

AGRICULTURAL ACT OF 1949

[Chapter 792 of the 81st Congress; 63 Stat. 1051]

[As Amended Through P.L. 115-334, Enacted December 20, 2018]

【Currency: This publication is a compilation of the text of Chapter 792 of the 81st Congress. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>】

【Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).】

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AN ACT To provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [7 U.S.C. 1421 note] That this Act may be cited as the “Agricultural Act of 1949”.

TITLE I—BASIC AGRICULTURAL COMMODITIES

【Note: Sec. 101 was made inapplicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar by sec. 1602(b)(1) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8782(b)(1)).】

【PRICE SUPPORT LEVELS】

SEC. 101. [7 U.S.C. 1441] The Secretary of Agriculture (hereinafter called the “Secretary”) is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural com-

modity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:

(a) For corn and wheat, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:	
Not more than 102		90
More than 102 but not more than 104		89
More than 104 but not more than 106		88
More than 106 but not more than 108		87
More than 108 but not more than 110		86
More than 110 but not more than 112		85
More than 112 but not more than 114		84
More than 114 but not more than 116		83
More than 116 but not more than 118		82
More than 118 but not more than 120		81
More than 120 but not more than 122		80
More than 122 but not more than 124		79
More than 124 but not more than 126		78
More than 126 but not more than 128		77
More than 128 but not more than 130		76
More than 130		75

For rice of the 1959 and 1960 crops, the level of support shall be not less than 75 per centum of the parity price. For rice of the 1961 crop the level of support shall be not less than 70 per centum of the parity price. For the 1962 and subsequent crops of rice the level of support shall be not less than 65 per centum of the parity price.

(b) For cotton, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:	
More than 108		90
More than 108 but not more than 110		89
More than 110 but not more than 112		88
More than 112 but not more than 114		87
More than 114 but not more than 116		86
More than 116 but not more than 118		85
More than 118 but not more than 120		84
More than 120 but not more than 122		83
More than 122 but not more than 124		82
More than 124 but not more than 125		81
More than 125 but not more than 126		80
More than 126 but not more than 127		79
More than 127 but not more than 128		78
More than 128 but not more than 129		77
More than 129 but not more than 130		76
More than 130		75

(c) Notwithstanding the foregoing provisions of this section—

(1)²

(2)³

(3) the level of price support to cooperators for any crop of a basic agricultural commodity for which marketing quotas have been disapproved by producers shall be 50 per centum of the parity price of such commodity;

(4)⁴

(5) price support may be made available to noncooperators at such levels, not in excess of the level of price support to co-operators, as the Secretary determines will facilitate the effective operation of the program.

(6)⁵

²This para. was applicable only to the 1950 crop of basic agricultural commodities.

³This para. was applicable only to the 1951 crop of basic agricultural commodities.

⁴Para. (4) was repealed, effective with the 1959 crop, by sec. 201 of the Agricultural Act of 1958, P.L. 85-835, 72 Stat. 993, Aug 28, 1958.

⁵Para. (6) was applicable only to the 1953-1955 crops of basic agricultural commodities.

(7) *Where a State is designated under section 335(e) of the Agricultural Adjustment Act of 1938, as amended, [(7 U.S.C. 1335(e))]* as outside the commercial wheat-producing area for any crop of wheat, the level of price support for wheat to co-operators in such State for such crop of wheat shall be 75 per centum of the level of price support to co-operators in the commercial wheat-producing area.

(d) *RICE.—The Secretary shall make available to producers of each crop of rice on a farm price support at a level that is not less than 50 percent, or more than 90 percent of the parity price for rice as the Secretary determines will not result in increasing stocks of rice to the Commodity Credit Corporation.*

[(f)⁶]

[(g)⁷]

[(h)⁸]

[(i)⁹]

[LOAN RATES AND TARGET PRICES FOR 1986 THROUGH 1990 RICE CROPS]

SEC. 101A. ¹⁰ **[7 U.S.C. 1441–1]**

[SEC. 101B. [7 U.S.C. 1441–2] LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF RICE.¹¹]

[COTTON ACREAGE ALLOTMENT AND PRICE SUPPORT LEVELS FOR 1959 AND 1960]

SEC. 102. ¹² **[7 U.S.C. 1443]**

[COTTON PRICE SUPPORT LEVELS FOR 1961 AND SUBSEQUENT YEARS]

SEC. 103. ¹³ **[7 U.S.C. 1444]** (a) *Notwithstanding the provisions of section 101 of this Act, price support to co-operators for each crop of upland cotton, beginning with the 1961 crop, for which producers have not disapproved marketing quotas shall be at such level not more than 90 per centum of the parity price therefor nor less than the minimum level prescribed below as the Secretary determines appropriate after consideration of the factors specified in section 401(b) of this Act. For the 1961 crop the minimum level shall be 70*

⁶ Repealed effective beginning with the 1984 crop of extra long staple cotton by sec. 2 of the Extra Long Staple Cotton Act of 1983, P.L. 98–88, 97 Stat. 494, August 26, 1983.

⁷ Subsec. (g) was added by sec. 102 of the Rice Production Act of 1975, P.L. 94–214, 90 Stat. 181, Feb. 16, 1976, effective only for the 1976 and 1977 crops of the rice, and struck by sec. 612(b)(2) of P.L. 108–357, 108 Stat. 1523, Oct. 22, 2004.

⁸ Subsec. (h) added by sec. 702 of the Food and Agriculture Act of 1977, P.L. 95–113, 91 Stat. 940, Sept. 29, 1977, effective for the 1978–1981 crops of rice, and struck by sec. 612(b)(2) of P.L. 108–357, 108 Stat. 1523, Oct. 22, 2004.

⁹ Subsec. (i) was added by sec. 602 of the Agriculture and Food Act of 1981, P.L. 97–98, 95 Stat. 1242, Dec. 22, 1981, effective for the 1982–1985 crops of rice, and struck by sec. 612(b)(2) of P.L. 108–357, 108 Stat. 1523, Oct. 22, 2004.

¹⁰ Sec. 101A was added by sec. 601 of the Food Security Act of 1985, P.L. 99–198, 99 Stat. 1419, Dec. 23, 1985, effective only for the 1986–1990 crops of rice.

¹¹ Sec. 101B was repealed by sec. 171(b)(2)(A) of the Agricultural Market Transition Act, P.L. 104–127, 110 Stat. 938, April 4, 1996.

¹² Sec. 102 was added by sec. 101 of the Agricultural Act of 1958, P.L. 85–835, 72 Stat. 989, Aug. 28, 1958, but was applicable only to the 1959 and 1960 crops of cotton. See p. 131 of Agriculture Handbook No. 192.

¹³ Subsec. (a) was made inapplicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar by sec. 1602(b)(2) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8782(b)(2)).

per centum of the parity price therefor, and for each subsequent crop the minimum level shall be 65 per centum of the parity price therefore: Provided, That the price support for the 1964 crop shall be a national average support price which reflects 30 cents per pound for Middling one-inch cotton. Price support in the case of noncooperators and in case marketing quotas are disapproved shall be as provided in section 101(d)(3) and (5).

(b)¹⁴

(c)¹⁵

(d)¹⁶

(e)¹⁷

(f)¹⁸

(g)¹⁹

(h)(1) For purposes of this subsection, extra long staple cotton means cotton which is produced from pure strain varieties of the Barbados species or any hybrid thereof, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which American upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of such varieties or types and which is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

(2) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available to producers nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at a level which is not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period..²⁰ If authorized by the Secretary, nonrecourse loans provided for in this subsection may, upon request of the producer during the tenth month of the loan period for the cotton, be made available for an additional term of eight months. The loan level for any crop of extra long staple cotton shall be determined and announced by the Secretary not later than December 1 of the calendar year preceding the marketing year for which such loan is to be effective and such level shall not thereafter be changed.

(3)(A) In addition, payments shall be made for each crop of extra long staple cotton to producers on each farm at a rate equal to the amount by which the higher of—

¹⁴Subsecs. (b) and (c) were applicable only to the 1964 and 1965 crops of cotton.

¹⁵See note 103-2.

¹⁶Subsec. (d) was applicable only to the 1966-1970 crops of cotton.

¹⁷Subsec. (e) was applicable only to the 1971-1977 crops of upland cotton.

¹⁸Subsec. (f) was applicable only to the 1978-1981 crops of upland cotton.

¹⁹Subsec. (g) was added by sec. 502 of the Agriculture and Food Act of 1981, P.L. 97-98, 95 Stat. 1234, Dec. 22, 1981, effective for the 1982-1985 crops of upland cotton.

²⁰Two periods in original.

(i) the average market price received by farmers for extra long staple cotton during the first eight months of the marketing year for such crop, as determined by the Secretary, or
 (ii) the loan level determined under paragraph (2) of this subsection for such crop,
 is less than the established price per pound times, in each case, the farm program acreage for extra long staple cotton (determined in accordance with paragraph (5)(A), but in no event on a greater acreage than the acreage actually planted to extra long staple cotton for harvest), multiplied by the farm program payment yield for extra long staple cotton (determined in accordance with paragraph (4)).

(B)²¹ Except as provided in clause (ii), the established price for each crop of extra long staple cotton shall be 120 per centum of the loan level determined for such crop under paragraph (2) of this subsection.

(ii) In the case of each of the 1988 and 1989 crops of extra long staple cotton, the established price for each such crop shall be 118.3 percent of the loan level determined for such crop under paragraph (2).

(C) If the Secretary establishes an acreage limitation program for a crop of extra long staple cotton in accordance with paragraph (5)(A) and determines that deficiency payments will likely be made for such crop of extra long staple cotton under subparagraph (A) of this paragraph, the Secretary may make available advance deficiency payments for such crop to producers who agree to participate in the acreage limitation program. Such advance payments shall be made available to producers as soon as practicable after the producer files a notice of intention to participate in such acreage limitation program and in such amount as the Secretary determines appropriate to encourage adequate participation in such program, except that such amount shall not exceed an amount determined by multiplying (i) the estimated farm program acreage for the crop, by (ii) the farm program payment yield for the crop, by (iii) 50 per centum of the projected payment rate, as determined by the Secretary. In any case in which the deficiency payment payable to a producer for a crop, as finally determined by the Secretary under subparagraph (A) of this paragraph, is less than the amount paid to the producer as an advance deficiency payment under this paragraph, the producer shall refund an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be payable to the producer. If the Secretary determines that no deficiency payments are due producers on a crop, the producer who received advanced payments on such crop shall refund such payments. If a producer fails to comply with the requirements under the acreage limitation program after obtaining an advance deficiency payment under this paragraph, the producer shall immediately repay the amount of the advance, plus interest thereon in such amount as the Secretary shall prescribe.

²¹ Sec. 1101(d) of the Agricultural Reconciliation Act of 1987, P.L. 100-203, Dec. 22, 1987, amended subpara. (B), effective only for the 1988 and 1989 crops of extra long staple cotton, by striking out "The" and inserting in lieu thereof "Except as provided in clause (ii), the", and by adding at the end thereof clause (ii). Lack of clause (i) designation was so in original. First sentence of subpara. (B) probably should be designated as clause (i).

(4) The farm program payment yield for each crop of extra long staple cotton shall be determined on the basis of the actual yields per harvested acre on the farm for the preceding three years, except that the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster, or other condition beyond the control of the producers. In case farm yield data for one or more years are unavailable or there was no production, the Secretary shall provide for appraisals to be made on the basis of actual yields and program payment yields for similar farms in the area for which data are available. Notwithstanding the foregoing provisions of this paragraph in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this paragraph. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

(5)(A)(i) Notwithstanding any other provision of this subsection, the Secretary may establish a limitation on the acreage planted to extra long staple cotton if the Secretary determines that the total supply of extra long staple cotton, in the absence of such limitation, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction (including a zero percentage reduction) to the acreage base for each extra long staple cotton-producing farm. Producers who knowingly produce extra long staple cotton in excess of the permitted acreage for the farm shall be ineligible for extra long staple cotton loans and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as a result of a limitation under this subparagraph shall be the average acreage planted on the farm to extra long staple cotton for harvest in the three crop years immediately preceding the year prior to the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to extra long staple cotton for harvest shall include any acreage which the producers were prevented from planting to extra long staple cotton or other non-conserving crops in lieu of extra long staple cotton because of drought, flood, or other natural disaster or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. There is hereby established for the 1984, 1985, and 1986 crops an acreage base reserve equal to 5 per centum of the total of the farm acreage bases established for the crop under the foregoing provisions of this subparagraph.

Such reserve shall be in addition to the total of the farm acreage bases and shall be used by the county committees, in accordance with regulations of the Secretary, for making adjustments of farm acreage bases to correct inequities and prevent hardship, and for establishing bases for farms on which no extra long staple cotton was planted during the preceding four years. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of extra long staple cotton times the number of acres actually planted to such commodity, by (ii) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary, shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. The number of acres so determined is hereafter in this subsection referred to as "reduced acreage". The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely. The individual farm program acreage shall be the actual acreage planted on the farm to extra long staple cotton for harvest within the permitted extra long staple cotton acreage for the farm as established under this paragraph.

(ii)²² Notwithstanding any other provision of this Act, the Secretary shall ensure, under such terms and conditions as may be prescribed by the Secretary, that the total of the crop acreage bases established on a farm which is enrolled in a production adjustment program for any commodity shall not be increased as a result of the application of the provisions set forth in paragraph (13)(C), as extended for the 1989 and 1990 crop.

(B) The Secretary may make land diversion payments to producers of extra long staple cotton, whether or not an acreage limitation program for extra long staple cotton is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of extra long staple cotton to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall

²² Indentation of clause was so in original.

limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

(C) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purpose of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

(6) An operator of a farm desiring to participate in the program conducted under paragraph (5) shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

(7) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

(8) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(9) If the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act [(16 U.S.C. 590h(b))] to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

(10) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

(11) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(12) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act [(16 U.S.C. 590h(g))] (relating to assignment of payments) shall apply to payments made under this subsection.

(13)(A) Compliance on a farm with the terms and conditions of any other commodity program or compliance with crop acreage base requirements for any other commodity may not be required as a condition of eligibility for loans or payments under this section.

(B) The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for

the farm, to comply with the terms and conditions of the extra long staple cotton program with respect to any other farm operated by the producers.

(14) In order to encourage and assist producers in the orderly ginning and marketing of their extra long staple cotton production, the Secretary shall make recourse loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act [(15 U.S.C. 714 et seq.)].

(15) References made in sections 402, 403, 406, 407, and 416 to the terms “support price”, “level of support”, and “level of price support” shall be considered to apply as well to the level of loans for extra long staple cotton under this subsection; and references to the terms “price support”, “price support operations”, and “price support program” in such sections and in section 401(a) shall be considered as applying as well to the loan operations for extra long staple cotton under this subsection.

(16) Notwithstanding any other provision of law, this subsection shall not be applicable to the 1996 and subsequent crops of extra long staple cotton.

[LOAN RATES AND TARGET PRICES FOR 1986 THROUGH 1990 COTTON CROPS]

SEC. 103A.²³ [7 U.S.C. 1444–1]

[SEC. 103B. [7 U.S.C. 1444–2] LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1997 CROPS OF UPLAND COTTON.²⁴]

[CORN REFERENDUM; SPECIAL COTTON RESEARCH PROGRAM]

SEC. 104. [7 U.S.C. 1444a] (a)²⁵

(b)²⁶

(c) The Secretary of Agriculture is hereby authorized and directed to conduct a special cotton research program designed to reduce the cost of producing upland cotton in the United States at the earliest practicable date. There are hereby authorized to be appropriated such sums, not to exceed \$10,000,000 annually, as may be necessary for the Secretary to carry out this special research program. The Secretary shall report annually to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate with respect to the results of such research.

(d) In order to reduce cotton production costs, to prevent the movement of certain cotton plant insects to areas not now infested,

²³ Sec. 103A was added by sec. 501 of the Food Security Act of 1985, P.L. 99–198, 95 Stat. 1407, Dec. 23, 1985, effective only for the 1986–1990 crops of upland cotton.

²⁴ Sec. 103B was repealed by sec. 171(b)(2)(B) of the Agricultural Market Transition Act, P.L. 104–127, 110 Stat. 938, April 4, 1996.

²⁵ Subsecs. (a) and (b), which were added by sec. 201 of the Agriculture Act of 1958, P.L. 85–835, 72 Stat. 993, Aug. 28, 1958, provided for a referendum of 1958 of corn producers to determine if they favored a price support program as provided in sec. 105 in lieu of price support as provided in sec. 101 and acreage allotments. A majority of producers voted for the sec. 105 program, and beginning with the 1959 crop, price support was made available thereunder and acreage allotments and a commercial corn producing area were not established. See sec. 330 of the Agriculture Adjustment Act of 1938.

²⁶ See note 104–1.

and to enhance the quality of the environment, the Secretary is authorized and directed to carry out programs to destroy and eliminate cotton boll weevils in infested areas of the United States as provided herein and to carry out similar programs with respect to pink bollworms or any other major cotton insect if the Secretary determines that methods and systems have been developed to the point that success in eradication of such insects is assured. The Secretary shall carry out the eradication programs authorized by this subsection through the Commodity Credit Corporation. In carrying out insect eradication projects, the Secretary shall utilize the technical and related services of appropriate Federal, State, private agencies, and cotton organizations. Producers and landowners in an eradication zone, established by the Secretary, who are receiving benefits from any program administered by the United States Department of Agriculture, shall, as a condition of receiving or continuing any such benefits, participate in and cooperate with the eradication project, as specified in regulations of the Secretary.

The Secretary may issue such regulations as he deems necessary to enforce the provisions of this subsection with respect to achieving the compliance of producers and landowners who are not receiving benefits from any program administered by the United States Department of Agriculture. Any person who knowingly violates any such regulation promulgated by the Secretary under this subsection may be assessed a civil penalty of not to exceed \$5,000 for each offense. No civil penalty shall be assessed unless the person shall have been given notice and opportunity for a hearing on such charge in the county, parish, or incorporated city of the residence of the person charged. In determining the amount of the penalty the Secretary shall consider the appropriateness of such penalty to the size of the business of the person charged, the effect on the person's ability to continue in business, and the gravity of the violation. Where special measures deemed essential to achievement of the eradication objective are taken by the project and result in a loss of production and income to the producer, the Secretary shall provide reasonable and equitable indemnification from funds available for the project, and also provide for appropriate protection of the allotment, acreage history, and average yield for the farm. The cost of the program in each eradication zone shall be determined, and cotton producers in the zone shall be required to pay up to one-half thereof, with the exact share in each zone area to be specified by the Secretary upon his finding that such share is reasonable and equitable based on population levels of the target insect and the degree of control measures normally required. Each producer's pro rata share shall be deducted from his cotton payment under this Act or otherwise collected, as provided in regulations of the Secretary. Insofar as practicable, cotton producers and other persons engaged in cotton production in the eradication zone shall be employed to participate in the work of the project in such zone. Funding of the program shall be terminated at such time as the Secretary determines and reports to the Congress that complete eradication of the insects for which programs are undertaken pursuant to this subsection has been accomplished. Funds in custody of agencies carrying out the program shall, upon termination of

such program, be accounted for to the Secretary for appropriate disposition.

The Secretary is authorized to cooperate with the Government of Mexico in carrying out operations or measures in Mexico which he deems necessary and feasible to prevent the movement into the United States from Mexico of any insects eradicated under the provisions of this subsection. The measure and character of cooperation carried out under this subsection on the part of the United States and on the part of the Government of Mexico, including the expenditure or use of funds made available by the Secretary under this subsection, shall be such as may be prescribed by the Secretary. Arrangements for the cooperation authorized by this subsection shall be made through and in consultation with the Secretary of State. The Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this subsection unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this subsection. There are hereby authorized to be appropriated to the Commodity Credit Corporation such sums as the Congress may from time to time determine to be necessary to carry out the purposes of this subsection.

[Note: Sec. 105 was made inapplicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar by sec. 1602(b)(3) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8782(b)(3)).]

[FEED GRAIN PROGRAM]

SEC. 105. [7 U.S.C. 1444b] *(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn: Provided, That in the case of any crop for which an acreage diversion program is in effect for any crop for which an acreage diversion program is in effect for feed grains, the level of price support for corn of such crop shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines necessary to achieve the acreage reduction goal established by him for the crop.*

(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401 (b) hereof.

[(c)-(i)]²⁷

²⁷ Subsecs. (c)-(i) were generally applicable only to the 1961-1977 crops of feed grains.

**[LOAN RATES AND TARGET PRICES FOR PRIOR FEED
GRAIN CROPS]**

[SEC. 105A.²⁸ [7 U.S.C. 1444c and 1444d]]

**[SEC. 105B. [7 U.S.C. 1444f] LOANS, PAYMENTS, AND ACREAGE REDUC-
TION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF
FEED GRAINS.²⁹]**

**[LOAN RATES AND TARGET PRICES FOR 1986 THROUGH 1990 FEED
GRAIN CROPS]**

[SEC. 105C.³⁰ [7 U.S.C. 1444e]]

**[TOBACCO PRICE SUPPORT LEVELS FOR 1960 AND SUBSEQUENT YEARS
]**

[SEC. 106.³¹ [7 U.S.C. 1445]]

**[PRODUCER CONTRIBUTIONS AND PURCHASER
ASSESSMENTS FOR NO NET COST TOBACCO FUND]**

[SEC. 106A.³² [7 U.S.C. 1445-1]]

**[MARKETING ASSESSMENTS TO NO NET COST TOBACCO
ACCOUNT]**

[SEC. 106B.³³ [7 U.S.C. 1445-2]]

[Note: Sec. 107 was made inapplicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar by sec. 1602(b)(4) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8782(b)(4)).]

[WHEAT PROGRAM]

SEC. 107. [7 U.S.C. 1445a] *Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop—*

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

(2) Price support for wheat accompanied by export certificates shall be at such level not more than 90 per centum of the parity price therefor as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b).

(3) Price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of 90 per centum

²⁸Sec. 105A, effective only for the 1978–1981 crops of feed grains, was repealed by sec. 401(1) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101–624, 104 Stat. 3400, Nov. 28, 1990.

²⁹Sec. 105B was repealed by sec. 171(b)(2)(C) of the Agricultural Market Transition Act, P.L. 104–127, 110 Stat. 938, April 4, 1996.

³⁰Former sec. 105C was effective only for the 1986–1990 crops of feed grains.

³¹Effective beginning with the 2005 crop of each kind of tobacco, sec. 106 repealed by sec. 612(a) of P.L. 108–357, 108 Stat. 1523, Oct. 22, 2004.

³²Effective beginning with the 2005 crop of each kind of tobacco, sec. 106A repealed by sec. 612(a) of P.L. 108–357, 108 Stat. 1523, Oct. 22, 2004.

³³Effective beginning with the 2005 crop of each kind of tobacco, sec. 106B repealed by sec. 612(a) of P.L. 108–357, 108 Stat. 1523, Oct. 22, 2004.

of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

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

(5) Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101.

(6) A "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, [(7 U.S.C. 1339)] to the extent prescribed by the Secretary. Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, if marketing quotas are not in effect for the crop of wheat, a "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the marketing quota for such crop under section 335. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive support on the wheat so stored.

[LOAN RATES AND TARGET PRICES FOR PRIOR WHEAT CROPS]

[SEC. 107A. ³⁴ [7 U.S.C. 1445b and 1445b-1]]

³⁴Sec. 107A, effective only for the 1978-81 crops of wheat, was repealed by sec. 301(1) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101-624, 104 Stat. 3382, Nov. 28, 1990.

Sec. 107B**AGRICULTURAL ACT OF 1949****16**

[SEC. 107B. [7 U.S.C. 1445b-3a] LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF WHEAT.³⁵]

[DEFICIENCY AND LAND DIVERSION PAYMENTS]

[SEC. 107C.³⁶ [7 U.S.C. 1445b-2]]

[LOAN RATES AND TARGET PRICES FOR 1986 THROUGH 1990 WHEAT CROPS]

[SEC. 107D.³⁷ [7 U.S.C. 1445b-3]]

[COMMODITY CERTIFICATES]

[SEC. 107E.³⁸ [7 U.S.C. 1445b-4]]

[WHEAT AND FEED GRAIN EXPORT CERTIFICATE PROGRAMS]

[SEC. 107F.³⁹ [7 U.S.C. 1445b-5]]

[PRICE SUPPORT FOR 1978 THROUGH 1981 CROPS OF PEANUTS]

[SEC. 108.⁴⁰ [7 U.S.C. 1445c]]

[PRICE SUPPORT FOR 1982 THROUGH 1990 CROPS OF PEANUTS]

[SEC. 108A.⁴¹ [7 U.S.C. 1445c-1 and 1445c-2]]

[SEC. 108B. [7 U.S.C. 1445c-3] PRICE SUPPORT PROGRAM FOR 1991 THROUGH 1997 CROPS OF PEANUTS.⁴²]

[SPECIAL WHEAT ACREAGE GRAZING AND HAY PROGRAM FOR 1978 THROUGH 1990 CROP YEARS]

SEC. 109.⁴³ [7 U.S.C. 1445d]

[Note: Sec. 110 was made inapplicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar by sec.]

³⁵Sec. 107B, effective for the 1991–1995 crops of wheat, was repealed by sec. 171(b)(2)(D) of the Agricultural Market Transition Act, P.L. 104–127, 110 Stat. 938, April 4, 1996.

³⁶Sec. 1121(a) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101–624, 104 Stat. 3500, Nov. 28, 1990, amended former sec. 107C in its entirety and made a conforming amendment. Sec. 1161(a)(1) of such Act transferred former sec. 107C to the end of title I and redesignated such sec. as sec. 114.

³⁷Former sec. 107D, effective for the 1986–1990 crops of wheat, was redesignated as sec. 107A by sec. 301(2) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101–624, 104 Stat. 3382, Nov. 28, 1990.

³⁸Sec. 1122(a) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101–624, 104 Stat. 3503, Nov. 28, 1990, amended former sec. 107E by adding subsec. (c). Sec. 1161(a)(1) of such Act transferred former sec. 107E to the end of title I and redesignated such sec. as sec. 115.

³⁹Sec. 107F was added by sec. 1006 of the Food Security Act of 1985, P.L. 99–198, 99 Stat. 1448, Dec. 23, 1985, effective only for the 1986–1990 crops of wheat and feed grains, and repealed by sec. 1161(a)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101–624, 104 Stat. 3520, Nov. 28, 1990.

⁴⁰Sec. 108, effective for the 1978–1981 crops of peanuts, was repealed by sec. 806(1) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101–624, 104 Stat. 3475, Nov. 28, 1990.

⁴¹Sec. 108A, effective only for the 1982–1990 crops of peanuts, was repealed by sec. 806(1) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101–624, 104 Stat. 3475, Nov. 28, 1990.

⁴²Sec. 108B was repealed by sec. 171(b)(2)(E) of the Agricultural Market Transition Act, P.L. 104–127, 110 Stat. 938, April 4, 1996.

⁴³Sec. 109 was added by sec. 1004 of the Food and Agriculture Act of 1977, P.L. 95–113, 91 Stat. 950, Sept. 29, 1977. Sec. 109 was effective only for the 1978–1990 crop years.

1602(b)(5) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8782(b)(5)).】

SEC. 110. [7 U.S.C. 1445e] FARMER OWNED RESERVE PROGRAM.

(a) *IN GENERAL.*—The Secretary shall formulate and administer a farmer owned reserve program under which producers of wheat and feed grains will be able to store wheat and feed grains when the commodities are in abundant supply, extend the time period for the orderly marketing of the commodities, and provide for adequate carryover stocks to ensure a reliable supply of the commodities.

(b) *TERMS OF PROGRAM.*—

(1) *PRICE SUPPORT LOANS.*—In carrying out this program, the Secretary shall provide extended price support loans for wheat and feed grains. An extended loan shall only be made to a producer after the expiration of a 9-month price support loan (hereafter in this section referred to as the “original loan”) made in accordance with this title.

(2) *LEVEL OF LOANS.*—Loans made under this section shall not be less than the then current level of support under the wheat and feed grain programs established under this title.

(3) *OTHER TERMS AND CONDITIONS.*—The Secretary shall provide for—

(A) repayment of the extended price support loan 27 months from the date on which the original loan expired unless, at the discretion of the Secretary, the loan has been extended for one 6-month period;

(B) a rate of interest as provided under subsection (c); and

(C) payments to producers for storage as provided in subsection (d).

(4) *REGIONAL DIFFERENCES.*—The Secretary shall ensure that producers are afforded a fair and equitable opportunity to participate in the program established under this section, taking into account regional differences in the time of harvest.

(c) *INTEREST CHARGES.*—

(1) *LEVYING OF INTEREST.*—The Secretary may charge interest on loans under this section whenever the price of wheat or feed grains is equal to or exceeds 105 percent of the then current established price for the commodity.

(2) *90-DAY PERIOD.*—If interest is levied on the loans under paragraph (1), the interest may be charged for a period of 90 days after the last day on which the price of wheat or feed grains was equal to or in excess of 105 percent of the established price for the commodities.

(3) *RATE OF INTEREST.*—The rate of interest charged participants in this program shall not be less than the rate of interest charged by the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust the interest as the Secretary considers appropriate to effectuate the purposes of this section.

(d) *STORAGE PAYMENTS.*—

(1) *IN GENERAL.*—The Secretary shall provide storage payments to producers for storage of wheat or feed grains under the

program established in this section in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program.

(2) *TIMING.*—*The Secretary shall make storage payments available to participants in this program at the end of each quarter.*

(3) *DURATION.*—*The Secretary shall cease making storage payments whenever the price of wheat or feed grains is equal to or exceeds 95 percent of the then current established price for the commodities, and for any 90-day period immediately following the last day on which the price of wheat or feed grains was equal to or in excess of 95 percent of the then current established price for the commodities.*

(e) *EMERGENCIES.*—*Notwithstanding any other provision of law, the Secretary may require producers to repay loans made under this section, plus accrued interest and such other charges as may be required by regulation prior to the maturity date thereof, if the Secretary determines that emergency conditions exist that require that the commodity be made available in the market to meet urgent domestic or international needs and the Secretary reports the determination and the reasons for the determination to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate at least 14 days before taking the action.*

(f) *QUANTITY OF COMMODITIES IN PROGRAM.*—*The Secretary may establish maximum quantities of wheat and feed grains that may receive loans and storage payments under this program as follows:*

(1) *The maximum quantities of wheat may not be established at less than 300 million bushels, nor more than 450 million bushels.*

(2) *The maximum quantities of feed grains may not be established at less than 600 million bushels, nor more than 900 million bushels.*

(g) *ANNOUNCEMENT OF PROGRAM.*—

(1) *TIME OF ANNOUNCEMENT.*—*The Secretary shall announce the terms and conditions of the producer storage program for a crop of wheat and feed grains by—*

(A) *in the case of wheat, December 15 of the year in which the crop of wheat was harvested; and*

(B) *in the case of feed grains, March 15 of the year following the year in which the crop of corn was harvested.*

(2) *DISCRETIONARY ENTRY.*—*The Secretary may make extended loans available to producers of wheat or feed grains if—*

(A) *the Secretary determines that the average market price for wheat or corn, respectively, for the 90-day period prior to the dates specified in paragraph (1) is less than 120 percent of the current loan rate for wheat or corn, respectively; or*

(B) *as of the appropriate date specified in paragraph (1), the Secretary estimates that the stocks-to-use ratio on the last day of the current marketing year will be—*

(i) *in the case of wheat, more than 37.5 percent;*

and

(ii) *in the case of corn, more than 22.5 percent.*

(3) *MANDATORY ENTRY.—The Secretary shall make extended loans available to producers of wheat or feed grains if the conditions specified in subparagraphs (A) and (B) of paragraph (2) are met for wheat or feed grains, respectively.*

(4) *CONTENT OF ANNOUNCEMENT.—In the announcement, the Secretary shall specify the maximum quantity of wheat or feed grains to be stored under this program that the Secretary determines appropriate to promote the orderly marketing of the commodities.*

(h) *DISCRETIONARY EXIT.—A producer may repay a loan extended under this section at any time.*

(i) *RECONCENTRATION OF GRAIN.—The Secretary may, with the concurrence of the owner of grain stored under this program, reconcentrate all such grain stored in commercial warehouses at such points as the Secretary considers to be in the public interest, taking into account such factors as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality under regulations that assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by the producer's or warehouseman's commitment.*

(j) *MANAGEMENT OF GRAIN.—Whenever grain is stored under this section, the Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities of grain in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate the commodities that the Commodity Credit Corporation owns or controls. The purchases to offset sales shall be made within 2 market days following the sales. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions.*

(k) *USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the Commodity Credit Corporation, to the extent feasible, to fulfill the purposes of this section. To the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.*

(l) *USE OF COMMODITY CERTIFICATES.—Notwithstanding any other provision of law, if a producer has substituted purchased or other commodities for the commodities originally pledged as collateral for a loan made under this section, the Secretary may allow a producer to repay the loan using a generic commodity certificate that may be exchanged for commodities owned by the Commodity Credit Corporation, if the substitute commodities have been pledged as loan collateral and redeemed only within the same county.*

(m) *ADDITIONAL AUTHORITY.—The authority provided by this section shall be in addition to other authorities available to the Secretary for carrying out producer loan and storage operations.*

(n) *REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section not later than 60 days after November 28, 1990.*

(o) *REVIEW.*—*In announcing the terms and conditions of the producer storage program under this section, the Secretary shall review standards concerning the quality of grain that shall be allowed to be stored under the program, and such standards should encourage only quality grain, as determined by the Secretary, to be pledged as collateral for such loans. The Secretary shall review inspection, maintenance, and stock rotation requirements and take the necessary steps to maintain the quality of such grain.*

(p) *CROPS.*—*Notwithstanding any other provision of law, this section shall become effective December 1, 1990.*

INTERNATIONAL EMERGENCY FOOD RESERVE

SEC. 111. [7 U.S.C. 1445f] The President is encouraged to enter into negotiations with other nations to develop an international system of food reserves to provide for humanitarian food relief needs and to establish and maintain a food reserve, as a contribution of the United States toward the development of such a system, to be made available in the event of food emergencies in foreign countries. The reserves shall be known as the International Emergency Food Reserve.

[Note: Sec. 112 was made inapplicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar by sec. 1602(b)(6) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8782(b)(6)).]

AGRICULTURAL COMMODITIES UTILIZATION PROGRAM

SEC. 112. [7 U.S.C. 1445g] *Notwithstanding any other provision of this Act—*

(a) *The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage set aside or diverted from the production of a commodity for any crop year under this title to be devoted to the production of any commodity (other than the commodities for which acreage is being set aside or diverted) for conversion into industrial hydrocarbons and blending with gasoline or other fossil fuels for use as motor or industrial fuel, if the Secretary determines that such production is desirable in order to provide an adequate supply of commodities for such purpose, is not likely to increase the cost of the price support programs, and will not adversely affect farm income.*

(b)(1) *During any year in which there is no set-aside or diversion of acreage under this title, the Secretary may formulate and administer a program for the production, subject to such terms and conditions as the Secretary may prescribe, of commodities for conversion into industrial hydrocarbons and blending with gasoline or other fossil fuels for use as motor or industrial fuel, if the Secretary determines that such production is desirable in order to provide an adequate supply of commodities for such purpose, is not likely to increase the cost of the price support programs, and will not adversely affect farm income. Under the program, producers of wheat, feed grains, upland cotton, and rice shall be paid incentive payments to devote a portion of their acreage to the production of commodities*

for conversion into industrial hydrocarbons and blending with gasoline or other fossil fuels for use as motor or industrial fuel.

(2) The payments under this subsection shall be at such rate or rates as the Secretary determines to be fair and reasonable, taking into consideration the participation necessary to ensure an adequate supply of the agricultural commodities for conversion into industrial hydrocarbons and blending with gasoline or other fossil fuels for use as motor or industrial fuels.

(3) The Secretary may issue such regulations as the Secretary deems necessary to carry out the provisions of this subsection.

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

(5) The provisions of this subsection shall become effective October 1, 1978.

[SEC. 113. [7 U.S.C. 1445h] SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY.⁴⁴]

SEC. 114. [7 U.S.C. 1445j] DEFICIENCY AND LAND DIVERSION PAYMENTS.

(a) DEFICIENCY PAYMENTS.—

(1) IN GENERAL.—If the Secretary establishes an acreage limitation program for any of the 1991 through 1997 crops of wheat, feed grains, upland cotton, or rice under this Act and determines that deficiency payments will likely be made for the commodity for the crop, the Secretary shall make advance deficiency payments available to producers for each of the crops.

(2) TERMS AND CONDITIONS.—Advance deficiency payments under paragraph (1) shall be made to the producer under the following terms and conditions:

(A) FORM.—Such payments may be made available in the form of—

(i) cash;

(ii) commodities owned by the Commodity Credit Corporation and certificates redeemable in a commodity owned by the Commodity Credit Corporation, except that not more than 50 percent of the payments may be made in commodities or the certificates in the case of any producer; or

(iii) any combination of clauses (i) and (ii).

(B) COMMODITIES AND CERTIFICATES.—If payments are made available to producers as provided for under subparagraph (A)(ii), such producers may elect to receive such payments either in the form of—

(i) such commodities; or

(ii) such certificates.

(C) MATURITY.—Such a certificate shall be redeemable for a period not to exceed 3 years from the date the certificate is issued.

(D) STORAGE.—The Commodity Credit Corporation shall pay the cost of storing a commodity that may be re-

⁴⁴Sec. 113 was repealed by sec. 171(b)(2)(F) of the Agricultural Market Transition Act, P.L. 104–127, 110 Stat. 938, April 4, 1996.

ceived under such a certificate until such time as the certificate is redeemed.

(E) TIMING.—The payments shall be made available as soon as practicable after the producer enters into a contract with the Secretary to participate in such program.

(F) AMOUNTS.—The payments shall be made available in such amounts as the Secretary determines appropriate to encourage adequate participation in the program, except that the amount may not exceed an amount determined by multiplying—

(i) the estimated payment acreage for the crop; by

(ii) the farm program payment yield for the crop;

by

(iii)(I) in the case of wheat and feed grains, not less than 40 percent, nor more than 50 percent, of the projected payment rate; and

(II) in the case of rice and upland cotton, not less than 30 percent, nor more than 50 percent, of the projected payment rate,

as determined by the Secretary.

(G) REPAYMENT.—If the deficiency payment payable to a producer for a crop, as finally determined by the Secretary under this Act, is less than the amount paid to the producer as an advance deficiency payment for the crop under this subsection, the producer shall repay an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be payable to the producer as a deficiency payment for the crop concerned.

(H) REPAYMENT REQUIREMENT.—If the Secretary determines under this Act that deficiency payments will not be made available to producers on a crop with respect to which advance deficiency payments already have been made under this subsection, the producers who received the advance payments shall repay the payments.

(I) DEADLINE.—Any repayment required under subparagraph (G) or (H) shall be due at the end of the marketing year for the crop with respect to which the payments were made.

(J) NONCOMPLIANCE.—If a producer fails to comply with requirements established under the acreage limitation program involved after obtaining an advance deficiency payment under this subsection, the producer shall repay immediately the amount of the advance, plus interest thereon in such amount as the Secretary shall prescribe by regulation.

(3) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

(4) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

(5) ADDITIONAL AUTHORITY.—The authority provided in this section shall be in addition to, and not in place of, any au-

thority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

[(b)–(c)]⁴⁵

【Note: Sec. 115 was made inapplicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar by sec. 1602(b)(7) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8782(b)(7)).】

【COMMODITY CERTIFICATES】

SEC. 115. [7 U.S.C. 1445k] (a) *In making in-kind payments under any of the annual programs for wheat, feed grains, upland cotton, or rice (other than negotiable marketing certificates for upland cotton or rice), the Secretary may—*

(1) *acquire and use like commodities that have been pledged to the Commodity Credit Corporation as security for price support loans, including loans made to producers under section 110; and*

(2) *use other like commodities owned by the Commodity Credit Corporation.*

(b) *The Secretary may make in-kind payments—*

(1) *by delivery of the commodity to the producer at a warehouse or other similar facility, as determined by the Secretary;*

(2) *by the transfer of negotiable warehouse receipts;*

(3) *by the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for a commodity in accordance with regulations prescribed by the Secretary; or*

(4) *by such other methods as the Secretary determines appropriate to enable the producer to receive payments in an efficient, equitable, and expeditious manner so as to ensure that the producer receives the same total return as if the payments had been made in cash.*

(c) *The Secretary shall pay interest on the cash redemption of a commodity certificate issued by the Secretary to a producer who holds the certificate for at least 150 days. This subsection shall not apply with respect to commodity certificates issued in connection with the export enhancement program or the marketing promotion program established under the Agricultural Trade Act of 1978.*

【Note: Sec. 201 was made inapplicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar by sec. 1602(b)(7) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8782(b)(7)).】

⁴⁵Subsecs. (b) and (c) were repealed by sec. 171(b)(2)(G) of the Agricultural Market Transition Act, P.L. 104–127, 110 Stat. 938, April 4, 1996.

TITLE II—DESIGNATED NONBASIC AGRICULTURAL
COMMODITIES

**[PRICE SUPPORT LEVELS FOR DESIGNATED NONBASIC
AGRICULTURAL COMMODITIES]**

SEC. 201. **[7 U.S.C. 1446]** (a) *The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for oilseeds (including soybeans, sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, and such other oilseeds as the Secretary may determine), honey, milk, sugar beets, and sugarcane in accordance with this title.*

(b) *The price of honey shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price thereof; and the price of tung nuts for each crop of tung nuts through the 1976 crop shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price therefor: Provided, That in any crop year through the 1976 crop year in which the Secretary determines that the domestic production of tung oil will be less than the anticipated domestic demand for such oil, the price of tung nuts shall be supported at not less than 65 per centum of the parity price therefor.*

(c) *Except as provided in section 204, the price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs. Such price support shall be provided through purchases of milk and the products of milk.*

(d) ⁴⁶

(e) ⁴⁷

(f) ⁴⁸

(g) ⁴⁹

(h) ⁵⁰

(i) ⁵¹

(j) ⁵²

(k) ⁵³

(l) ⁵⁴

⁴⁶ Subsec. (d) provided price support for milk during the period beginning on January 1, 1986, and ending on December 31, 1990.

⁴⁷ Subsec. (e) provided price support for the 1978–1981 crops of soybeans.

⁴⁸ Subsec. (f) provided price support for the 1977 and 1978 crops of sugar beets and sugarcane.

⁴⁹ Subsec. (g) was made effective only for the 1982–1985 crops of soybeans by sec. 801 of the Agriculture and Food Act of 1981, P.L. 97–98, 95 Stat. 1256, Dec. 22, 1981.

⁵⁰ Subsec. (h) was made effective only for the 1982–1985 crops of sugar beets and sugarcane by sec. 901 of the Agriculture and Food Act of 1981, P.L. 97–98, 95 Stat. 1257, Dec. 22, 1981.

⁵¹ Subsec. (i) was made effective only for the 1986–1990 crops of soybeans by sec. 801 of the Food Security Act of 1985, P.L. 99–198, 99 Stat. 1441, Dec. 23, 1985.

⁵² Subsec. (j) was made effective only for the 1986–1990 crops of sugar beets and sugarcane by sec. 901 of the Food Security Act of 1985, P.L. 99–98, 99 Stat. 1443, Dec. 23, 1985.

⁵³ Subsec. (k) was made effective only for the 1985–1990 crops of peanuts, soybeans, sugar beets, and sugarcane by sec. 1008 the Food Security Act of 1985, P.L. 99–198, 99 Stat. 1452, Dec. 23, 1985.

⁵⁴ Subsec. (l) was made effective only for the 1987–1990 crops of sunflowers by sec. 15(a) of the Farm Disaster Assistance Act of 1987, P.L. 100–45, May 27, 1987.

**【TRANSFER OF DAIRY PRODUCTS TO MILITARY AND
VETERANS HOSPITALS】**

SEC. 202. 【7 U.S.C. 1446a】 *As a means of increasing the utilization of dairy products, (including for purposes of this section, milk) upon the certification by the Secretary of Veterans Affairs or by the Secretary of the Army, acting for the military departments under the Department of Defense's Single Service Purchase Assignment for Subsistence, or their duly authorized representatives that the usual quantities of dairy products have been purchased in the normal channels of trade—*

(a) The Commodity Credit Corporation until December 31, 1995, shall make available to the Secretary of Veterans Affairs at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Secretary certifies that he requires in order to provide butter and cheese and other dairy products as a part of the ration in hospitals under his jurisdiction. The Secretary shall report every six months to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.

(b) The Commodity Credit Corporation until December 31, 1995, shall make available to the Secretary of the Army, at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Secretary of the Army or his duly authorized representative certifies can be utilized in order to provide additional butter and cheese and other dairy products as a part of the ration (1) of the Army, Navy, Air Force, or Coast Guard, (2) in hospitals under the jurisdiction of the Department of Defense, and (3) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy. The Secretary of the Army shall report every six months to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.

(c) Dairy products made available under this section shall be made available without charge, except that the Secretary of the Army or the Secretary of Veterans Affairs shall pay the Commodity Credit Corporation the costs of packaging incurred in making such products so available.

(d) The obligation of the Commodity Credit Corporation to make dairy products available pursuant to the above shall be limited to dairy products acquired by the Corporation through price-support operations and not disposed of under provisions (1) and (2) of section 416⁵⁵ of this Act, as amended.

SEC. 203. 【7 U.S.C. 1446d】 COTTONSEED AND COTTONSEED OIL PRICE SUPPORT.

(a) IN GENERAL.—If the Secretary determines that any oilseed program or programs cause, or are likely to cause, a reduction in prices received by producers for cottonseed or by processors for cot-

⁵⁵ So in original. Probably should be "416(a)".

tonseed oil, the Secretary shall take such actions as are necessary to offset the actual or anticipated impact of the program on prices for cottonseed or cottonseed oil. The actions shall only include actions to stabilize or increase the price of cottonseed, and shall not include actions to decrease the prices of other oilseeds.

(b) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of upland cotton.

[SEC. 204. [7 U.S.C. 1446e] MILK PRICE SUPPORT AND MILK INVENTORY MANAGEMENT PROGRAM FOR CALENDAR YEARS 1991 THROUGH 1996.⁵⁶]]

[SEC. 205. [7 U.S.C. 1446f] LOANS AND PAYMENTS FOR OILSEEDS FOR 1991 THROUGH 1995 MARKETING YEARS.⁵⁷]]

[SEC. 206. [7 U.S.C. 1446g] SUGAR PRICE SUPPORT FOR 1991 THROUGH 1997 CROPS.⁵⁸]]

[SEC. 207. [7 U.S.C. 1446h] HONEY PRICE SUPPORT.⁵⁹]]

[SEC. 208. [7 U.S.C. 1446i] DISASTER PAYMENTS FOR 1991 THROUGH 1995 CROPS OF PEANUTS, SOYBEANS, SUGAR BEETS, AND SUGARCANE.⁶⁰]]

[Note: Title III was made inapplicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar by sec. 1602(b)(9) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8782(b)(9)).]

TITLE III—OTHER NONBASIC AGRICULTURAL COMMODITIES

[PRICE SUPPORT LEVELS FOR OTHER NONBASIC AGRICULTURAL COMMODITIES]

SEC. 301. **[7 U.S.C. 1447]** *The Secretary is authorized to make available through loans, purchases, or other operations price support to producers for any nonbasic agricultural commodity not designated in title II at a level not in excess of 90 per centum of the parity price for the commodity.⁶¹*

[PRICE SUPPORT LEVELS FOR STORABLE NONBASIC AGRICULTURAL COMMODITIES]

SEC. 302. **[7 U.S.C. 1448]** *Without restricting price support to those commodities for which a marketing quota or marketing agreement or order program is in effect, price support shall, insofar as feasible, be made available to producers of any storable nonbasic*

⁵⁶ Sec. 204 was repealed by sec. 141(g) of the Agricultural Market Transition Act, P.L. 104-127, 110 Stat. 915, April 4, 1996.

⁵⁷ Sec. 205 was repealed by sec. 171(b)(2)(H) of the Agricultural Market Transition Act, P.L. 104-127, 110 Stat. 938, April 4, 1996.

⁵⁸ Sec. 206 was repealed by sec. 171(b)(2)(H) of the Agricultural Market Transition Act, P.L. 104-127, 110 Stat. 938, April 4, 1996.

⁵⁹ Sec. 207 was repealed by sec. 171(b)(2)(H) of the Agricultural Market Transition Act, P.L. 104-127, 110 Stat. 938, April 4, 1996.

⁶⁰ Sec. 208 was added by sec. 1126 of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101-624, 104 Stat. 3507, Nov. 28, 1990, and repealed by sec. 119(a)(6) of the Federal Crop Insurance Reform Act of 1994, P.L. 103-354, 108 Stat. 3208, Oct. 13, 1994.

⁶¹ A second sentence that was effective only for the 1978 through 1981 crops has been omitted.

agricultural commodity for which such a program is in effect and who are complying with such program. The level of such support shall not be in excess of 90 per centum of the parity price of such commodity nor less than the level provided in the following table:

If the supply percentage as of the beginning of the marketing year is: The level of support shall be not less than the following percentage of the parity price:

Not more than 102	90
More than 102 but not more than 104	89
More than 104 but not more than 106	88
More than 106 but not more than 108	87
More than 108 but not more than 110	86
More than 110 but not more than 112	85
More than 112 but not more than 114	84
More than 114 but not more than 116	83
More than 116 but not more than 118	82
More than 118 but not more than 120	81
More than 120 but not more than 122	80
More than 122 but not more than 124	79
More than 124 but not more than 126	78
More than 126 but not more than 128	77
More than 128 but not more than 130	76
More than 130	75

Provided, That the level of price support may be less than the minimum level provided in the foregoing table if the Secretary, after examination of the availability of funds for mandatory price support programs and consideration of the other factors specified in section 401(b), determines that such lower level is desirable and proper.

【DETERMINATION OF PRICE SUPPORT LEVEL】

SEC. 303. **【7 U.S.C. 1449】** In determining the level of price support for any nonbasic agricultural commodity under this title, particular consideration shall be given to the levels at which the prices of competing agricultural commodities are being supported.

【Note: Title IV (other than secs. 404, 412, and 416) was made inapplicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar by sec. 1602(b)(10) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8782(b)(10)).】

TITLE IV—MISCELLANEOUS

【PRICE SUPPORT—SOURCE】

SEC. 401. **【7 U.S.C. 1421】** (a) The Secretary shall provide the price support authorized or required herein through the Commodity Credit Corporation and other means available to him.

(b) Except as otherwise provided in this Act, the amounts, terms, and conditions of price support operations and the extent to which such operations are carried out, shall be determined or approved by the Secretary. The following factors shall be taken into consideration in determining, in the case of any commodity for which price support is discretionary, whether a price-support operation shall be undertaken and the level of such support and, in the case of any commodity for which price support is mandatory, the level of support in excess of the minimum level prescribed for such

commodity: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn, (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for offsetting temporary losses of export markets, (8) the ability and willingness of producers to keep supplies in line with demand, and (9) in the case of upland cotton, changes in the cost of producing such cotton.

(c) Compliance by the producer with acreage allotments, production goals and marketing practices (including marketing quotas when authorized by law), prescribed by the Secretary, may be required as a condition of eligibility for price support. In administering any program for diverted acres the Secretary may make his regulations applicable on an appropriate geographical basis. Such regulations shall be administered (1) in semiarid or other areas where good husbandry requires maintenance of a prudent feed reserve in such manner as to permit, to the extent so required by good husbandry, the production of forage crops for storage and subsequent use either on the farm or in feeding operations of the farm operator, and (2) in areas declared to be disaster areas by the President under the Disaster Relief and Emergency Assistance Act [(42 U.S.C. 5121 et seq.)]⁶², in such manner as will most quickly restore the normal pattern of their agriculture.

(d) The level of price support for any commodity shall be determined upon the basis of its parity price as of the beginning of the marketing year or season in the case of any commodity marketed on a marketing year or season basis and as of January 1 in the case of any other commodity.

(e)(1) Whenever any price support or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as he deems adequate that the producers of the agricultural commodity involved have received or will receive maximum benefits from the price support or surplus removal operation.

(2)(A) If the assurances under paragraph (1) are not adequate to cause the producers of sugar beets and sugarcane, because of the bankruptcy or other insolvency of the processor, to receive maximum benefits from the price support program within 30 days after the final settlement date provided for in the contract between such producers and processor, the Secretary, on demand made by such producers and on such assurances as to nonpayment as the Secretary shall require, shall pay such producers such maximum benefits less benefits previously received by such producers.

(B) On such payment, the Secretary shall—

(i) be subrogated to all claims of such producers against the processor and other persons responsible for nonpayment; and

⁶²Reference to “Disaster Relief and Emergency Assistance Act” was so in original. In light of sec. 102(a) of P.L. 100–707, probably should read “Robert T. Stafford Disaster Relief and Emergency Assistance Act”.

(ii) have authority to pursue such claims as necessary to recover the benefits not paid to the producers.

(C) The Secretary shall carry out this paragraph through the Commodity Credit Corporation.

[[INCREASE OF PRICE SUPPORT LEVELS]]

SEC. 402. [7 U.S.C. 1422] (a) Notwithstanding any other provision of this Act, price support at a level in excess of the maximum level of price support otherwise prescribed in this Act may be made available for any agricultural commodity if the Secretary determines, after a public hearing of which reasonable notice has been given, that price support at such increased level is necessary in order to prevent or alleviate a shortage in the supply of any agricultural commodity essential to the national welfare or in order to increase or maintain the production of any agricultural commodity in the interest of national security. The Secretary's determination and the record of the hearing shall be available to the public.

(b) Effective only for the 1991 through 1995 crops of wheat, feed grains, cotton, and rice, the Secretary of Agriculture may provide for annual adjustments in the established prices for such program crops to reflect any change during the last calendar year ending before the beginning of each such crop year in the index of prices paid by farmers for production items, interest, taxes, and wage rates in such calendar year.

SEC. 403. [7 U.S.C. 1423] ADJUSTMENTS OF SUPPORT PRICES.

(a) **IN GENERAL.**—The Secretary may make appropriate adjustments in the support price for any commodity (excluding cotton) for differences in grade, type, quality, location and other factors. The adjustments shall, so far as practicable, be made in such manner that the average support price for the commodity will, on the basis of the anticipated incidence of such factors be equal to the level of support determined as provided in this Act. Beginning with the 1991 crops of wheat, feed grains, and soybeans for which price support is provided under this Act, the Secretary shall establish premiums and discounts related to cleanliness factors in addition to any other premiums or discounts related to quality.

(b) **ADJUSTMENT IN SUPPORT PRICES FOR COTTON.**—The Secretary may make appropriate adjustments in the support price for cotton for differences in quality factors and location. Beginning with the 1991 crop, the quality differences (premiums and discounts for quality factors) for the upland cotton loan program shall be established by the Secretary by giving equal weight to (1) loan differences for the preceding crop, and (2) market differences for such crop in the designated United States spot markets.

(c) **LIMITATION ON ADJUSTMENTS FOR WHEAT AND FEED GRAINS.**—Notwithstanding any other provision of this section, for each of the 1990 through 1995 crops of wheat and feed grains, no adjustment in the loan rate applicable to a particular region, State, or county for the purpose of reflecting transportation differentials may increase or decrease the regional, State, or county loan rate from the level established for the previous year by more than the percentage change in the national average loan rate plus or minus 3 percent.

**【UTILIZATION OF SERVICES AND FACILITIES OF
COMMODITY CREDIT CORPORATION】**

SEC. 404. 【7 U.S.C. 1424】 The Secretary, in carrying out programs under section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, 【(7 U.S.C. 612c)】 and section 6 of the Richard B. Russell National School Lunch Act 【(7 U.S.C. 1755)】 may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract), and make advance payments to it.

**【PERSONAL LIABILITY OF PRODUCERS FOR
DEFICIENCIES】**

SEC. 405. 【7 U.S.C. 1425】 (a) Except as otherwise provided in section 405A, no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under authority of this Act unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent the Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program. There is authorized to be included in the terms and conditions of any such nonrecourse loan a provision whereby on and after the maturity of the loan or any extension thereof Commodity Credit Corporation shall have the right to acquire title to the unredeemed collateral without obligation to pay for any market value which such collateral may have in excess of the loan indebtedness.

(b) SUGARCANE AND SUGAR BEETS.—The security interests obtained by the Commodity Credit Corporation as a result of the execution of security agreements by the processors of sugarcane and sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived. The preceding sentence shall not affect the application of section 401(e)(2).

【LOAN FORFEITURE LIMITATION】

SEC. 405A. 【7 U.S.C. 1425a】 (a) A producer of honey may satisfy the producer's obligation to repay a loan, or a portion of a loan, made to the producer under section 207 by forfeiting the collateral for the loan, or portion of the loan, only if the value of the collateral forfeited, when taken together with the value of the collateral forfeited on any other loan or loans of the person for such crop of honey under section 207, does not exceed \$200,000 in the 1991 crop year, \$175,000 in the 1992 crop year, \$150,000 in the 1993 crop year, and \$125,000 in each of the 1994 and subsequent crop years: Provided, however, That the loan forfeiture limitation provided by this section shall not be applicable for any crop year for which the

Secretary does not permit producers of honey to repay the price support loans at a level determined under section 207(b)(2).

(b) The producer of honey shall be personally liable for the repayment of a loan or loans made to the producer under the program for the crop of honey involved, with respect to that portion of the loan or loans for which satisfaction of the loan by forfeiture, as provided in subsection (a), is prohibited.

(c) The loan contracts of the Commodity Credit Corporation entered into with producers of honey shall clearly indicate the extent to which a producer of honey may be personally liable for repayment of a loan under this section.

(d) The Commodity Credit Corporation may issue such regulations as the Corporation deems necessary to carry out this section. The regulations shall provide for the attribution of the value of collateral forfeited on loans described in subsection (a).

**[ADVANCE ANNOUNCEMENT OF PRICE SUPPORT LEVELS;
REDUCTION OF LEVELS]**

[SEC. 406. ⁶³ [7 U.S.C. 1426]]

SEC. 407. [7 U.S.C. 1427] COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.

(a) *IN GENERAL.*—The Commodity Credit Corporation may sell any farm commodity owned or controlled by the Corporation at any price not prohibited by this section.

(b) *INVENTORIES.*—In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should consider the establishment of such policies with respect to prices, terms, and conditions as the Corporation determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop.

(c) *SALES PRICE RESTRICTIONS.*—

(1) *IN GENERAL.*—Except as otherwise provided in this section, the Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 115 percent of the lower of—

(A) the current national average price support loan rate for the commodity adjusted for the current market differentials reflecting grade, quality, location, reasonable carrying charges, and other factors determined appropriate by the Corporation; or

(B) the loan repayment level.

(2) *EXTRA LONG STAPLE COTTON.*—The Corporation may sell extra long staple cotton for unrestricted use at such price as the Corporation determines is appropriate to maintain and expand export and domestic markets.

(3) *OILSEEDS.*—The Corporation shall not sell oilseeds at less than the lower of—

(A) 105 percent of the current national average price support loan rate for the oilseed, adjusted for the current market differentials reflecting grade, quality, location, rea-

⁶³Sec. 406 was repealed by sec. 171(b)(2)(I) of the Agricultural Market Transition Act, P.L. 104-127, 110 Stat. 938, April 4, 1996.

sonable carrying charges, and other factors determined appropriate by the Corporation; or

(B) 115 percent of the loan repayment level.

(4) WHEAT AND FEED GRAINS.—Whenever the producer reserve program for wheat and feed grains established under section 110 is in effect, the Corporation may not sell any of its stocks of wheat or feed grains at a level that is less than 150 percent of the then current loan rate for wheat or feed grains.

(5) UPLAND COTTON.—The Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same price the Corporation sells upland cotton for export, but in no event at less than the amount provided for in paragraph (1).

(d) NONAPPLICATION OF SALES PRICE RESTRICTIONS.—The foregoing restrictions of this section shall not apply to—

(1) sales for new or byproduct uses;

(2) sales of peanuts and oilseeds for the extraction of oil;

(3) sales for seed or feed if the sales will not substantially impair any price support program;

(4) sales of commodities that have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

(5) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity;

(6) sales for export (excluding sales of upland cotton for export);

(7) sales of wool; and

(8) sales for other than primary uses.

(e) DISTRESS, DISASTER, AND LIVESTOCK EMERGENCY AREAS.—

(1) IN GENERAL.—Notwithstanding the foregoing provisions of this section, the Corporation, on such terms and conditions as the Secretary may consider in the public interest, may—

(A) make available any farm commodity or product thereof owned or controlled by the Corporation for use in relieving distress—

(i) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

(ii) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); and

(B) donate or sell commodities in accordance with title

VI.

(2) COSTS.—Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making the commodity available under this subsection beyond the cost of the commodities to the Corporation in—

(A) the storage of the commodity; and

(B) *the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State or other area.*

(f) **EFFICIENT OPERATIONS.**—

(1) **IN GENERAL.**—*Subject to paragraph (2), the foregoing restrictions of this section shall not apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the operations of the Corporation because of the small quantities involved, or because of age, location or questionable continued storability of the commodity.*

(2) **OFFSETS.**—*The sales shall be offset (if necessary) by the purchases of commodities as the Corporation determines is appropriate to prevent the sales from substantially impairing any price support program or unduly affecting market prices, except that the purchase price shall not exceed the Corporation's minimum sales price for the commodities for unrestricted use.*

(3) **COMPETITIVE BID BASIS.**—*Subject to the sales price restrictions contained in this section, the Corporation may sell any basic agricultural commodity or storable nonbasic commodity on a competitive bid basis, if the sale is determined to be appropriate by the Secretary.*

(g) **SALES FOR EXPORT.**—*For the purposes of this section, sales for export shall include—*

(1) *sales made on condition that the identical commodities sold be exported; and*

(2) *sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form.*

SEC. 407A. [7 U.S.C. 1427-1] QUALITY REQUIREMENTS FOR COMMODITY CREDIT CORPORATION OWNED GRAIN.

(a) **ESTABLISHMENT OF MINIMUM STANDARDS.**—*Notwithstanding any other provision of law, the Secretary shall establish minimum quality standards that shall apply to grain that is deposited for storage for the account of the Commodity Credit Corporation. In establishing such standards, the Secretary shall take into consideration factors related to the ability of grain to withstand storage and assurance of acceptable end-use performance.*

(b) **INSPECTION OF GRAIN ACQUISITIONS.**—*The Commodity Credit Corporation shall utilize Federal Grain Inspection Service approved procedures to inspect and evaluate the condition of the grain it acquires from producers. In no case shall this section require the use of an official inspection unless the producer so requests.*

[DEFINITIONS]

SEC. 408. [7 U.S.C. 1428] For the purposes of this Act—

(a) *A commodity shall be considered storable upon determination by the Secretary that, in normal trade practice, it is stored for substantial periods of time and that it can be stored under the price-support program without excessive loss through deterioration or spoilage or without excessive cost for storage for such periods as will permit its disposition without substantial impairment of the effectiveness of the price-support program.*

(b) A “cooperator” with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, [(7 U.S.C. 1301 et seq.)] or in the case of price support for corn or wheat to a producer outside the commercial corn-producing or wheat-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary: Provided, That for upland cotton a cooperator shall be a producer on whose farm the acreage planted to such cotton does not exceed the cooperator percentage, which shall be in the case of the 1966 crop, 87.5 per centum of such farm acreage allotment and, in the case of each of the 1967 through 1970 crops, such percentage, not less than 87.5 or more than 100 per centum, of such farm acreage allotment as the Secretary may specify for such crop, except that in the case of small farms (i.e. farms on which the acreage allotment is 10 acres or less, or on which the projected farm yield times the acreage allotment is 3,600 pounds or less, and the acreage allotment has not been reduced under section 344(m)) the acreage of cotton on the farm shall not be required to be reduced below the farm acreage allotment: And provided, That for the 1971 through 1977 crops of upland cotton a cooperator shall be a producer on a farm on which a farm base acreage allotment has been established who has set aside the acreage required under section 103(e): Provided further, That for the 1976 through 1981 crops of rice, a cooperator shall be a person who produces rice on a farm for which a farm acreage allotment has been established or to which a producer acreage allotment has been allocated and, if a set-aside is in effect, who has set aside any acreage required under section 101(g): Provided further, That for the 1978 through 1981 crops of upland cotton, a cooperator shall be a producer on a farm who has set aside the acreage required under section 103(f). For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded such allotment.

(c) A “basic agricultural commodity” shall mean corn, cotton, rice, and wheat, respectively.

(d) A “nonbasic agricultural commodity” shall mean any agricultural commodity other than a basic agricultural commodity.

(e) The “supply percentage” as to any commodity shall be the percentage which the estimated total supply is of the normal supply as determined by the Secretary from the latest available statistics of the Department of Agriculture as of the beginning of the marketing year for the commodity.

(f)⁶⁴ “Total supply” of any nonbasic agricultural commodity for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins and the estimated imports of the commodity into the United States during such marketing year.

(g)⁶⁵ “Carry-over” of any nonbasic agricultural commodity for any marketing year shall be the quantity of the commodity on hand

⁶⁴ See sec. 301(b) of the Agricultural Adjustment Act of 1938 for definitions applicable to basic commodities.

⁶⁵ See note 408–1.

in the United States at the beginning of such marketing year, not including any part of the crop or production of such commodity which was produced in the United States during the calendar year then current. The carry-over of any such commodity may also include the quantity of such commodity in processed form on hand in the United States at the beginning of such marketing year, if the Secretary determines that the inclusion of such processed quantity of the commodity is necessary to effectuate the purposes of this Act.

(h)⁶⁶ “Normal supply” of any nonbasic agricultural commodity for any marketing year shall be (1) the estimated domestic consumption of the commodity for the marketing year for which such normal supply is being determined, plus (2) the estimated exports of the commodity for such marketing year, plus (3) an allowance for carry-over. The allowance for carry-over shall be the average carry-over of the commodity for the five marketing years immediately preceding the marketing year in which such normal supply is determined, adjusted for surpluses or deficiencies caused by abnormal conditions, changes in marketing conditions, or the operation of any agricultural program. In determining normal supply, the Secretary shall make such adjustments for current trends in consumption and for unusual conditions as he may deem necessary.

(i)⁶⁷ “Marketing year” for any nonbasic agricultural commodity means any period determined by the Secretary during which substantially all of a crop or production of such commodity is normally marketed by the producers thereof.

(j) Any term defined in the Agricultural Adjustment Act of 1938 [(7 U.S.C. 1281 et seq.)], shall have the same meaning when used in this Act.

(k)(1) Reference made in sections 402, 403, 406, 407, and 416 to the terms “support price”, “level of support”, and “level of price support” shall be considered to apply as well to the loan and purchase level for wheat, feed grains, upland cotton, extra long staple cotton, honey, oilseeds and rice under this Act.

(2) References made to the terms “price support”, “price support operations”, and “price support program” in such sections and in section 401(a) shall be considered as applying as well to loan and purchase operations for wheat, feed grains, upland cotton, extra long staple cotton, honey, oilseeds and rice under this Act.

(3) Notwithstanding any other provision of law, this subsection shall be effective only for the 1991 through 1995 crops of wheat, feed grains, upland cotton, extra long staple cotton, honey, oilseeds and rice.

(l) “Producer” shall include a person growing hybrid seed under contract. In determining the interest of a grower of hybrid seed in a crop, the Secretary shall not take into consideration the existence of a hybrid seed contract.

[AMENDMENTS TO AGRICULTURAL ADJUSTMENT ACT OF 1938]

SEC. 409.⁶⁸

⁶⁶ See note 408–1.

⁶⁷ See note 408–2.

⁶⁸ Sec. 409 amended secs. 301, 322, and 328 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301, 1322, and 1328).

[AMENDMENT TO ACT OF MARCH 8, 1938]

SEC. 410.⁶⁹

[AMENDMENT TO SECTION 32]

SEC. 411.⁷⁰

[DETERMINATIONS BY SECRETARY]

SEC. 412. **[7 U.S.C. 1429]** *Determinations made by the Secretary under this Act shall be final and conclusive: Provided, That the scope and nature of such determinations shall not be inconsistent with the provisions of the Commodity Credit Corporation Charter Act [(15 U.S.C. 714 et seq.)].*

[RETROACTIVE EFFECT]

SEC. 413. **[7 U.S.C. 1430]** *This Act shall not be effective with respect to price support operations for any agricultural commodity for any marketing year or season commencing prior to January 1, 1950, except to the extent that the Secretary of Agriculture shall, without reducing price support theretofore undertaken or announced, elect to apply the provisions of this Act.*

[REPEAL OF PREVIOUS LEGISLATION]

SEC. 414.⁷¹ **[7 U.S.C. 1421 note]**

[APPLICATION OF AGRICULTURAL ACT OF 1948; AMENDMENTS TO SUCH ACT AND AGRICULTURAL ADJUSTMENT ACT OF 1938]

SEC. 415. (a) **[7 U.S.C. 1301 note]** *Except as modified by this Act or by Public Law 272, Eighty-first Congress [(63 Stat. 670)], sections 201(b), 201(d), 201(e), 203, 207(a), and 208 of the Agricultural Act of 1948 [(62 Stat. 1250)] shall be effective for the purpose of taking any action with respect to the 1950 and subsequent crops upon the enactment of this Act [enacted on October 31, 1949]. If the time within which any such action is required to be taken shall have elapsed prior to the enactment of this Act, such action shall be taken within thirty days after the enactment of this Act.*

(b) **[7 U.S.C. 1301 note]** *No provision of the Agricultural Act of 1948 [(62 Stat. 1247)] shall be deemed to supersede any provision of Public Law 272, Eighty-first Congress [(63 Stat. 670)].*

(c)⁷²

(d)⁷³

(e)⁷⁴

⁶⁹Sec. 410 amended sec. 4 of the Act of March 8, 1938, P.L. 79-442 (15 U.S.C. 713a-4).

⁷⁰Sec. 411 amended sec. 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act and for other purposes", approved Aug. 28, 1935, P.L. 74-320 (7 U.S.C. 612c).

⁷¹Sec. 414 repealed sec. 302 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1302) and any provision of law in conflict with this Act.

⁷²Subsec. (c) amended sec. 301(b)(10) of the Agricultural Act of 1938 (7 U.S.C. 1301(b)(10)).

⁷³Subsec. (d) amended sec. 301(b)(16) of the Agricultural Act of 1938 (7 U.S.C. 1301(b)(16)).

⁷⁴Subsec. (e) repealed secs. 201(c), 205, 206, and 207(c) of the Agricultural Act of 1948 (7 U.S.C. 1301(b)(3)(B) note, 1345 note, 1355 note, and 1343 note).

【DISPOSITION OF COMMODITIES TO PREVENT WASTE】

SEC. 416. 【7 U.S.C. 1431】 (a) *In order to prevent the waste of commodities whether in private stocks or acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in nonprofit summer camps for children, in the assistance of needy persons, and in charitable institutions, including hospitals and facilities, to the extent that they serve needy persons (including infants and children). In the case of (3) the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3). The Commodity Credit Corporation may pay, with respect to commodities disposed of under this subsection, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency. In addition, in the case of food commodities disposed of under this subsection, the Commodity Credit Corporation may pay the cost of processing such commodities into a form suitable for home or institutional use, such processing to be accomplished through private trade facilities to the greatest extent possible. For the purpose of this subsection the terms "State" and "United States" include the District of Columbia and any Territory or possession of the United States.*

Dairy products acquired by the Commodity Credit Corporation through price support operations may, insofar as they can be used in the United States in nonprofit school lunch and other nonprofit child feeding programs, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served, be donated for any such use prior to any other use or disposition. Notwithstanding any other provision of law, such dairy products may be donated for distribution to needy households in the United States and to meet the needs of persons receiving nutrition assistance under the Older Americans Act of 1965 【(42 U.S.C. 3001 et seq.)】.

(b)(1) The Secretary, subject to the requirements of paragraph (10), may furnish eligible commodities for carrying out programs of assistance in developing countries and friendly countries under titles II and III of the Food for Peace Act 【(7 U.S.C. 1721 et seq.)】

and under the Food for Progress Act of 1985 [(7 U.S.C. 1736o)], as approved by the Secretary, and for such purposes as are approved by the Secretary. To ensure that the furnishing of commodities under this subsection is coordinated with and complements other United States foreign assistance, assistance under this subsection shall be coordinated through the mechanism designated by the President to coordinate assistance under the Food for Peace Act [(7 U.S.C. 1691 et seq.)].

(2) As used in this subsection, the term “eligible commodities” means—

(A) dairy products, wheat, rice, feed grains, and oilseeds acquired by the Commodity Credit Corporation through price support operations, and the products thereof, that the Secretary determines meet the criteria specified in subsection (a); and

(B) such other edible agricultural commodities as may be acquired by the Secretary or the Commodity Credit Corporation in the normal course of operations and that are available for disposition under this subsection, except that no such commodities may be acquired for the purpose of their use under this subsection.

(3)(A) Commodities may not be made available for disposition under this subsection in amounts that (i) will, in any way, reduce the amounts of commodities that traditionally are made available through donations to domestic feeding programs or agencies, or (ii) will prevent the Secretary from fulfilling any agreement entered into by the Secretary under a payment-in-kind program under this Act or other Acts administered by the Secretary.

(B)(i) The requirements of section 403(a) of the Food for Peace Act [(7 U.S.C. 1733(a))] shall apply with respect to commodities furnished under this subsection. Commodities may not be furnished for disposition to any country under this subsection except on determinations by the Secretary that—

(I) the receiving country has the absorptive capacity to use the commodities efficiently and effectively; and

(II) such disposition of the commodities will not interfere with usual marketings of the United States, nor disrupt world prices of agricultural commodities and normal patterns of commercial trade with developing countries.

(ii) The requirement for safeguarding usual marketings of the United States shall not be used to prevent the furnishing under this subsection of any eligible commodity for use in countries that—

(I) have not traditionally purchased the commodity from the United States; or

(II) do not have adequate financial resources to acquire the commodity from the United States through commercial sources or through concessional sales arrangements.

(C) The Secretary shall take reasonable precautions to ensure that—

(i) commodities furnished under this subsection will not displace or interfere with sales that otherwise might be made; and

(ii) sales or barter under paragraph (7) will not unduly disrupt world prices of agricultural commodities nor normal patterns of commercial trade with friendly countries.

(D) If eligible commodities are made available under this subsection to a friendly country, nonprofit and voluntary agencies and cooperatives shall also be eligible to receive commodities for food aid programs in the country.

(4) Agreements may be entered into under this subsection to provide eligible commodities in installments over an extended period of time. In agreements with recipients of eligible commodities under this subsection (including nonprofit and voluntary agencies or cooperatives), subject to the availability of commodities each fiscal year, the Secretary, on request, shall approve multiyear agreements to make agricultural commodities available for distribution or sale by the recipients if the agreements otherwise meet the requirements of this subsection.

(5)(A) Section 406 of the Food for Peace Act [(7 U.S.C. 1736)] shall apply to the commodities furnished under this subsection.

(B) The Commodity Credit Corporation may pay the processing and domestic handling costs incurred, as authorized under this subsection, in the form of eligible commodities, as defined in paragraph (2)(A), if the Secretary determines that such in-kind payment will not disrupt domestic markets.

(6) The cost of commodities furnished under this subsection, and expenses incurred under section 406 of the Food for Peace Act [(7 U.S.C. 1736)] in connection with those commodities, shall be in addition to the level of assistance programmed under that Act and shall not be considered expenditures for international affairs and finance.

(7) Eligible commodities furnished under this subsection may be sold or bartered only with the approval of the Secretary and solely as follows:

(A) Sales and barter that are incidental to the donation of the commodities or products.

(B) Sales and barter to finance the distribution, handling, and processing costs of the donated commodities or products in the importing country or in a country through which such commodities or products must be transshipped, or other activities in the importing country that are consistent with providing food assistance to needy people.

(C) Sales and barter of commodities and products furnished to intergovernmental agencies or organizations, insofar as they are consistent with normal programming procedures in the distribution of commodities by those agencies or organizations.

(D)(i) Sales of commodities and products furnished to nonprofit and voluntary agencies, or cooperatives, for food assistance under agreements that provide for the use, by the agency or cooperative, of proceeds generated from such sale of commodities or products for the purposes established in clause (ii) of this subparagraph.

(ii) Proceeds generated from partial or full sales or barter of commodities by a nonprofit and voluntary agency or cooperative shall be used—

(I) to transport, store, distribute, and otherwise enhance the effectiveness of the use of commodities and the products thereof donated under this section; and

(II) to implement income generating, community development, health, nutrition, cooperative development, agricultural programs, and other developmental activities.

In addition, proceeds generated in Poland may also be used by governmental and nongovernmental agencies or cooperatives for eligible activities approved by the joint commission established pursuant to section 2226 of the American Aid to Poland Act of 1988 and by the United States chief of diplomatic mission in Poland that would improve the quality of life of the Polish people and would strengthen and support the activities of governmental or private, nongovernmental independent institutions in Poland. Activities eligible under the preceding sentence include—

(I) any project undertaken in Poland under the auspices of the Charitable Commission of the Polish Catholic Episcopate for the benefit of handicapped or orphaned children;

(II) any project for the reconstruction, renovation, or maintenance of the Research Center on Jewish History and Culture of the Jagiellonian University of Krakow, Poland, established for the study of events related to the Holocaust in Poland;

*(III) any other project or activity which strengthens and supports private and independent sectors of the Polish economy, especially independent farming and agriculture; and*⁷⁵

(IV) the Polish Catholic Episcopate's Rural Water Supply Foundation.

*(iii) Except as otherwise provided in clause (v), such agreements, taken together for each fiscal year, shall provide for sales of commodities and products for proceeds in amounts that are, in the aggregate, not less than 10 percent of the aggregate value of all commodities and products furnished, or the minimum tonnage required, whichever is greater, for carrying out programs of assistance under this subsection in such fiscal year. The minimum allocation requirements of this clause apply with respect to commodities and products made available under this subsection for carrying out programs of assistance under titles II and III of the Food for Peace Act [(7 U.S.C. 1721 et seq.)], and not with respect to commodities and products made available to carry out the Food for Progress Act of 1985.*⁷⁶

(iv) Proceeds generated from the sale of commodities or products under this subparagraph shall be expended within the country of origin within a reasonable length of time, as determined by the Secretary, except that the Secretary may permit the use of proceeds in a country other than the country of origin as necessary to expedite the transportation of commodities and products furnished under this subsection, or to otherwise carry out the purposes of this subsection.

(v) The provisions of clause (iii) of this subparagraph establishing minimum annual allocations for sales and use of proceeds shall not apply to the extent that there have not been suf-

⁷⁵ The preceding two sentences were added by sec. 2225 of the Omnibus Trade and Competitiveness Act of 1988, P.L. 100-418, Aug. 23, 1988. The left margin of the first new sentence was aligned with the left margin of the clause to effectuate the probable intent of Congress.

⁷⁶ Sec. 1110 of the Food Security Act of 1985, P.L. 99-198, 95 Stat. 1472, Dec. 23, 1985 (7 U.S.C. 1736o).

ficient requests for such sales and use of proceeds nor to the extent required under paragraph (3).

(E) Sales and barter to cover expenses incurred under paragraph (5)(a).⁷⁷

(F)⁷⁸ The provisions of sections 403(i) and 407(c) of the Food for Peace Act shall apply to donations, sales and barter of eligible commodities under this subsection.

The Secretary may approve the use of proceeds or services realized from the sale or barter of a commodity furnished under this subsection by a nonprofit voluntary agency, cooperative, or intergovernmental agency or organization to meet administrative expenses incurred in connection with activities undertaken under this subsection.

(8) ADMINISTRATIVE PROVISIONS.—

(A) EXPEDITED PROCEDURES.—To the maximum extent practicable, expedited procedures shall be used in the implementation of this subsection.

(B) ESTIMATE OF COMMODITIES.—The Secretary shall publish in the Federal Register, not later than October 31 of each fiscal year, an estimate of the types and quantities of commodities and products that will be available under this section for the fiscal year.

(C) FINALIZATION OF AGREEMENTS.—The Secretary is encouraged to finalize program agreements under this section not later than December 31 of each fiscal year.

(D) REGULATIONS.—The Secretary shall be responsible for regulations governing sales and barter, and the use of foreign currency proceeds, under paragraph (7) of this subsection that will provide reasonable safeguards to prevent the occurrence of abuses in the conduct of activities provided for in paragraph (7).

(9)(A) Each recipient of commodities and products approved for sale or barter under paragraph (7) shall report to the Secretary information with respect to the items required to be included in the Secretary's report pursuant to clauses (i) through (iv) of subparagraph (B). Reports pursuant to this subparagraph shall be submitted in accordance with regulations of the Secretary. Such regulations shall require at least one report annually, to be submitted not later than December 31 following the end of the fiscal year in which the commodities and products are received; except that a report shall not be required with respect to fiscal year 1985.

(B) Not later than February 15, 1987, and annually thereafter, the Secretary shall report to the Congress on sales and barter, and use of foreign currency proceeds, under paragraph (7) during the preceding fiscal year. Such report shall include information on—

(i) the quantity of commodities furnished for such sale or barter;

⁷⁷ Reads "paragraph (5)(a)" in the original. It should probably be "paragraph (5)(A)".

⁷⁸ Sec. 1514(5)(B) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101-624, 104 Stat. 3662, Nov. 28, 1990, amended para. (7) by adding at the end thereof subpara. (F). Subpara. (F) was placed after subpara. (E) (vs. after the last sentence of para. (7)) to effectuate the probable intent of Congress. Indentation of subpara. (F) was so in original.

(ii) the amount of funds (including dollar equivalents for foreign currencies) and value of services generated from such sales and barter in such fiscal year;

(iii) how such funds and services were used;

(iv) the amount of foreign currency proceeds that were used under agreements under subparagraph (D) of paragraph (7) in such fiscal year, and the percentage of the quantity of all commodities and products furnished under this subsection in such fiscal year such use represented;

(v) the Secretary's best estimate of the amount of foreign currency proceeds that will be used, under agreements under subparagraph (D) of paragraph (7), in the then current fiscal year and the next following fiscal year (if all requests for such use are agreed to), and the percentage that such estimated use represents of the quantity of all commodities and products that the Secretary estimates will be furnished under this subsection in each such fiscal year;

(vi) the effectiveness of such sales, barter, and use during such fiscal year in facilitating the distribution of commodities and products under this subsection;

(vii) the extent to which sales, barter, or uses—

(I) displace or interfere with commercial sales of United States agricultural commodities and products that otherwise would be made,

(II) affect usual marketings of the United States,

(III) disrupt world prices of agricultural commodities or normal patterns of trade with friendly countries, or

(IV) discourage local production and marketing of agricultural commodities in the countries in which commodities and products are distributed under this subsection; and

(viii) the Secretary's recommendations, if any, for changes to improve the conduct of sales, barter, or use activities under paragraph (7).

(10) **SALE PROCEDURE.**—In approving sales of commodities under this subsection, the Secretary shall follow the sale procedure described in section 403(l) of the Food for Peace Act.

(11) **REQUIREMENTS.**—

(A) **IN GENERAL.**—Not later than 270 days after the date of enactment of this subparagraph, the Secretary shall review and, as necessary, make changes in regulations and internal procedures designed to streamline, improve, and clarify the application, approval, and implementation processes pertaining to agreements under this section.

(B) **CONSIDERATIONS.**—In conducting the review, the Secretary shall consider—

(i) revising procedures for submitting proposals;

(ii) developing criteria for program approval that separately address the objectives of the program;

(iii) pre-screening organizations and proposals to ensure that the minimum qualifications are met;

(iv) implementing e-government initiatives and otherwise improving the efficiency of the proposal submission and approval processes;

(v) upgrading information management systems;

(vi) improving commodity and transportation procurement processes; and

(vii) ensuring that evaluation and monitoring methods are sufficient.

(C) CONSULTATIONS.—Not later than 1 year after the date of enactment of this subparagraph, the Secretary shall consult with the Committee on Agriculture, and the Committee on International Relations, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on changes made in regulations and procedures under this paragraph.

[(c) ⁷⁹]

[(d) ⁸⁰]

[AMENDMENTS TO FARM CREDIT ACT OF 1933]

SEC. 417. ⁸¹

[AMENDMENTS TO AGRICULTURAL ADJUSTMENT ACT OF 1938]

SEC. 418. ⁸²

[AMENDMENT TO AGRICULTURAL ADJUSTMENT ACT OF 1938]

SEC. 419. ⁸³

[PRICE SUPPORT FOR COTTONSEED]

SEC. 420. ⁸⁴ **[7 U.S.C. 1432]** Any price support program in effect on cottonseed or any of its products shall be extended to the same seed and products of the cottons defined under section 347(a) of the Agricultural Adjustment Act of 1938, as amended **[(7 U.S.C. 1347(a))]**.

[PENALTIES FOR MISUSE OF FEED INTENDED TO RELIEVE DISTRESS OR PRESERVE FOUNDATION HERDS]

[SEC. 421. ⁸⁵ [7 U.S.C. 1433]]

FORGIVENESS OF VIOLATIONS

SEC. 422. **[7 U.S.C. 1433a]** Notwithstanding any other provision of law, whenever a producer samples, turns, moves, or replaces grain or any other commodity which is security for a Commodity Credit Corporation producer loan or is held under a producer reserve program, and does so in violation of law or regulation, the appropriate county committee established under section 8(b) of the Soil

⁷⁹ Sec. 264(2) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 974, April 4, 1996, amended this sec. by striking subsec. (c).

⁸⁰ Sec. 416(d), relating to the acquisition of strategic or other materials in exchange for commodities meeting the criteria specified in subsec. (a), was added by sec. 1129 of the Food Security Act of 1985, P.L. 99-198, 99 Stat. 1486, Dec. 23, 1985, and repealed by sec. 1575 of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101-624, 104 Stat. 3702, Nov. 28, 1990.

⁸¹ Sec. 417 amended secs. 41 and 34 of the Farm Credit Act of 1933 (12 U.S.C. 1134c and 1134j).

⁸² Sec. 418 amended secs. 353, 354, 355, 356, 301(b)(1)(B), and 301(b)(9) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1353, 1354, 1355, 1356, 1301(b)(1)(B), and 1301(b)(9)).

⁸³ Sec. 419 amended sec. 344(f)(3) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1344(f)(3)).

⁸⁴ See sec. 203 of this Act.

⁸⁵ Sec. 421 was repealed by sec. 101(b)(3) of the Disaster Assistance Act of 1988, P.L. 100-387, Aug. 11, 1988.

Conservation and Domestic Allotment Act [(16 U.S.C. 590h(b)] may forgive some or all of the penalties and requirements that would normally be imposed on the producer by reason of the violation, if such committee determines that (1) the violation occurred inadvertently or accidentally, because of lack of knowledge or understanding of the law or regulation, or because the producer or the producer's agent acted to prevent spoilage of the commodity, and (2) the violation did not result in harm or damage to the rights or interests of any person. The county committee shall furnish a copy of its determination to the Administrator of the Agricultural Stabilization and Conservation Service and the appropriate State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act. The determination may be disapproved by either the Administrator or the State committee within sixty days after receipt of a copy of the determination. Any determination not disapproved by the Administrator or such State committee within such sixty-day period shall be considered approved.

[SURPLUS AGRICULTURAL COMMODITIES DISPOSAL]

SEC. 423. [7 U.S.C. 1433b] (a) Notwithstanding any other provision of law, in order to prevent the accumulation of excessive stocks of agricultural commodities through the price support and stabilization operations of the Commodity Credit Corporation the Corporation may, under terms and conditions established by the Secretary, make its accumulated stocks of agricultural commodities available, at no cost or reduced cost, to encourage the purchase of such commodities for the production of liquid fuels and agricultural commodity byproducts. In carrying out the program established by this section, the Secretary shall ensure, insofar as possible, that any use of agricultural commodities made available be made in such manner as to encourage increased use and avoid displacing usual marketings of agricultural commodities.

(b) In determining the feasibility of providing for the processing of Commodity Credit Corporation stocks of commodities under subsection (a), the Secretary shall consider the nature of the commodities, and the acquisition, transportation, handling, storage, interest, and other costs associated with acquiring and maintaining such stocks, including the effect of such stocks in depressing commodity prices, as well as the value and utility of such stocks when processed into liquid fuels and agricultural commodity byproducts.

(c) Not later than one hundred and twenty days after the date of enactment of this section, and annually thereafter, the Secretary shall report to the Congress with respect to the operation of this section, including any recommendations for legislative changes the Secretary finds necessary with respect to the authority provided in this section.

[ADVANCE RECOURSE COMMODITY LOANS]

SEC. 424.⁸⁶ [7 U.S.C. 1433c]

⁸⁶Sec. 424 was added by sec. 1003 of the Food Security Act of 1985, P.L. 99-198, 99 Stat. 1447, Dec. 23, 1985, effective only for the 1986-1990 crops.

SEC. 425. [7 U.S.C. 1433d] REDUCTION OF DEFICIENCY PAYMENTS FOR 1990 CROPS.⁸⁷

[SEC. 426. [7 U.S.C. 1433e] APPEALS.⁸⁸]

[SEC. 427. [7 U.S.C. 1433f] CROP INSURANCE REQUIREMENT.⁸⁹]

[Note: Title V was made inapplicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar by sec. 1602(b)(11) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8782(b)(11)).]

TITLE V—ACREAGE BASE AND YIELD SYSTEM

SEC. 501. [7 U.S.C. 1461] PURPOSE.

The purpose of this title is to prescribe a system for establishing crop acreage bases and program payment yields for the wheat, feed grains, upland cotton, and rice programs under this Act that is efficient, equitable, flexible, and predictable.

SEC. 502. [7 U.S.C. 1462] DEFINITIONS.

For purposes of this title:

(1) **COUNTY COMMITTEE.**—*The term “county committee” means the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for the county in which the farm is administratively located.*

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

(3) **PROGRAM CROP.**—*The term “program crop” means a crop of wheat, corn, grain sorghums, oats, barley, upland cotton, or rice.*

SEC. 503. [7 U.S.C. 1463] CROP ACREAGE BASES.

(a) **ESTABLISHMENT.**—

(1) **IN GENERAL.**—*The Secretary shall provide for the establishment and maintenance of crop acreage bases for each program crop, including any program crop produced under an established practice of double cropping.*

(2) **LIMITATION.**—*The sum of the crop acreage bases on the farm may not exceed the cropland on the farm, except to the extent there is an established practice of double cropping on the farm.*

(3) **DEFINITION OF DOUBLE CROPPING.**—*As used in this subsection, the term “double cropping” means a farming practice, as defined by the Secretary, that has been carried out on a farm during at least 3 of the 5 crop years immediately preceding the*

⁸⁷ Sec. 425 was added by sec. 1003(a) of the Agricultural Reconciliation Act of 1989 (P.L. 101–239, 103 Stat. 2108, Dec. 19, 1989), effective only for the 1990 crops.

⁸⁸ Sec. 426 was added by 1132(a) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101–624, 104 Stat. 3512, Nov. 28, 1990, and repealed by sec. 281(b) of the Department of Agriculture Reorganization Act of 1994, P.L. 103–354, 108 Stat. 3233, Oct. 13, 1994.

⁸⁹ Sec. 427 was repealed by sec. 171(b)(2)(I) of the Agricultural Market Transition Act, P.L. 104–127, 110 Stat. 938, April 4, 1996.

crop year for which the crop acreage base for the farm is established.

(b) CALCULATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), the crop acreage base for each program crop for a farm for a crop year shall be the number of acres that is equal to the average of the acreage planted and considered planted to the program crop for harvest on the farm in each of the 5 crop years preceding the crop year.

(2) COTTON AND RICE.—

(A) IN GENERAL.—In the case of upland cotton and rice, except as provided in subparagraph (B), the crop acreage base for such crop shall be equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 3 crop years preceding such crop year.

(B) EXCEPTION.—

(i) 1991 CROPS.—In the case of each of the 1991 crops of upland cotton and rice, if the producers on a farm did not participate in the production adjustment program established for the 1989 and 1990 crops of upland cotton and rice, respectively, the crop acreage base for the 1991 crop shall be equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 5 crop years preceding the 1991 crop year, excluding all crop years in which planted and considered planted acreage was not established for the farm. Any crop acreage base established in accordance with this subparagraph shall not exceed a number of acres equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 2 crop years preceding the 1991 crop year.

(ii) 1992 CROPS.—In the case of each of the 1992 crops of upland cotton and rice, if the producers on a farm did not participate in the production adjustment program established for the 1990 and 1991 crops of upland cotton and rice, respectively, the crop acreage base for the 1992 crop shall be equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 5 crop years preceding the 1992 crop year, excluding all crop years in which planted and considered planted acreage was not established for the farm. Any crop acreage base established in accordance with this subparagraph shall not exceed a number of acres equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 2 crop years preceding the 1992 crop year.

(c) ACREAGE CONSIDERED PLANTED.—For purposes of this Act, acreage considered planted to a program crop shall consist of—

(1) any reduced acreage and diverted acreage on the farm;

(2) any acreage on the farm that producers were prevented from planting to the crop because of drought, flood, or other

natural disaster, or other condition beyond the control of the producers;

(3) acreage in an amount equal to the difference between the permitted acreage for a program crop and the acreage planted to the crop, if the acreage considered to be planted is devoted to conservation uses or the production of commodities permitted by the Secretary under the programs established for any of the 1991 through 1997 crops of wheat, feed grains, upland cotton, and rice established under sections 107B(c)(1)(E), 105B(c)(1)(E), 103B(c)(1)(D), and 101B(c)(1)(D), respectively;

(4) acreage in an amount equal to the difference between the permitted acreage for a program crop and the acreage planted to the crop, if the acreage considered to be planted is devoted to the production of commodities in accordance with section 504;

(5) any acreage on the farm that the Secretary determines is necessary to be included in establishing a fair and equitable crop acreage base;

(6) acreage in an amount not to exceed 20 percent of the crop acreage base for a crop of feed grains or wheat if—

(A) the acreage is planted to dry peas, (limited to Austrian peas, wrinkled, seed, green, yellow, and umatilla) and lentils; and

(B) payments are not received by producers under sections 105B(c)(1)(E) and 107B(c)(1)(E), as the case may be;

(7) the crop acreage base for the crop, if producers on the farm forgo receiving any payments under the program established under title I for the crop and certify that no acreage on the farm was planted to—

(A) the crop; or

(B) any fruit or vegetable crop (including potatoes and dry edible beans) not designated as an industrial or experimental crop by the Secretary, in excess of normal plantings; and

(8) any acreage on the farm for which the crop acreage base for the crop on the farm was adjusted because of a condition or occurrence beyond the control of the producer pursuant to subsection (h).

(d) CONSTRUCTION OF PLANTING HISTORY.—For the purpose of determining the crop acreage base for the 1991 and subsequent crop years for any farm, the county committee, in accordance with regulations prescribed by the Secretary, may construct a planting history for such crop if—

(1) planting records for such crop for any of the 5 crop years preceding such crop year are incomplete or unavailable; or

(2) during at least one but not more than 4 of the 5 crop years preceding such crop year, the program crop was not produced on the farm.

(e) CROP ROTATION AND OTHER FACTORS.—The Secretary shall make adjustments to reflect crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable crop acreage base, including ad-

justments necessary to enable producers to meet the requirements of title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.).

(f) *PREVENTED PLANTING.*—If a county committee determines, in accordance with regulations prescribed by the Secretary, that the occurrence of a natural disaster or other similar condition beyond the control of the producer prevented the planting of a program crop on any farm within the county (or substantially destroyed any such program crop after it had been planted but before it had been harvested), the producer may plant any other crop, including any other program crop, on the acreage of such farm that, but for the occurrence of such disaster or other condition, would have been devoted to the production of a program crop. For purposes of determining the crop acreage base, any acreage on the farm on which a substitute crop, including any program crop, is planted under this subsection shall be taken into account as if such acreage had been planted to the program crop for which the other crop was substituted.

(g) *SUBSEQUENT CROP YEARS.*—A producer who is eligible to receive a deficiency payment for any program crop or crop of extra long staple cotton in any crop year with respect to a farm may not use the acreage planted or considered planted to any program crop or crop of extra long staple cotton on the farm in the crop year to increase any crop acreage base established for the farm in a subsequent crop year.

(h) *ADJUSTMENT OF BASES.*—

(1) *IN GENERAL.*—The county committee, in accordance with regulations prescribed by the Secretary, may adjust any crop acreage base for any program crop for any farm if the crop acreage base for the crop on the farm would otherwise be adversely affected by a condition or occurrence beyond the control of the producer.

(2) *RESTORATION OF CROP ACREAGE BASE.*—

(A) *IN GENERAL.*—For the 1992 through 1997 crop years, the county committee shall allow an eligible producer to increase individual crop acreage bases on the farm, subject to subsection (a)(2), above the levels of base that would otherwise be established under this section, in order to restore the total of crop acreage bases on the farm for the 1992 through 1997 crop years to the same level as the total of crop acreage bases on the farm for the 1990 crop year.

(B) *ELIGIBLE PRODUCER DEFINED.*—For the purposes of this paragraph, the term “eligible producer” means a producer of upland cotton or rice who, the appropriate county committee determines—

(i) *was required to reduce one or more individual crop acreage bases on the farm during the 1991 crop year in order to comply with subsection (a)(2) and the change in the calculation of cotton and rice crop acreage bases to a 3-year formula as provided in this section; and*

(ii) *has participated in the price support program during the 1991 crop year and each subsequent crop year through the current crop year.*

(C) *REGULATIONS.*—The Secretary shall issue regulations to carry out this paragraph.

SEC. 504. [7 U.S.C. 1464] PLANTING FLEXIBILITY.

(a) *IN GENERAL.*—The producers on a farm may, in accordance with this section, plant for harvest on the crop acreage base established for a program crop a commodity, other than the specific program crop, without suffering a reduction in the crop acreage base as a result of the production.

(b) *SPECIFIED COMMODITIES.*—

(1) *PERMITTED CROPS.*—Except as provided in paragraph (2), for purposes of this section, the commodities that may be planted for harvest on a crop acreage base are—

(A) any program crop;

(B) any oilseed;

(C) any industrial or experimental crop designated by the Secretary;

(D) any other crop, except any fruit or vegetable crop (including potatoes and dry edible beans) not designated by the Secretary as—

(i) an industrial or experimental crop; or

(ii) a crop for which no substantial domestic production or market exists; and

(E) mung beans.

(2) *LIMITATION.*—For purposes of this section, the Secretary may, at the discretion of the Secretary, prohibit the planting on a crop acreage base of any crop specified in paragraph (1).

(3) *NOTIFICATION.*—With regard to commodities that may be planted pursuant to this subsection, the Secretary shall make a determination in each crop year of the commodities that may not be planted pursuant to this subsection and shall make available a list of the commodities.

(c) *LIMITATION ON ACREAGE.*—

(1) *IN GENERAL.*—Except as provided in paragraph (2), the quantity of the crop acreage base that may be planted to a commodity, other than the specific program crop, under this section may not exceed 25 percent of the crop acreage base.

(2) *EXCEPTION FOR SOYBEANS.*—If on January 1 of any calendar year the Secretary estimates that the national average price of soybeans during the following marketing year for soybeans would be less than 105 percent of the nonrecourse loan level for soybeans established in section 205 if soybeans were allowed to be planted on up to 25 percent of the crop acreage base under this section, the quantity of the crop acreage base that may be planted to soybeans under this section may not exceed 15 percent of the crop acreage base.

(d) *PLANTINGS IN EXCESS OF PERMITTED ACREAGE.*—Notwithstanding any other provision of this Act, producers of a program crop who are participating in the production adjustment program for that program crop under this Act shall be allowed to plant that program crop in a quantity that exceeds the permitted acreage for that crop without losing their eligibility for loans, purchases, or payments with respect to that crop under this Act if—

(1) the acreage planted to the program crop on the farm in excess of the permitted acreage does not exceed 25 percent of the crop acreage bases on the farm for other program crops; and

(2) the producer agrees to a reduction in permitted acreage for the other program crops produced on the farm by a quantity equal to the overplanting.

(e) *LOAN ELIGIBILITY.*—

(1) *IN GENERAL.*—Producers of a specific program crop (referred to in this subsection as the “original program crop”) who plant for harvest on the crop acreage base established for such original program crop another program crop in accordance with this section and who are not participants in the program established for such other program crop shall be eligible to receive loans, purchases, or loan deficiency payments for such other program crop on the same terms and conditions as are provided to participants in a production adjustment program established for such other program crop.

(2) *REQUIREMENTS.*—Producers shall be eligible to receive loans, purchases, or loan deficiency payments under this subsection if the producers—

(A) plant such other program crop in an amount that does not exceed 25 percent of the crop acreage base established for the original program crop; and

(B) agree to a reduction in the permitted acreage for the original program crop for the particular crop year.

SEC. 505. [7 U.S.C. 1465] FARM PROGRAM PAYMENT YIELDS.

(a) *ESTABLISHMENT.*—The Secretary shall provide for the establishment of a farm program payment yield for each farm for each program crop for each crop year in accordance with subsection (b) or (c).

(b) *FARM PROGRAM PAYMENT YIELDS BASED ON 1990 CROP YEAR.*—

(1) *IN GENERAL.*—If the Secretary determines that farm program payment yields shall be established in accordance with this subsection, except as provided in paragraphs (2) and (3), the farm program payment yield for each of the 1991 through 1997 crop years shall be the farm program payment yield for the 1990 crop year for the farm.

(2) *ADDITIONAL YIELD PAYMENTS.*—In the case of each of the 1991 through 1997 crop years for a commodity, if the farm program payment yield for a farm is reduced more than 10 percent below the farm program payment yield for the 1985 crop year, the Secretary shall make available to producers established price payments for the commodity in such amount as the Secretary determines is necessary to provide the same total return to producers as if the farm program payment yield had not been reduced more than 10 percent below the farm program payment yield for the 1985 crop year. The payments shall be made available not later than the time final deficiency payments are made.

(3) *NO CROP OR YIELD AVAILABLE.*—If no crop of the commodity was produced on the farm or no farm program payment yield was established for the farm for any of the 1981 through 1985 crop years (or, as appropriate, the 1986 through 1990 crop years), the farm program payment yield shall be established on the basis of the average farm program payment yield for the crop years for similar farms in the area.

(4) *NATIONAL, STATE, OR COUNTY YIELDS.*—If the Secretary determines the action is necessary, the Secretary may establish national, State, or county program payment yields on the basis of—

(A) *historical yields, as adjusted by the Secretary to correct for abnormal factors affecting the yields in the historical period; or*

(B) *the Secretary's estimate of actual yields for the crop year involved if historical yield data is not available.*

(5) *BALANCING YIELDS.*—If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

(c) *DETERMINATION OF YIELDS.*—

(1) *ACTUAL YIELDS.*—With respect to the 1991 and subsequent crop years, the Secretary may—

(A) *establish the farm program payment yield as provided in subsection (a); or*

(B) *establish a farm program payment yield for any program crop for any farm on the basis of the average of the yield per harvested acre for the crop for the farm for each of the 5 crop years immediately preceding the crop year, excluding the crop year with the highest yield per harvested acre, the crop year with the lowest yield per harvested acre, and any crop year in which such crop was not planted on the farm.*

(2) *PRIOR YIELDS.*—For purposes of the preceding sentence, the farm program payment yield for the 1986 crop year and the actual yield per harvested acre with respect to the 1987 and subsequent crop years shall be used in determining farm program payment yields.

(3) *REDUCTION LIMITATION.*—Notwithstanding any other provision of this paragraph, for purposes of establishing a farm program payment yield for any program crop for any farm for the 1991 and subsequent crop years, the farm program payment yield for the 1986 crop year may not be reduced more than 10 percent below the farm program payment yield for the farm for the 1985 crop year.

(4) *ADJUSTMENT OF YIELDS.*—The county committee, in accordance with regulations prescribed by the Secretary, may adjust any farm program payment yield for any program crop for any farm if the farm program payment yield for the crop on the farm does not accurately reflect the productive potential of the farm.

(d) *ASSIGNMENT OF YIELDS.*—In the case of any farm for which the actual yield per harvested acre for any program crop referred to in subsection (c) for any crop year is not available, the county committee may assign the farm a yield for the crop for the crop year on the basis of actual yields for the crop for the crop year on similar farms in the area.

(e) *ACTUAL YIELD DATA.*—

(1) *PROVISION.*—The Secretary shall, under such terms and conditions as the Secretary may prescribe, allow producers to

provide to county committees data with respect to the actual yield for each farm for each program crop.

(2) *MAINTENANCE.*—*The Secretary shall maintain the data for at least 5 crop years after receipt in a manner that will permit the data to be used, if necessary, in the administration of the commodity programs.*

(3) *NOTIFICATION.*—*The Secretary shall provide timely notification to producers of the provisions of this subsection.*

SEC. 506. [7 U.S.C. 1466] PLANTING AND PRODUCTION HISTORY OF FARMS.

Each county committee, in accordance with regulations prescribed by the Secretary, may require any producer who seeks to establish a crop acreage base or farm program payment yield for a farm for a crop year to provide planting and production history of the farm for each of the 5 crop years immediately preceding the crop year.

SEC. 507. [7 U.S.C. 1467] ESTABLISHMENT OF BASES AND YIELDS BY COUNTY COMMITTEES.

Each county committee may, in accordance with regulations prescribed by the Secretary, provide for the establishment of a crop acreage base, and farm program payment yield with respect to any farm administratively located within the county if the crop acreage base or farm program payment yield cannot otherwise be established under this title. The crop acreage bases and farm program payment yields shall be established in a fair and equitable manner, but no such bases or farm program payment yields shall be established for a farm if the producer on the farm is subject to sanctions under any provision of Federal law for cultivating highly erodible land or converted wetland.

SEC. 508. [7 U.S.C. 1468] APPEALS.

The Secretary shall establish an administrative appeal procedure that provides for an administrative review of determinations made with respect to crop acreage bases and farm program payment yields.

SEC. 509. [7 U.S.C. 1469] CROPS.

Notwithstanding any other provision of law, this title shall be effective only for the 1991 through 1997 program crops.

[Note: Title VI was made inapplicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar by sec. 1602(b)(12) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8782(b)(12)). Title VI was added by sec. 101(a) of the Disaster Assistance Act of 1988, P.L. 100–387, 102 Stat. 925, Aug. 11, 1988.]

TITLE VI—EMERGENCY LIVESTOCK FEED ASSISTANCE ACT OF 1988

SHORT TITLE

SEC. 601. [7 U.S.C. 1421 note] *This title may be cited as the “Emergency Livestock Feed Assistance Act of 1988”.*

DEFINITIONS

SEC. 602. **[7 U.S.C. 1471]** As used in this title:

(1) The term “livestock producer” means—

(A) a person that is actively engaged in farming and that receives a substantial amount of total income from the production of grain or livestock, as determined by the Secretary, that is—

(i) an established producer or husbander of livestock or a dairy producer who is a citizen of, or legal resident alien in, the United States; or

(ii) a farm cooperative, private domestic corporation, partnership, or joint operation in which a majority interest is held by members, stockholders, or partners who are citizens of, or legal resident aliens in, the United States, if such cooperative, corporation, partnership, or joint operation is engaged in livestock production or husbandry, or dairy production; or

(B) Any of the following entities that is actively engaged in livestock production or husbandry, or dairy production—

(i) any Indian tribe (as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450(b)));

(ii) any Indian organization or entity chartered under the Act of June 18, 1934 (48 Stat. 984, chapter 576; 25 U.S.C. 461 et seq.), commonly known as the “Indian Reorganization Act”;

(iii) any tribal organization (as defined in section 4(c) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(c))); or

(iv) any economic enterprise (as defined in section 3(e) of the Indian Financing Act of 1974 (25 U.S.C. 1452(e)));

(2) The term “livestock” means cattle, elk, reindeer, bison, horses, deer, sheep, goats, swine, poultry (including egg-producing poultry), llamas, alpacas, live fish, crawfish, and other animals that—

(A) are part of a foundation herd (including producing dairy cattle) or offspring; or

(B) are purchased as part of a normal operation and not to obtain additional benefits under this title.

(3) The term “State” means any State of the United States, the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.

(4) The term “feed”, for the purposes of emergency feed assistance, means any type of feed (including feed grain, oilseed meal, premix or mixed feed, liquid or dry supplemental feed, roughage, pasture, or forage) that—

(A) best suits the livestock producer’s operation; and

(B) is consistent with acceptable feed practices.

(5) The term “area” includes any Indian reservation (as defined in section 335(e)(1)(D)(ii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(e)(1)(D)(ii))).

EMERGENCY LIVESTOCK ASSISTANCE

SEC. 603. [7 U.S.C. 1471a] (a) *The Secretary shall provide emergency feed assistance under this title for the preservation and maintenance of livestock in any State or area of a State where, because of disease, insect infestation, flood, drought, fire, hurricane, earthquake, storm, hot weather, or other natural disaster, the Secretary determines that a livestock emergency exists.*

(b)(1) *The Secretary shall provide emergency feed assistance under this title for the preservation and maintenance of livestock, to livestock producers that—*

(A) *conduct farming, ranching, or aquaculture operations in any county contiguous to a county where the Secretary has determined, under subsection (a), that a livestock emergency exists, and*

(B) *are otherwise eligible for assistance under this title.*

(2) *The Secretary shall accept applications for assistance under this subsection from producers that are affected by the livestock emergency at any time during the eight-month period beginning on the date on which the Secretary determines that such emergency exists in the other county.*

DETERMINATION OF NEED FOR ASSISTANCE

SEC. 604. [7 U.S.C. 1471b] (a)(1) *Whenever the Governor of a State determines that a livestock emergency due to a natural disaster exists in the State, or a county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)) determines that such an emergency exists in the county, the Governor or county committee may submit a request for a determination by the Secretary of a livestock emergency in such State or county and for emergency livestock feed assistance under this title.*

(2) *The request of a Governor or county committee for a livestock emergency determination and for emergency livestock feed assistance shall include, to the extent feasible, recommendations to the Secretary of those options that will most fully use feed available through local sources.*

(b) *The Secretary may consider a State, county, or area in a State for a livestock emergency determination and emergency livestock feed assistance under this title whether or not a request for assistance is submitted, as described in subsection (a).*

(c) *The Secretary shall act on requests for determinations under subsection (a) and make final determinations on whether a livestock emergency exists in any State, county, or area, under regulations that ensure thorough and prompt action (not later than 30 days after receipt of any such request) and provide for appropriate notification procedures.*

(d) *Notwithstanding the preceding provisions of this section, any State, county, or area determined eligible, due to drought or related conditions in 1988, for the emergency feed program or emergency feed assistance program conducted prior to the effective date of this title [August 26, 1988] shall continue to be eligible for such programs and may be eligible for other programs under this title for such drought or related condition. As soon as practicable after the*

effective date of this title, the Secretary shall determine whether any of the programs described in section 606, other than the emergency feed program under section 606(a)(4) and the emergency feed assistance program under section 606(a)(2), or in section 607 should be made available in such State, county, or area. If the Secretary makes such determination, the Secretary shall make such programs immediately available to livestock producers in the State, county, or area.

ELIGIBLE PRODUCERS

SEC. 605. [7 U.S.C. 1471c] (a)(1) *If the Secretary determines that a livestock emergency exists in a State, county, or area, qualifying livestock producers located in such State, county, or area, or in a contiguous county as provided for in section 603(b), shall be eligible (under application procedures established by the Secretary) for emergency feed assistance under this title in accordance with this subsection.*

(2) *For the purposes of this subsection, a “qualifying livestock producer” is a livestock producer who has suffered a substantial loss in feed normally produced on the farm for such producer’s livestock as a result of the livestock emergency and, as a result, does not have sufficient feed that has adequate nutritive value and is suitable for each of such producer’s particular types of livestock (as of the date of the request, or initiation of consideration, for a determination of a livestock emergency under section 604) for the estimated duration of the emergency.*

(3) *Each qualifying livestock producer shall be eligible for emergency feed assistance under the programs specified in section 606(a) that is made available where the producer is located in quantities sufficient to meet such feed deficiency with respect to the producer’s livestock normally fed with feed produced by the producer.*

(b) *Each livestock producer in such State, county, or area, or in a contiguous county as provided for in section 603(b), regardless of whether the producer qualifies for assistance under subsection (a), shall be eligible for emergency assistance under the programs specified in section 607 that are made available where the producer is located.*

(c) *Any livestock producer, located in a county or area in which benefits under the emergency feed program or the emergency feed assistance program were made available due to the drought or related condition in 1988 prior to the effective date of this title [August 26, 1988], who qualifies for assistance under such pre-existing programs shall be eligible for assistance for such drought or related conditions as prescribed in subsection (a) or, at the producer’s option, for assistance under such pre-existing programs.*

ASSISTANCE PROGRAMS

SEC. 606. [7 U.S.C. 1471d] (a) *In accordance with section 605(a), the Secretary shall make one or more of the following assistance programs available to qualifying livestock producers in a State, county or area, if the Secretary determines that the livestock emergency in such State, county or area requires the implementation of such program:*

(1) *The donation of feed grain owned by the Commodity Credit Corporation to producers who are financially unable to purchase feed under paragraph (2) or to participate in any other program authorized under this subsection.*

(2) *The sale of feed grain owned by the Commodity Credit Corporation to producers for livestock feed at a price, established by the Secretary, that does not exceed—*

(A) *with respect to such assistance provided for any livestock emergency determined to exist prior to January 1, 1989, 75 percent of the current basic county loan rate for such feed grain in effect under this Act (or at a comparable price if there is no such current basic county loan rate), or*

(B) *with respect to such assistance provided for any other livestock emergency, 50 percent of the average market price in the county or area involved, as determined by the Secretary.*

(3) *Reimbursement of any transportation and handling expenses incurred, not to exceed 50 percent of such expenses, by a producer in connection with feed grain donations or sales under paragraphs (1) and (2).*

(4) *Reimbursement of not to exceed 50 percent of the cost of feed purchased by a producer for the producer's livestock during the duration of the livestock emergency.*

(5) *Hay and forage transportation assistance to producers of not to exceed 50 percent of the cost of transporting hay or forage purchased from a point of origin beyond a producer's normal trade area to the livestock, subject to the following limitations:*

(A) *The transportation assistance may not exceed \$50 per ton of eligible hay or forage (\$12.50 for silage).*

(B) *The quantity of eligible hay and forage for each producer may not exceed the lesser of—*

(i) *20 pounds per day per eligible animal unit; or*

(ii) *the quantity of additional feed needed by the producer for the duration of the livestock emergency.*

(6) *Livestock transportation assistance to producers of not to exceed 50 percent of the cost of transporting livestock to and from available grazing locations, except that such assistance may not exceed the lesser of—*

(A) *\$24 per head of a producer's eligible livestock; or*

(B) *the local cost of the quantity of additional feed needed by the producer for the eligible livestock for duration of the livestock emergency.*

(b) *If assistance is made available through the furnishing of feed grain under paragraph (1) or (2) of subsection (a), the Secretary—*

(1) *may provide for the furnishing of the feed grain through a dealer or manufacturer and the replacing of the feed grain so furnished from feed grain owned by the Commodity Credit Corporation; or*

(2) *at the option of the livestock producer, shall provide for the furnishing of the feed grain through the use of feed grain stored on the farm of the producer that has been pledged as collateral for a price support loan made under this Act.*

(c) *In providing assistance under paragraph (2) or (4) of subsection (a), the Secretary may make in-kind payments or reimbursements through the issuance of negotiable certificates that the Commodity Credit Corporation shall exchange for a commodity in accordance with rules prescribed by the Secretary.*

(d) *No payment or benefit provided under this section shall be payable or due until such time as a completed application therefor has been approved.*

(e) *A person eligible to receive a payment or benefit under this section with respect to a livestock emergency determined to exist prior to January 1, 1989, shall make application for such payment or benefit not later than March 31, 1989, or such later date that the Secretary, by regulation, may prescribe.*

(f) *The Secretary may make available at least \$25,000,000 to provide livestock transportation assistance under subsection (a)(6) for livestock emergencies in 1989.*

ADDITIONAL ASSISTANCE

SEC. 607. [7 U.S.C. 1471e] (a) *In addition to the assistance provided under section 606, if the Secretary determines that the livestock emergency also requires the implementation of one or more of the assistance programs described in subsection (b), the Secretary shall implement such programs.*

(b) *Special assistance under this section includes—*

(1) *the donation of feed owned by the Commodity Credit Corporation for use in feeding livestock stranded and unidentified as to its owner, including the cost of transporting feed to the affected area, during such period as the Secretary, by regulation, may prescribe;*

(2) *reimbursement of not to exceed 50 percent of the cost of—*

(A) *installing pipelines (if that is the least expensive method) or other facilities, including tanks or troughs, for livestock water;*

(B) *construction or deepening of wells or ponds for livestock water; or*

(C) *developing springs or seeps for livestock water, as appropriate in drought areas to facilitate more efficient and better-distributed grazing on land normally used for grazing. Such cost-share assistance may not be made available to provide water for wildlife or recreational livestock, dry lot feeding, or barns or corrals, or to acquire pumping equipment;*

(3) *reimbursement of not to exceed 50 percent of the cost of burning prickly pear cactus to make it suitable for animal feed; and*

(4) *making commodities owned by the Commodity Credit Corporation available to livestock producers through the use of a catalog that specifies lots of a size that are economically feasible for a small producer to obtain by means of certificate exchanges.*

(c) *The Secretary may make available at least \$25,000,000 to provide special assistance under subsection (b)(2) for livestock emergencies in 1988 and 1989.*

USE OF THE COMMODITY CREDIT CORPORATION

SEC. 608. **[7 U.S.C. 1471f]** *The Secretary shall carry out this title through the use of the funds, facilities, and authorities of the Commodity Credit Corporation.*

BENEFITS LIMITATION

SEC. 609. **[7 U.S.C. 1471g]** (a) *The total amount of benefits that a person shall be entitled to receive annually under one or more of the programs established under this title may not exceed \$50,000.*

(b) *The Secretary shall issue regulations—*

(1) *defining the term “person”, which shall conform, to the extent practicable, to the regulations defining the term “person” issued under section 1001 of the Food Security Act of 1985 **[7 U.S.C. 1308]** (before the amendment made by section 1703(a) of the Food, Conservation, and Energy Act of 2008), or successor statute;*

(2) *prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section; and*

(3) *providing that the term “person” shall include, in the case of any cooperative association of producers, each member of the association with respect to benefits due to such member of the association.*

(c) *No person may receive benefits under this title attributable to lost production of a feed commodity due to a natural disaster in 1988 to the extent that such person receives a disaster payment under the Disaster Assistance Act of 1988 **[P.L. 100–387]** on such lost production.*

(d) *Each person otherwise eligible for a livestock emergency benefit under this title in 1988 shall be subject to the combined payment and benefits limitation established under section 211(c) of the Disaster Assistance Act of 1988 **[7 U.S.C. 1421 note).***

INELIGIBILITY

SEC. 610. **[7 U.S.C. 1471h]** (a) *Any person that has qualifying gross revenues in excess of \$2,500,000 annually, as determined by the Secretary, shall not be eligible to receive any livestock emergency benefits under this title.*

(b) *For purposes of this section, the term “qualifying gross revenue” means—*

(1) *if a majority of the person’s annual income is received from farming and ranching operations, the gross revenue from the person’s farming and ranching operations; and*

(2) *if less than a majority of the person’s annual income is received from farming and ranching operations, the person’s gross revenue from all sources.*

ADMINISTRATION

SEC. 611. **[7 U.S.C. 1471i]** (a) *The Commodity Credit Corporation shall issue regulations to carry out this title.*

(b) *Such regulations shall establish procedures to ensure that the request for assistance by a Governor or county committee under section 604, and individual applications of livestock producers*

under section 605 for assistance, are processed and decisions thereon are made as quickly as practicable.

(c) For purposes of this title, indigenous plants available to a livestock producer but not normally consumed by livestock as feed, such as cactus, may not be considered as feed on hand for such producers.

PENALTIES

SEC. 612. [7 U.S.C. 1471j] A person that disposes of any feed made available to a livestock producer under this title other than as authorized by the Secretary shall be (1) subject to a civil penalty equal to the market value of the feed involved, to be recovered by the Secretary in a civil suit brought for that purpose, and (2) guilty of a misdemeanor and, on conviction thereof, subject to a fine of not more than \$1,000, or imprisonment for not more than one year, or both.