agricultural products.

1       “(b) GOALS OF THE UNITED STATES IN AGRICUL-  
2 TURAL TRADE NEGOTIATIONS.—The objectives of the  
3 United States with respect to future negotiations on agri-  
4 culture trade include—

5           “(1) increasing opportunities for United States  
6 exports of agricultural products by eliminating tariff  
7 and nontariff barriers to trade;

8           “(2) leveling the playing field for United States  
9 producers of agricultural products by limiting per  
10 unit domestic production supports to levels that are  
11 no greater than those available in the United States;

12           “(3) ending the practice of export dumping by  
13 eliminating all trade distorting export subsidies and  
14 disciplining state trading entities so that they do not  
15 (except in cases of bona fide food aid) sell in foreign  
16 markets at below domestic market prices nor their  
17 full costs of acquiring and delivering agricultural  
18 products to the foreign markets; and

19           “(4) encouraging government policies that avoid  
20 price-depressing surpluses.”.

21 **SEC. 479. POLICY ON UNFAIR TRADE PRACTICES.**

22       Section 1164 of the Food Security Act of 1985  
23 (Public Law 99–198; 99 Stat. 1499) is repealed.

1 **SEC. 480. AGRICULTURAL AID AND TRADE MISSIONS.**

2 (a) IN GENERAL.—The Agricultural Aid and Trade  
3 Missions Act (7 U.S.C. 1736bb et seq.) is repealed.

4 (b) CONFORMING AMENDMENT.—Section 7 of Public  
5 Law 100–277 (7 U.S.C. 1736bb note) is repealed.

6 **SEC. 481. ANNUAL REPORTS BY AGRICULTURAL ATTACHES.**

7 Section 108(b)(1)(B) of the Agricultural Act of  
8 1954 (7 U.S.C. 1748(b)(1)(B)) is amended by striking  
9 “including fruits, vegetables, legumes, popcorn, and  
10 ducks”.

11 **SEC. 482. WORLD LIVESTOCK MARKET PRICE INFORMA-**  
12 **TION.**

13 Section 1545 of the Food, Agriculture, Conservation,  
14 and Trade Act of 1990 (Public Law 101–624; 7 U.S.C.  
15 1761 note) is repealed.

16 **SEC. 483. ORDERLY LIQUIDATION OF STOCKS.**

17 Sections 201 and 207 of the Agricultural Act of  
18 1956 (7 U.S.C. 1851 and 1857) are repealed.

19 **SEC. 484. SALES OF EXTRA LONG STAPLE COTTON.**

20 Section 202 of the Agricultural Act of 1956 (7  
21 U.S.C. 1852) is repealed.

22 **SEC. 485. REGULATIONS.**

23 Section 707 of the Freedom for Russia and Emerg-  
24 ing Eurasian Democracies and Open Markets Support  
25 Act of 1992 (Public Law 102–511; 7 U.S.C. 5621 note)  
26 is amended by striking subsection (d).

1 **SEC. 486. EMERGING MARKETS.**

2 (a) PROMOTION OF AGRICULTURAL EXPORTS TO  
3 EMERGING MARKETS.—

4 (1) EMERGING MARKETS.—Section 1542 of the  
5 Food, Agriculture, Conservation, and Trade Act of  
6 1990 (Public Law 101–624; 7 U.S.C. 5622 note) is  
7 amended—

8 (A) in the section heading, by striking  
9 “**EMERGING DEMOCRACIES**” and in-  
10 serting “**EMERGING MARKETS**”;

11 (B) by striking “emerging democracies” each  
12 place it appears in subsections (b), (d), and (e)  
13 and inserting “emerging markets”;

14 (C) by striking “emerging democracy” each  
15 place it appears in subsection (e) and inserting  
16 “emerging market”; and

17 (D) by striking subsection (f) and inserting  
18 the following:

19 “(f) EMERGING MARKET.—In this section and sec-  
20 tion 1543, the term ‘emerging market’ means any coun-  
21 try that the Secretary determines—

22 “(1) is taking steps toward a market-oriented  
23 economy through the food, agriculture, or rural busi-  
24 ness sectors of the economy of the country; and

25 “(2) has the potential to provide a viable and sig-  
26 nificant market for United States agricultural com-

1 commodities or products of United States agricultural  
2 commodities.”.

3 (2) FUNDING.—Section 1542 of the Food, Agri-  
4 culture, Conservation, and Trade Act of 1990 is  
5 amended by striking subsection (a) and inserting the  
6 following:

7 “(a) FUNDING.—The Commodity Credit Corporation  
8 shall make available for fiscal years 1996 through 2002  
9 not less than \$1,000,000,000 of direct credits or export  
10 credit guarantees for exports to emerging markets under  
11 section 201 or 202 of the Agricultural Trade Act of 1978  
12 (7 U.S.C. 5621 and 5622), in addition to the amounts  
13 acquired or authorized under section 211 of the Act (7  
14 U.S.C. 5641) for the program.”.

15 (3) AGRICULTURAL FELLOWSHIP PROGRAM.—Sec-  
16 tion 1542 of the Food, Agriculture, Conservation,  
17 and Trade Act of 1990 is amended—

18 (A) in subsection (b), by striking the last  
19 sentence and inserting the following: “The  
20 Commodity Credit Corporation shall give prior-  
21 ity under this subsection to—

22 “(A) projects that encourage the privatiza-  
23 tion of the agricultural sector or that benefit  
24 private farms or cooperatives in emerging mar-  
25 kets; and

1 “(B) projects for which nongovernmental per-  
2 sons agree to assume a relatively larger share  
3 of the costs.”; and

4 (B) in subsection(d)—

5 (i) in the matter preceding paragraph  
6 (1), by striking “the Soviet Union” and in-  
7 serting “emerging markets”;

8 (ii) in paragraph (1)—

9 (I) in subparagraph (A)(i)—

10 (aa) by striking “1995” and  
11 inserting “2002”; and

12 (bb) by striking “those sys-  
13 tems, and identify” and inserting  
14 “the systems, including potential  
15 reductions in trade barriers, and  
16 identify and carry out”;

17 (II) in subparagraph (B), by strik-  
18 ing “shall” and inserting “may”;

19 (III) in subparagraph (D), by in-  
20 serting “(including the establishment  
21 of extension services)” after “tech-  
22 nical assistance”;

23 (IV) by striking subparagraph (F);

1 (V) by redesignating subparagraphs  
2 (G)(H), and (I) as subparagraphs  
3 (F), (G), and (H), respectively; and

4 (VI) in subparagraph (H) (as re-  
5 designated by subclause (V)), by strik-  
6 ing “\$10,000,000” and inserting  
7 “\$20,000,000”;

8 (iii) in paragraph (2)—

9 (I) by striking “the Soviet Union”  
10 each place it appears and inserting  
11 “emerging markets”;

12 (II) in subparagraph (A), by strik-  
13 ing “a free market food production  
14 and distribution system” and insert-  
15 ing “free market food production and  
16 distribution systems”;

17 (III) in subparagraph (B)—

18 (aa) in clause (i), by striking  
19 “Government” and inserting  
20 “governments”;

21 (bb) in clause (iii)(II), by  
22 striking “and” at the end;

23 (cc) in clause (iii)(III), by  
24 striking the period at the end  
25 and inserting “; and”; and

1 (dd) by adding at the end of  
2 clause (iii) the following:

3 “(IV) to provide for the exchange of  
4 administrators and faculty members  
5 from agricultural and other institu-  
6 tions to strengthen and revise edu-  
7 cational programs in agricultural eco-  
8 nomics, agribusiness, and agrarian  
9 law, to support change towards a free  
10 market economy in emerging mar-  
11 kets.”;

12 (IV) by striking subparagraph (D);

13 and

14 by redesignating subparagraph (E)  
15 as subparagraph (D); and

16 (iv) by striking paragraph (3).

17 (4) UNITED STATES AGRICULTURAL COMMOD-  
18 ITY.—Subsections (b) and (c) of section 1542 of the  
19 Food, Agriculture, Conservation, and Trade Act of  
20 1990 are amended by striking “section 101(6)” each  
21 place it appears and inserting “section 102(7)”.

22 (5) REPORT.—The first sentence of section  
23 1542(e)(2) of the Food, Agriculture, Conservation,  
24 and Trade Act of 1990 is amended by striking  
25 “Not” and inserting “Subject to section 217 of the

1 Department of Agriculture Reorganization Act of  
2 1994 (7 U.S.C. 6917), not”.

3 (b) AGRICULTURAL FELLOWSHIP PROGRAM FOR  
4 MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES,  
5 AND EMERGING MARKETS.—Section 1543 of the Food,  
6 Agriculture, Conservation, and Trade Act of 1990 (7  
7 U.S.C. 3293) is amended—

8 (1) in the section heading, by striking “**MID-**  
9 **DLE INCOME COUNTRIES AND EMERG-**  
10 **ING DEMOCRACIES**” and inserting “**MID-**  
11 **DLE INCOME COUNTRIES, EMERGING**  
12 **DEMOCRACIES, AND EMERGING MAR-**  
13 **KETS**”;

14 (2) in subsection (b), by adding at the end the fol-  
15 lowing:

16 “(5) EMERGING MARKET.—Any emerging market,  
17 as defined in section 1542(f).”; and

18 (3) in subsection (c)(1), by striking “food needs”  
19 and inserting “food and fiber needs”.

20 (c) CONFORMING AMENDMENTS.—

21 (1) Section 501 of the Agricultural Trade Devel-  
22 opment and Assistance Act of 1954 (7 U.S.C. 1737  
23 is amended—

1 (A) in subsection (a), by striking “emerging  
2 democracies” and inserting “emerging mar-  
3 kets”; and

4 (B) in subsection (b), by striking paragraph  
5 (1) and inserting the following:

6 “(1) EMERGING MARKET.—The term ‘emerging  
7 market’ means any country that the Secretary deter-  
8 mines—

9 (A) is taking steps toward a market-oriented  
10 economy through the food, agriculture, or rural  
11 business sectors of the economy of the country;  
12 and

13 “(B) has the potential to provide a viable and  
14 significant market for United States agricul-  
15 tural commodities or products of United States  
16 agricultural commodities.”.

17 (2) Section 201(d)(1)(C)(ii) of the Agricultural  
18 Trade Act of 1978 (7 U.S.C. 5621(d)(1)(C)(ii)) is  
19 amended by striking “emerging democracies” and  
20 inserting “emerging markets”.

21 (3) Section 202(d)(3)(B) of the Agricultural  
22 Trade Act of 1978 (7 U.S.C. 5622(d)(3)(B)) is  
23 amended by striking “emerging democracies” and  
24 inserting “emerging markets”.

1 **SEC. 487. IMPLEMENTATION OF COMMITMENTS UNDER**  
2 **URUGUAY ROUND AGREEMENTS.**

3 Part III of subtitle A of title IV of the Uruguay  
4 Round Agreements Act (Public Law 103–465; 108 Stat.  
5 4964) is amended by adding at the end the following:

6 **“SEC. 427. IMPLEMENTATION OF COMMITMENTS UNDER**  
7 **URUGUAY ROUND AGREEMENTS**

8 “Not later than September 30 of fiscal year, the  
9 Secretary of Agriculture shall determine whether the obli-  
10 gations undertaken by foreign countries under the Uru-  
11 guay Round Agreement on Agriculture are being fully  
12 implemented. If the Secretary of Agriculture determines  
13 that any foreign country, by not implementing the obliga-  
14 tions of the country, is significantly constraining an op-  
15 portunity for United States agricultural exports, the Sec-  
16 retary shall—

17 “(1) submit to the United States Trade Representa-  
18 tive a recommendation as to whether the President  
19 should take action under any provision of law; and

20 “(2) transmit a copy of the recommendation to  
21 the Committee on Agriculture, the Committee on  
22 International Relations, and the Committee on Ways  
23 and Means, of the House of Representatives and the  
24 Committee on Agriculture, Nutrition, and Forestry,  
25 and the Committee on Finance, of the Senate.”.

1 **SEC. 488. SENSE OF CONGRESS CONCERNING MULTILAT-**  
2 **ERAL DISCIPLINES ON CREDIT GUARANTEES.**

3 It is the sense of Congress that—

4 (1) in negotiations to establish multilateral dis-  
5 ciplines on agricultural export credits and credit  
6 guarantees, the United States should not agree to  
7 any arrangement that is incompatible with the provi-  
8 sions of United States law that authorize agricul-  
9 tural export credits and credit guarantees;

10 (2) in the negotiations (which are held under the  
11 auspices of the Organization for Economic Coopera-  
12 tion and Development), the United States should not  
13 reach any agreement that fails to impose disciplines  
14 on the practices of foreign government trading enti-  
15 ties such as the Australian Wheat Board and Cana-  
16 dian Wheat Board; and

17 (3) the disciplines should include greater openness  
18 in the operations of the entities as long as the enti-  
19 ties are subsidized by the foreign government or  
20 have monopolies for exports of a commodity that are  
21 sanctioned by the foreign government.

22 **SEC. 489. FOREIGN MARKET DEVELOPMENT COOPERATOR**  
23 **PROGRAM.**

24 The Agricultural Trade Act of 1978 (7 U.S.C. 5601  
25 et seq.) is amended by adding at the end the following:

1 **“TITLE VII—FOREIGN MARKET**  
2 **DEVELOPMENT COOPERATOR**  
3 **PROGRAM**

4 **“SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZA-**  
5 **TION.**

6 “In this title, the term ‘eligible trade organization’  
7 means a United States trade organization that—

8 “(1) promotes the export of 1 or more United  
9 States agricultural commodities or products; and

10 “(2) does not have a business interest in or re-  
11 ceive remuneration from specific sales of agricultural  
12 commodities or products.

13 **“SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR**  
14 **PROGRAM.**

15 “(a) IN GENERAL.—The Secretary shall establish  
16 and, in cooperation with eligible trade organizations,  
17 carry out a foreign market development cooperator pro-  
18 gram to maintain and develop foreign markets for United  
19 States agricultural commodities and products.

20 “(b) ADMINISTRATION.—Funds made available to  
21 carry out this title shall be used only to provide—

22 “(1) cost-share assistance to an eligible trade or-  
23 ganization under a contract or agreement with the  
24 organization; and

1           “(2) assistance for other costs that are necessary  
2           or appropriate to carry out the foreign market devel-  
3           opment cooperator program, including contingent li-  
4           abilities that are not otherwise funded.

5   **“SEC. 703. AUTHORIZATION OF APPROPRIATIONS.**

6           “There are authorized to be appropriated to carry  
7           out this title such sums as may be necessary for each of  
8           fiscal years 1996 through 2002.”.

9           **Subtitle E—Dairy Exports**

10   **SEC. 491. DAIRY EXPORT INCENTIVE PROGRAM**

11           (a) IN GENERAL.—Section 153(c) of the Food Se-  
12           curity Act of 1985 (15 U.S.C. 713a–14(c)) is amended—

13                   (1) by striking “and” at the end of paragraph  
14                   (1);

15                   (2) by striking the period at the end of para-  
16                   graph (2) and inserting ”;”; and

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

19                   “(3) the maximum volume of dairy product ex-  
20                   ports allowable consistent with the obligations of the  
21                   United States as a member of the World Trade Or-  
22                   ganization are exported under the program each  
23                   year (minus the volume sold under section 1163 of  
24                   the Food Security Act of 1985 (7 U.S.C. 1731 note)  
25                   during that year), except to the extent that the ex-

1 port of such a volume under the program would, in  
2 the judgment of the Secretary, exceed the limitations  
3 on the value set forth in subsection (f); and

4 “(4) payments may be made under the program  
5 for exports to any destination in the world for the  
6 purpose of market development, except a destination  
7 in a country with respect to which shipments from  
8 the United States are otherwise restricted by law.”.

9 (b) SOLE DISCRETION.—Section 153(b) of the  
10 Food Security Act of 1985 (15 U.S.C. 713a–14(b)) is  
11 amended by inserting “sole” before “discretion”.

12 (c) MARKET DEVELOPMENT.—Section 153(e)(1)  
13 of the Food Security Act of 1985 (15 U.S.C. 713a–  
14 14(e)(1)) is amended—

15 (1) by striking “and” and inserting “the”; and

16 (2) by inserting before the period the following:  
17 ”, and any additional amount that may be required  
18 to assist in the development of world markets for  
19 United States dairy products”.

20 (d) MAXIMUM ALLOWABLE AMOUNTS.—Section  
21 153 of the Food Security Act of 1985 (15 U.S.C. 713a–  
22 14) is amended by adding at the end the following:

23 “(f) REQUIRED FUNDING.—The Commodity  
24 Credit Corporation shall in each year use money and  
25 commodities for the program under this section in the

1 maximum amount consistent with the obligations of the  
2 United States as a member of the World Trade Organi-  
3 zation, minus the amount expended under section 1163  
4 of the Food Security Act of 1985 (7 U.S.C. 1731 note)  
5 during that year. However, the Commodity Credit Cor-  
6 poration may not exceed the limitations specified in sub-  
7 section (c)(3) on the volume of allowable dairy product  
8 exports.”.

9 (e) CONFORMING AMENDMENT.—Section 153(a)  
10 of the Food Security Act of 1985 (15 U.S.C. 713a–  
11 14(a)) is amended by striking “2001” and inserting  
12 “2002”.

13 **SEC. 492. AUTHORITY TO ASSIST IN ESTABLISHMENT AND**  
14 **MAINTENANCE OF EXPORT TRADING COM-**  
15 **PANY.**

16 The Secretary of Agriculture shall, consistent with  
17 the obligations of the United States as a member of the  
18 World Trade Organization, provide such advice and as-  
19 sistance to the United States dairy industry as may be  
20 necessary to enable that industry to establish and main-  
21 tain an export trading company under the Export Trad-  
22 ing Company Act of 1982 (15 U.S.C. 4001 et seq.) for  
23 the purpose of facilitating the international market devel-  
24 opment for and exportation of dairy products produced in  
25 the United States.

1 **SEC. 493. STANDBY AUTHORITY TO INDICATE ENTITY BEST**  
2 **SUITED TO PROVIDE INTERNATIONAL MAR-**  
3 **KET DEVELOPMENT AND EXPORT SERVICES.**

4 (a) INDICATION OF ENTITY BEST SUITED TO AS-  
5 SIST INTERNATIONAL MARKET DEVELOPMENT FOR AND  
6 EXPORT OF UNITED STATES DAIRY PRODUCTS.—If—

7 (1) the United States dairy industry has not es-  
8 tablished an export trading company under the Ex-  
9 port Trading Company Act of 1982 (15 U.S.C. 4001  
10 et seq.) for the purpose of facilitating the inter-  
11 national market development for an exportation of  
12 dairy products produced in the United States on or  
13 before June 30, 1996; or

14 (2) the quantity of exports of United States  
15 dairy products during the 12-month period preced-  
16 ing July 1, 1997 does not exceed the quantity of ex-  
17 ports of United States dairy products during the 12-  
18 month period preceding July 1, 1996 by 1.5 billion  
19 pounds (milk equivalent, total solids basis);

20 the Secretary of Agriculture is directed to indicate which  
21 entity autonomous of the Government of the United States  
22 is best suited to facilitate the international market devel-  
23 opment for and exportation of United States dairy prod-  
24 ucts.

25 (b) FUNDING OF EXPORT ACTIVITIES.—The Sec-  
26 retary shall assist the entity in identifying sources of

1 funding for the activities specified in subsection (a) from  
2 within the dairy industry and elsewhere.

3 (c) APPLICATION OF SECTION.—This section shall  
4 apply only during the period beginning on July 1, 1997  
5 and ending on September 30, 2000.

6 **SEC. 494. STUDY AND REPORT REGARDING POTENTIAL IM-**  
7 **PACT OF URUGUAY ROUND ON PRICES, IN-**  
8 **COME AND GOVERNMENT PURCHASES.**

9 (a) STUDY.—The Secretary of Agriculture shall  
10 conduct a study, on a variety by variety of cheese basis,  
11 to determine the potential impact on milk prices in the  
12 United States, dairy producer income, and Federal dairy  
13 program costs, of the allocation of additional cheese  
14 granted access to the United States as a result of the ob-  
15 ligations of the United States as a member of the world  
16 Trade Organization.

17 (b) REPORT.—Not later than June 30, 1997, the  
18 Secretary shall report to the Committees on Agriculture  
19 of the Senate and the House of Representatives the re-  
20 sults of the study conducted under this section.

21 (c) RULE OF CONSTRUCTION.—Any limitation im-  
22 posed by Act of Congress on the conduct or completion  
23 of studies or reports to Congress shall not apply to the  
24 study and report required under this section unless such  
25 limitation explicitly references this section in doing so.

1 **SEC. 495. PROMOTION OF UNITED STATES DAIRY PROD-**  
 2 **UCTS IN INTERNATIONAL MARKETS**  
 3 **THROUGH DAIRY PROMOTION PROGRAM.**

4 Section 113(e) of the Dairy Production Stabiliza-  
 5 tion Act of 1983 (7 U.S.C. 4504(e)) is amended by add-  
 6 ing at the end the following new sentence: “For each of  
 7 the fiscal years 1996 through 2000, the Board’s budget  
 8 shall provide for the expenditure of not less than 10 per-  
 9 cent of the anticipated revenues available to the Board to  
 10 develop international markets for, and to promote within  
 11 such markets, the consumption of dairy products pro-  
 12 duced in the United States from milk produced in the  
 13 United States.”.

14 **TITLE V—MISCELLANEOUS**

15 **SEC. 501. CROP INSURANCE.**

16 (a) **CATASTROPHIC RISK PROTECTION.**—Section  
 17 508(b) of the Federal Crop Insurance Act (7 U.S.C.  
 18 1508(b)) is amended—

19 (1) in paragraph (4), by adding at the end the  
 20 following:

21 “(C) **DELIVERY OF COVERAGE.**—

22 “(i) **IN GENERAL.**—In full consulta-  
 23 tion with approved insurance providers, the  
 24 Secretary may continue to offer cata-  
 25 strophic risk protection in a State (or a  
 26 portion of a State) through local offices of

1 the Department if the Secretary deter-  
2 mines that there is an insufficient number  
3 of approved insurance providers operating  
4 in the State or portion to adequately pro-  
5 vide catastrophic risk protection coverage  
6 to producers.

7 “(ii) COVERAGE BY APPROVED INSUR-  
8 ANCE PROVIDERS.—To the extent that cat-  
9 astrophic risk protection coverage by ap-  
10 proved insurance providers is sufficiently  
11 available in a State as determined by the  
12 Secretary, only approved insurance provid-  
13 ers may provide the coverage in the State.

14 “(iii) CURRENT POLICIES.—Subject to  
15 clause (ii), all catastrophic risk protection  
16 policies written by local offices of the De-  
17 partment shall be transferred to the ap-  
18 proved insurance provider for performance  
19 of all sales, service, and loss adjustment  
20 functions. Any fees in connection with such  
21 policies that are not yet collected at the  
22 time of the transfer shall be payable to the  
23 approved insurance providers assuming the  
24 policies.”; and

1           (2) in paragraph (7), by striking subparagraph  
2           (A) and inserting the following:

3                   “(A) IN GENERAL.—Effective for the  
4                   spring-planted 1996 and subsequent crops, to  
5                   be eligible for any payment or loan under title  
6                   I of the Agricultural Market Transition Act or  
7                   the Agricultural Adjustment Act of 1938 (7  
8                   U.S.C. 1281 et seq.), for the conservation re-  
9                   serve program, or for any benefit described in  
10                  section 371 of the Consolidated Farm and  
11                  Rural Development Act (7 U.S.C. 2008f), a  
12                  person shall—

13                           “(i) obtain at least the catastrophic  
14                           level of insurance for each crop of eco-  
15                           nomic significance in which the person has  
16                           an interest; or

17                           “(ii) provide a written waiver to the  
18                           Secretary that waives any eligibility for  
19                           emergency crop loss assistance in connec-  
20                           tion with the crop.”.

21           (b) COVERAGE OF SEED CROPS.—Section  
22           519(a)(2)(B) of the Act (7 U.S.C. 1519(a)(2)(B)) is  
23           amended by inserting “seed crops,” after “turfgrass sod,”.

1 **SEC. 502. COLLECTION AND USE OF AGRICULTURAL QUAR-**  
2 **ANTINE AND INSPECTION FEES.**

3 Subsection (a) of section 2509 of the Food, Agri-  
4 culture, Conservation, and Trade Act of 1990 (21 U.S.C.  
5 136a) is amended to read as follows:

6 “(a) QUARANTINE AND INSPECTION FEES.—

7 “(1) FEES AUTHORIZED.—The Secretary of Ag-  
8 riculture may prescribe and collect fees sufficient—

9 “(A) to cover the cost of providing agricul-  
10 tural quarantine and inspection services in con-  
11 nection with the arrival at a port in the cus-  
12 toms territory of the United States, or the  
13 preclearance or preinspection at a site outside  
14 the customs territory of the United States, of  
15 an international passenger, commercial vessel,  
16 commercial aircraft, commercial truck, or rail-  
17 road car;

18 “(B) to cover the cost of administering this  
19 subsection; and

20 “(C) through fiscal year 2002, to maintain  
21 a reasonable balance in the Agricultural Quar-  
22 antine Inspection User Fee Account established  
23 under paragraph (5).

24 “(2) LIMITATION.—In setting the fees under  
25 paragraph (1), the Secretary shall ensure that the  
26 amount of the fees are commensurate with the costs

1 of agricultural quarantine and inspection services  
2 with respect to the class of persons or entities pay-  
3 ing the fees. The costs of the services with respect  
4 to passengers as a class includes the costs of related  
5 inspections of the aircraft or other vehicle.

6 “(3) STATUS OF FEES.—Fees collected under  
7 this subsection by any person on behalf of the Sec-  
8 retary are held in trust for the United States and  
9 shall be remitted to the Secretary in such manner  
10 and at such times as the Secretary may prescribe.

11 “(4) LATE PAYMENT PENALTIES.—If a person  
12 subject to a fee under this subsection fails to pay the  
13 fee when due, the Secretary shall assess a late pay-  
14 ment penalty, and the overdue fees shall accrue in-  
15 terest, as required by section 3717 of title 31, Unit-  
16 ed States Code.

17 “(5) AGRICULTURAL QUARANTINE INSPECTION  
18 USER FEE ACCOUNT.—

19 “(A) ESTABLISHMENT.—There is estab-  
20 lished in the Treasury of the United States a  
21 no-year fund, to be known as the ‘Agricultural  
22 Quarantine Inspection User Fee Account’,  
23 which shall contain all of the fees collected  
24 under this subsection and late payment pen-

1 alties and interest charges collected under para-  
2 graph (4) through fiscal year 2002.

3 “(B) USE OF ACCOUNT.—For each of the  
4 fiscal years 1996 through 2002, funds in the  
5 Agricultural Quarantine Inspection User Fee  
6 Account shall be available, in such amounts as  
7 are provided in advance in appropriations Acts,  
8 to cover the costs associated with the provision  
9 of agricultural quarantine and inspection serv-  
10 ices and the administration of this subsection.  
11 Amounts made available under this subpara-  
12 graph shall be available until expended.

13 “(C) EXCESS FEES.—Fees and other  
14 amounts collected under this subsection in any  
15 of the fiscal years 1996 through 2002 in excess  
16 of \$100,000,000 shall be available for the pur-  
17 poses specified in subparagraph (B) until ex-  
18 pended, without further appropriation.

19 “(6) USE OF AMOUNTS COLLECTED AFTER FIS-  
20 CAL YEAR 2002.—After September 30, 2002, the un-  
21 obligated balance in the Agricultural Quarantine In-  
22 spection User Fee Account and fees and other  
23 amounts collected under this subsection shall be  
24 credited to the Department of Agriculture accounts  
25 that incur the costs associated with the provision of

1 agricultural quarantine and inspection services and  
2 the administration of this subsection. The fees and  
3 other amounts shall remain available to the Sec-  
4 retary until expended without fiscal year limitation.

5 “(7) STAFF YEARS.—The number of full-time  
6 equivalent positions in the Department of Agri-  
7 culture attributable to the provision of agricultural  
8 quarantine and inspection services and the adminis-  
9 tration of this subsection shall not be counted to-  
10 ward the limitation on the total number of full-time  
11 equivalent positions in all agencies specified in sec-  
12 tion 5(b) of the Federal Workforce Restructuring  
13 Act of 1994 (Public Law 103–226; 5 U.S.C. 3101  
14 note) or other limitation on the total number of full-  
15 time equivalent positions.”.

16 **SEC. 503. COMMODITY CREDIT CORPORATION INTEREST**  
17 **RATE.**

18 Notwithstanding any other provision of law, the  
19 monthly Commodity Credit Corporation interest rate ap-  
20 plicable to loans provided for agricultural commodities by  
21 the Corporation shall be 100 basis points greater than the  
22 rate determined under the applicable interest rate formula  
23 in effect on October 1, 1995.

1 **SEC. 504. ESTABLISHMENT OF OFFICE OF RISK MANAGE-**  
2 **MENT.**

3 (a) ESTABLISHMENT.—The Department of Agri-  
4 culture Reorganization Act of 1994 is amended by insert-  
5 ing after section 226 (7 U.S.C. 6932) the following new  
6 section:

7 **“SEC. 226A. OFFICE OF RISK MANAGEMENT.**

8 “(a) ESTABLISHMENT.—Subject to subsection (e),  
9 the Secretary shall establish and maintain in the Depart-  
10 ment an independent Office of Risk Management.

11 “(b) FUNCTIONS OF THE OFFICE OF RISK MANAGE-  
12 MENT.—The Office of Risk Management shall have juris-  
13 diction over the following functions:

14 “(1) Supervision of the Federal Crop Insurance  
15 Corporation.

16 “(2) Administration and oversight of all as-  
17 pects, including delivery through local offices of the  
18 Department, of all programs authorized under the  
19 Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

20 “(3) Any pilot or other programs involving reve-  
21 nue insurance, risk management savings accounts,  
22 or the use of the futures market to manage risk and  
23 support farm income that may be established under  
24 the Federal Crop Insurance Act or other law.

25 “(4) Such other functions as the Secretary con-  
26 siders appropriate.

1 “(c) ADMINISTRATOR.—

2 “(1) The Office of Risk Management shall be  
3 headed by an Administrator who shall be appointed  
4 by the Secretary.

5 “(2) The Administrator of the Office of Risk  
6 Management shall also serve as Manager of the Fed-  
7 eral Crop Insurance Corporation.

8 “(d) RESOURCES.—

9 “(1) FUNCTIONAL COORDINATION.—Certain  
10 functions of the Office of Risk Management, such as  
11 human resources, public affairs, and legislative af-  
12 fairs, may be provided by a consolidation of such  
13 functions under the Under Secretary of Agriculture  
14 for Farm and Foreign Agricultural Services.

15 “(2) MINIMUM PROVISIONS.—Notwithstanding  
16 paragraph (1) or any other provision of law or order  
17 of the Secretary, the Secretary shall provide the Of-  
18 fice of Risk Management with human and capital re-  
19 sources sufficient for the Office to carry out its  
20 functions in a timely and efficient manner.”.

21 (b) FISCAL YEAR 1996 FUNDING.—From funds ap-  
22 propriated for the salaries and expenses of the Consoli-  
23 dated Farm Service Agency in the Agriculture, Rural De-  
24 velopment, Food and Drug Administration, and Related  
25 Agencies Appropriations Act, 1996 (Public Law 104–37),

1 the Secretary of Agriculture may use such sums as nec-  
2 essary for the salaries and expenses of the Office of Risk  
3 Management established under subsection (a).

4 (c) CONFORMING AMENDMENT.—Section 226(b) of  
5 the Act (7 U.S.C. 6932(b)) is amended by striking para-  
6 graph (2).

7 **SEC. 505. BUSINESS INTERRUPTION INSURANCE PROGRAM.**

8 (a) ESTABLISHMENT OF PROGRAM.—Not later than  
9 December 31, 1996, the Secretary of Agriculture shall im-  
10 plement a program (to be known as the “Business Inter-  
11 ruption Insurance Program”), under which the producer  
12 of a contract commodity could elect to obtain revenue in-  
13 surance coverage to ensure that the producer receives an  
14 indemnity payment if the producer suffers a loss of reve-  
15 nue. The nature and extent of the program and the man-  
16 ner of determining the amount of an indemnity payment  
17 shall be established by the Secretary.

18 (b) REPORT ON PROGRESS AND PROPOSED EXPAN-  
19 SION.—Not later than January 1, 1998, the Secretary  
20 shall submit to the Commission on 21st Century Produc-  
21 tion Agriculture the data and results of the program  
22 through October 1, 1997. In addition, the Secretary shall  
23 submit information and recommendations to the Commis-  
24 sion with respect to the program that will serve as the  
25 basis for the Secretary to offer revenue insurance to agri-

1 cultural producers, at one or more levels of coverage,  
2 that—

3 (1) is in addition to, or in lieu of, catastrophic  
4 and higher levels of crop insurance;

5 (2) is offered through reinsurance arrange-  
6 ments with private insurance companies;

7 (3) is actuarially sound; and

8 (4) requires the payment of premiums and ad-  
9 ministrative fees by participating producers.

10 (c) CONTRACT COMMODITY DEFINED.—In this sec-  
11 tion, the term “contract commodity” means a crop of  
12 wheat, corn, grain sorghum, oats, barley, upland cotton,  
13 or rice.

14 **SEC. 506. CONTINUATION OF OPTIONS PILOT PROGRAM.**

15 During the 1996 through 2002 crop years, the Sec-  
16 retary of Agriculture may continue to conduct the options  
17 pilot program authorized by the Options Pilot Program  
18 Act of 1990 (subtitle E of title XI of Public Law 101–  
19 624; 104 Stat. 3518; 7 U.S.C. 1421 note). To the extent  
20 that the Secretary decides to continue the options pilot  
21 program, the Secretary shall modify the terms and condi-  
22 tions of the pilot program to reflect the changes to law  
23 made by this Act.

1 **SEC. 507. EVERGLADES AGRICULTURAL AREA.**

2 (a) IN GENERAL.—On July 1, 1996, out of any  
3 funds in the Treasury not otherwise appropriated, the  
4 Secretary of the Treasury shall provide \$210,000,000 to  
5 the Secretary of the Interior to carry out this section.

6 (b) ENTITLEMENT.—The Secretary of the Interior—

7 (1) shall accept the funds made available under  
8 subsection (a):

9 (2) shall be entitled to receive the funds; and

10 (3) shall use the funds to conduct restoration ac-  
11 tivities in the Everglades ecosystem, which may in-  
12 clude acquiring private acreage in the Everglades  
13 Agricultural Area including approximately 52,000  
14 acres that is commonly known as the “Talisman  
15 tract”.

16 (c) TRANSFERRING FUNDS.—The Secretary of the  
17 Interior may transfer funds to the Army Corps of Engi-  
18 neers, the State of Florida, or the South Florida Water  
19 Management District to carry out subsection (b)(3).

20 (d) DEADLINE.—Not later than December 31, 1999,  
21 the Secretary of the Interior shall utilize the funds for  
22 restoration activities referred to in subsection (b)(3).

1 **SEC. 508. SENSE OF CONGRESS REGARDING PURCHASE OF**  
2 **AMERICAN-MADE EQUIPMENT AND PROD-**  
3 **UCTS; REQUIREMENT REGARDING NOTICE.**

4 (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND  
5 PRODUCTS.—In the case of any equipment or products  
6 that may be authorized to be purchased with financial as-  
7 sistance provided under this Act or amendments made by  
8 this Act, it is the sense of the Congress that persons re-  
9 ceiving such assistance should, in expending the assist-  
10 ance, purchase only American-made equipment and prod-  
11 ucts.

12 (b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In  
13 providing financial assistance under this Act or  
14 amendments made by this Act, the Secretary of Agri-  
15 culture shall provide to each recipient of the assistance  
16 a notice describing the statement made in subsection (a)  
17 by the Congress.

18 **TITLE VI—COMMISSION ON 21ST**  
19 **CENTURY PRODUCTION AGRI-**  
20 **CULTURE**

21 **SEC. 601. ESTABLISHMENT.**

22 There is hereby established a commission to be known  
23 as the “Commission on 21st Century Production Agri-  
24 culture” (in this title referred to as the “Commission”).

1 **SEC. 602. COMPOSITION.**

2 (a) MEMBERSHIP AND APPOINTMENT.—The Com-  
3 mission shall be composed of 11 members, appointed as  
4 follows:

5 (1) Three members shall be appointed by the  
6 President.

7 (2) Four members shall be appointed by the  
8 Chairman of the Committee on Agriculture of the  
9 House of Representatives in consultation with the  
10 ranking minority member of the Committee.

11 (3) Four members shall be appointed by the  
12 Chairman of the Committee on Agriculture, Nutri-  
13 tion, and Forestry of the Senate in consultation with  
14 the ranking minority member of the Committee.

15 (b) QUALIFICATIONS.—At least one of the members  
16 appointed under each of the paragraphs (1), (2), and (3)  
17 of subsection (a) shall be an individual who is primarily  
18 involved in production agriculture. All other members of  
19 the Commission shall be appointed from among individ-  
20 uals having knowledge and experience in agricultural pro-  
21 duction, marketing, finance, or trade.

22 (c) TERM OF MEMBERS; VACANCIES.—Members of  
23 the Commission shall be appointed for the life of the Com-  
24 mission. A vacancy on the Commission shall not affect its  
25 powers, but shall be filled in the same manner as the origi-  
26 nal appointment was made.

1 (d) TIME FOR APPOINTMENT; FIRST MEETING.—  
2 The members of the Commission shall be appointed not  
3 later than October 1, 1997. The Commission shall convene  
4 its first meeting to carry out its duties under this Act 30  
5 days after six members of the Commission have been ap-  
6 pointed.

7 (e) CHAIRMAN.—The chairman of the Commission  
8 shall be designated jointly by the Chairman of the Com-  
9 mittee on Agriculture of the House of Representatives and  
10 the Chairman of the Committee on Agriculture, Nutrition,  
11 and Forestry of the Senate from among the members of  
12 the Commission.

13 **SEC. 603. COMPREHENSIVE REVIEW OF PAST AND FUTURE**  
14 **OF PRODUCTION AGRICULTURE.**

15 (a) INITIAL REVIEW.—The Commission shall conduct  
16 a comprehensive review of changes in the condition of pro-  
17 duction agriculture in the United States since the date of  
18 the enactment of this Act and the extent to which such  
19 changes are the result of the amendments made by this  
20 Act. The review shall include the following:

21 (1) An assessment of the initial success of pro-  
22 duction flexibility contracts under section 103 in  
23 supporting the economic viability of farming in the  
24 United States.

1           (2) An assessment of the food security situation  
2           in the United States in the areas of trade, consumer  
3           prices, international competitiveness of United  
4           States production agriculture, food supplies, and hu-  
5           manitarian relief.

6           (3) An assessment of the changes in farmland  
7           values and agricultural producer incomes since the  
8           date of the enactment of this Act.

9           (4) An assessment of the extent to which regu-  
10          latory relief for agricultural producers has been en-  
11          acted and implemented, including the application of  
12          cost/benefit principles in the issuance of agricultural  
13          regulations.

14          (5) An assessment of the extent to which tax  
15          relief for agricultural producers has been enacted in  
16          the form of capital gains tax reductions, estate tax  
17          exemptions, and mechanisms to average tax loads  
18          over high and low income years.

19          (6) An assessment of the effect of any Govern-  
20          ment interference in agricultural export markets,  
21          such as the imposition of trade embargoes, and the  
22          degree of implementation and success of inter-  
23          national trade agreements.

1           (7) An assessment of the likely affect of the  
2           sale, lease, or transfer of farm poundage quota for  
3           peanuts across State lines.

4           (b) SUBSEQUENT REVIEW.—The Commission shall  
5           conduct a comprehensive review of the future of produc-  
6           tion agriculture in the United States and the appropriate  
7           role of the Federal Government in support of production  
8           agriculture. The review shall include the following:

9           (1) An assessment of changes in the condition  
10          of production agriculture in the United States since  
11          the initial review conducted under subsection (a).

12          (2) Identification of the appropriate future rela-  
13          tionship of the Federal Government with production  
14          agriculture after 2002.

15          (3) An assessment of the personnel and infra-  
16          structure requirements of the Department of Agri-  
17          culture necessary to support the future relationship  
18          of the Federal Government with production agri-  
19          culture.

20          (c) RECOMMENDATIONS.—In carrying out the subse-  
21          quent review under subsection (b), the Commission shall  
22          develop specific recommendations for legislation to achieve  
23          the appropriate future relationship of the Federal Govern-  
24          ment with production agriculture identified under sub-  
25          section (a)(2).

1 **SEC. 604. REPORTS.**

2 (a) REPORT ON INITIAL REVIEW.—Not later than  
3 June 1, 1998, the Commission shall submit to the Presi-  
4 dent, the Committee on Agriculture of the House of Rep-  
5 resentatives, and the Committee on Agriculture, Nutrition,  
6 and Forestry of the Senate a report containing the results  
7 of the initial review conducted under section 603(a).

8 (b) REPORT ON SUBSEQUENT REVIEW.—Not later  
9 than January 1, 2001, the Commission shall submit to  
10 the President and the congressional committees specified  
11 in subsection (a) a report containing the results of the  
12 subsequent review conducted under section 603(b).

13 **SEC. 605. POWERS.**

14 (a) HEARINGS.—The Commission may, for the pur-  
15 pose of carrying out this Act, conduct such hearings, sit  
16 and act at such times, take such testimony, and receive  
17 such evidence, as the Commission considers appropriate.

18 (b) ASSISTANCE FROM OTHER AGENCIES.—The  
19 Commission may secure directly from any department or  
20 agency of the Federal Government such information as  
21 may be necessary for the Commission to carry out its du-  
22 ties under this Act. Upon request of the chairman of the  
23 Commission, the head of the department or agency shall,  
24 to the extent permitted by law, furnish such information  
25 to the Commission.

1 (c) MAIL.—The Commission may use the United  
2 States mails in the same manner and under the same con-  
3 ditions as the departments and agencies of the Federal  
4 Government.

5 (d) ASSISTANCE FROM SECRETARY.—The Secretary  
6 of Agriculture shall provide to the Commission appropriate  
7 office space and such reasonable administrative and sup-  
8 port services as the Commission may request.

9 **SEC. 606. COMMISSION PROCEDURES.**

10 (a) MEETINGS.—The Commission shall meet on a  
11 regular basis (as determined by the chairman) and at the  
12 call of the chairman or a majority of its members.

13 (b) QUORUM.—A majority of the members of the  
14 Commission shall constitute a quorum for the transaction  
15 of business.

16 **SEC. 607. PERSONNEL MATTERS.**

17 (a) COMPENSATION.—Each member of the Commis-  
18 sion shall serve without compensation, but shall be allowed  
19 travel expenses including per diem in lieu of subsistence,  
20 as authorized by section 5703 of title 5, United States  
21 Code, when engaged in the performance of Commission  
22 duties.

23 (b) STAFF.—The Commission shall appoint a staff  
24 director, who shall be paid at a rate not to exceed the  
25 maximum rate of basic pay under section 5376 of title

1 5, United States Code, and such professional and clerical  
2 personnel as may be reasonable and necessary to enable  
3 the Commission to carry out its duties under this Act  
4 without regard to the provisions of title 5, United States  
5 Code, governing appointments in the competitive service,  
6 and without regard to the provisions of chapter 51 and  
7 subchapter III of chapter 53 of such title, or any other  
8 provision of law, relating to the number, classification, and  
9 General Schedule rates. No employee appointed under this  
10 subsection (other than the staff director) may be com-  
11 pensated at a rate to exceed the maximum rate applicable  
12 to level GS-15 of the General Schedule.

13 (c) DETAILED PERSONNEL.—Upon request of the  
14 chairman of the Commission, the head of any department  
15 or agency of the Federal Government is authorized to de-  
16 tail, without reimbursement, any personnel of such depart-  
17 ment or agency to the Commission to assist the Commis-  
18 sion in carrying out its duties under this section. The de-  
19 tail of any such personnel may not result in the interrup-  
20 tion or loss of civil service status or privilege of such per-  
21 sonnel.

22 **SEC. 608. TERMINATION OF COMMISSION.**

23 The Commission shall terminate upon submission of  
24 the final report required by section 604.

1           **TITLE VII—EXTENSION OF**  
 2           **CERTAIN AUTHORITIES**

3   **SEC. 701. EXTENSION OF AUTHORITY UNDER PUBLIC LAW**

4                           **480.**

5           Section 408 of the Agricultural Trade Development  
 6 and Assistance Act of 1954 (7 U.S.C. 1736b) is amended  
 7 by striking “1995” and inserting “1996”.

8   **SEC. 702. EXTENSION OF FOOD FOR PROGRESS PROGRAM.**

9           Section 1110 of the Food Security Act of 1985 (7  
 10 U.S.C. 1736o), also known as the Food for Progress Act  
 11 of 1985, is amended—

12                   (1) in subsection (k), by striking “1995” and  
 13                   inserting “1996”; and

14                   (2) in subsection (l), by striking “1995” and in-  
 15                   serting “1996”.

          Passed the House of Representatives February 29,  
 1996.

Attest:

ROBIN H. CARLE,

*Clerk.*

HR 2854 PCS—2

HR 2854 PCS—3

HR 2854 PCS—4

HR 2854 PCS—5

HR 2854 PCS—6

HR 2854 PCS—7

HR 2854 PCS—8

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