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REPORT
107–111

RESPONDING TO THE CONTINUING ECONOMIC CRISIS ADVERSELY AFFECTING AMERICAN AGRICULTURAL PRODUCERS

JUNE 26, 2001.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COMBEST, from the Committee on Agriculture, submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 2213]

[Including cost estimate of the Congressional Budget Office]

The Committee on Agriculture, to whom was referred the bill (H.R. 2213) to respond to the continuing economic crisis adversely affecting American agricultural producers, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. MARKET LOSS ASSISTANCE.

(a) ASSISTANCE AUTHORIZED.—The Secretary of Agriculture (referred to in this Act as the "Secretary") shall, to the maximum extent practicable, use $4,622,240,000 of funds of the Commodity Credit Corporation to make a market loss assistance payment to owners and producers on a farm that are eligible for a final payment for fiscal year 2001 under a production flexibility contract for the farm under the Agriculture Market Transition Act (7 U.S.C. 7201 et seq.).

(b) AMOUNT.—The amount of assistance made available to owners and producers on a farm under this section shall be proportionate to the amount of the total contract payments received by the owners and producers for fiscal year 2001 under a production flexibility contract for the farm under the Agricultural Market Transition Act.

SEC. 2. SUPPLEMENTAL OILSEEDS PAYMENT.

The Secretary shall use $423,510,000 of funds of the Commodity Credit Corporation to make a supplemental payment under section 202 of the Agricultural Risk

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Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1421 note) to producers of the 2000 crop of oilseeds that previously received a payment under such section.

SEC. 3. SUPPLEMENTAL PEANUT PAYMENT.

The Secretary shall use $54,210,000 of funds of the Commodity Credit Corporation to provide a supplemental payment under section 204(a) of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1421 note) to producers of quota peanuts or additional peanuts for the 2000 crop year that previously received a payment under such section. The Secretary shall adjust the payment rate specified in such section to reflect the amount made available for payments under this section.

SEC. 4. SUPPLEMENTAL TOBACCO PAYMENT.

(a) SUPPLEMENTAL PAYMENT.—The Secretary shall use $129,000,000 of funds of the Commodity Credit Corporation to provide a supplemental payment under section 204(b) of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1421 note) to eligible persons (as defined in such section) that previously received a payment under such section.

(b) SPECIAL RULE FOR GEORGIA.—The Secretary may make payments under this section to eligible persons in Georgia only if the State of Georgia agrees to use the sum of $13,000,000 to make payments at the same time, or subsequently, to the same persons in the same manner as provided for the Federal payments under this section, as required by section 204(b)(6) of the Agricultural Risk Protection Act of 2000.

SEC. 5. SUPPLEMENTAL WOOL AND MOHAIR PAYMENT.

The Secretary shall use $16,940,000 of funds of the Commodity Credit Corporation to provide a supplemental payment under section 814 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted by Public Law 106–387), to producers of wool, and producers of mohair, for the 2000 marketing year that previously received a payment under such section. The Secretary shall adjust the payment rate specified in such section to reflect the amount made available for payments under this section.

SEC. 6. SUPPLEMENTAL COTTONSEED ASSISTANCE.

The Secretary shall use $84,700,000 of funds of the Commodity Credit Corporation to provide supplemental assistance under section 204(e) of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1421 note) to producers and first-handlers of the 2000 crop of cottonseed that previously received assistance under such section.

SEC. 7. SPECIALTY CROPS.

(a) BASE STATE GRANTS.—The Secretary shall use $26,000,000 of funds of the Commodity Credit Corporation to make grants to the several States and the Commonwealth of Puerto Rico to be used to support activities that promote agriculture. The amount of the grant shall be—

(1) $500,000 to each of the several States; and

(2) $1,000,000 to the Commonwealth of Puerto Rico.

(b) GRANTS FOR VALUE OF PRODUCTION.—The Secretary shall use $133,400,000 of funds of the Commodity Credit Corporation to make a grant to each of the several States in an amount that represents the proportion of the value of specialty crop production in the State in relation to the national value of specialty crop production, as follows:

(1) California, $63,320,000.
(2) Florida, $16,860,000.
(3) Washington, $9,610,000.
(4) Idaho, $3,670,000.
(5) Arizona, $3,430,000.
(6) Michigan, $3,250,000.
(7) Oregon, $3,220,000.
(8) Georgia, $2,730,000.
(9) Texas, $2,660,000.
(10) New York, $2,660,000.
(11) Wisconsin, $2,570,000.
(12) North Carolina, $1,540,000.
(13) Colorado, $1,510,000.
(14) North Dakota, $1,380,000.
(15) Minnesota, $1,320,000.
(16) Hawaii, $1,150,000.
(17) New Jersey, $1,100,000.
(18) Pennsylvania, $980,000.

(19) New Mexico, $900,000.
(20) Maine, $880,000.
(21) Ohio, $800,000.
(22) Indiana, $660,000.
(23) Nebraska, $640,000.
(24) Massachusetts,$640,000.
(25) Virginia, $620,000.
(26) Maryland, $500,000.
(27) Louisiana, $460,000.
(28) South Carolina, $440,000.
(29) Tennessee, $400,000.
(30) Illinois, $400,000.
(31) Oklahoma, $390,000.
(32) Alabama, $300,000.
(33) Delaware, $290,000.
(34) Mississippi, $250,000.
(35) Kansas, $210,000.
(36) Arkansas, $210,000.
(37) Missouri, $210,000.
(38) Connecticut, $180,000.
(39) Utah, $140,000.
(40) Montana, $140,000.
(41) New Hampshire, $120,000.
(42) Nevada, $120,000.
(43) Vermont, $120,000.
(44) Iowa, $100,000.
(45) West Virginia, $90,000.
(46) Wyoming, $70,000.
(47) Kentucky, $60,000.
(48) South Dakota, $40,000.
(49) Rhode Island, $40,000.
(50) Alaska, $20,000.

(c) SPECIALTY CROP PRIORITY.—As a condition on the receipt of a grant under this section, a State shall agree to give priority to the support of specialty crops in the use of the grant funds.

(d) SPECIALTY CROP DEFINED.—In this section, the term "specialty crop" means any agricultural crop, except wheat, feed grains, oilseeds, cotton, rice, peanuts, and tobacco.

SEC. 8. COMMODITY ASSISTANCE PROGRAM.

The Secretary shall use $10,000,000 of funds of the Commodity Credit Corporation to make a grant to each of the several States to be used by the States to cover direct and indirect costs related to the processing, transportation, and distribution of commodities to eligible recipient agencies. The grants shall be allocated to States in the manner provided under section 204(a) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)).

SEC. 9. TECHNICAL CORRECTION REGARDING INDEMNITY PAYMENTS FOR COTTON PRODUCERS.

(a) CONDITIONS ON PAYMENT TO STATE.—Subsection (b) of section 1121 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (as contained in section 101(a) of division A of Public Law 105–277 (7 U.S.C. 1421 note), and as amended by section 754 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted by Public Law 106–387; 114 Stat. 1549A–42), is amended to read as follows:

"(b) CONDITIONS ON PAYMENT TO STATE.—The Secretary of Agriculture shall make the payment to the State of Georgia under subsection (a) only if the State—

"(1) contributes $5,000,000 to the indemnity fund and agrees to expend all amounts in the indemnity fund by not later than January 1, 2002 (or as soon as administratively practical thereafter), to provide compensation to cotton producers as provided in such subsection;

"(2) requires the recipient of a payment from the indemnity fund to repay the State, for deposit in the indemnity fund, the amount of any duplicate payment the recipient otherwise recovers for such loss of cotton, or the loss of proceeds from the sale of cotton, up to the amount of the payment from the indemnity fund; and

"(3) agrees to deposit in the indemnity fund the proceeds of any bond collected by the State for the benefit of recipients of payments from the indemnity fund, to the extent of such payments.".

(b) ADDITIONAL DISBURSEMENTS FROM THE INDEMNITY FUND.—Subsection (d) of such section is amended to read as follows:

"(d) ADDITIONAL DISBURSEMENT TO COTTON GINNERS.—The State of Georgia shall use funds remaining in the indemnity fund, after the provision of compensation to cotton producers in Georgia under subsection (a) (including cotton producers who file a contingent claim, as defined and provided in section 5.1 of chapter 19 of title 2 of the Official Code of Georgia), to compensate cotton ginners (as defined and provided in such section) that—

"(1) incurred a loss as the result of—

"(A) the business failure of any cotton buyer doing business in Georgia; or

"(B) the failure or refusal of any such cotton buyer to pay the contracted price that had been agreed upon by the ginner and the buyer for cotton grown in Georgia on or after January 1, 1997, and had been purchased or contracted by the ginner from cotton producers in Georgia;

"(2) paid cotton producers the amount which the cotton ginner had agreed to pay for such cotton received from such cotton producers in Georgia; and

"(3) satisfy the procedural requirements and deadlines specified in chapter 19 of title 2 of the Official Code of Georgia applicable to cotton ginner claims.".

(c) CONFORMING AMENDMENT.—Subsection (c) of such section is amended by striking "Upon the establishment of the indemnity fund, and not later than October 1, 1999, the" and inserting "The".

SEC. 10. INCREASE IN PAYMENT LIMITATIONS REGARDING LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS.

Notwithstanding section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(1)), the total amount of the payments specified in section 1001(3) of that Act that a person shall be entitled to receive for one or more contract commodities and oilseeds under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) during the 2001 crop year may not exceed $150,000.

SEC. 11. TIMING OF, AND LIMITATION ON, EXPENDITURES.

(a) DEADLINE FOR EXPENDITURES.—All expenditures required by this Act shall be made not later than September 30, 2001. Any funds made available by this Act and remaining unexpended by October 1, 2001, shall be deemed to be unexpendable, and the authority provided by this Act to expend such funds is rescinded effective on that date.

(b) TOTAL AMOUNT OF EXPENDITURES.—The total amount expended under this Act may not exceed $5,500,000,000. If the payments required by this Act would result in expenditures in excess of such amount, the Secretary shall reduce such payments on a pro rata basis as necessary to ensure that such expenditures do not exceed such amount.

SEC. 12. REGULATIONS.

(a) PROMULGATION.—As soon as practicable after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall promulgate such regulations as are necessary to implement this Act and the amendments made by this Act. The promulgation of the regulations and administration of this Act shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(b) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

BRIEF EXPLANATION

H.R. 2213 will provide assistance to U.S. agricultural producers, most of which is generally based on assistance provided for the 2000 crop year in the Agricultural Risk Protection Act of 2000 (Pub. L. 106–224) ("ARPA"). The bill limits total expenditures to $5.5 billion, all of which occur in fiscal year 2001. If expenditures under any section of the bill would result in spending above $5.5 billion, the Secretary of Agriculture is required to make a pro rata reduction in such payments in order to ensure that total expenditures in fiscal year 2001 do not exceed $5.5 billion.

The following supplemental expenditures represent an 84.7% prorate from assistance received in 2000—

$4,622,240,000 for supplemental market loss assistance payments to individuals receiving an Agricultural Market Transition Act ("AMTA") payment.

$423,510,000 to producers of 2000 crop of oilseeds in accordance with ARPA.

$54,210,000 to producers of peanuts in accordance with ARPA.

$129,000,000 to tobacco quota holders in accordance with ARPA.

Special rule for Georgia: no payments will be made unless the State of Georgia agrees to use $13,000,000 to make payments in the same manner.

$16,940,000 to producers of wool and mohair under the same terms as was provided in the fiscal year 2001 Agriculture Appropriations Act.

$84,700,000 to producers and first-handlers of cottonseed in accordance with ARPA.

$159,400,000 in assistance to specialty crops in the following manner:

$1,000,000 grant to Puerto Rico to promote agriculture.

$500,000 grants to each State to promote agriculture.

Grants to each state totaling $133,400,000 based on the value of production of specialty crops in relation to the national value of specialty crop production.

States receiving these grants must agree to give a priority to specialty crops as a condition of the grant.

$10,000,000 to make grants to States for direct and indirect costs related to the processing, transportation, and distribution of commodities.

The Act also:

Makes a technical change to the FY 1999 Agriculture Appropriations Act to allow the State of Georgia to use the indemnity funds already provided for certain producers that suffered economic losses in 1998 and 1999.

Limits total payments to a person for contract commodities and oilseeds under AMTA to $150,000.

Requires that all expenditures under this Act be made by September 30, 2001.

Purpose and Need

American agriculture is in an economic crisis. In 2000, crop prices were at a 27-year low for soybeans, a 25-year low for cotton, a 14-year low for wheat and corn and an 8-year low for rice. Over the past three years, net cash income fell in real dollars to its lowest point since the Great Depression. The current farm recession, in its fourth year, ranks among the deepest in our nation's history, along with the Great Depression, the post-World War I and II recessions, and the financial ruin of the 1980s.

For 2001, most projections show very little improvement in commodity prices with production expenses rising to record levels. Looking back to when Congress passed the Federal Agriculture Improvement and Reform Act of 1996, no one on either side of the aisle predicted the current malaise of high costs and low commodity prices. In fact, today's prices for wheat, corn and soybeans are 31 percent lower than the U.S. Department of Agriculture's ("USDA") projected prices at the time the legislation was enacted.

There are many factors that have contributed to this dismal situation that are beyond the control of individual producers. American agriculture depends heavily on the strength of foreign markets for returns on commodity production. In recent months, however, worldwide demand for U.S. products has not met expectations for a variety of reasons. Repercussions are still being felt from the Asian economic crisis that began three years ago. Further, three years of worldwide good weather have created commodity surpluses all around the globe. Compounding this situation for U.S. producers is the strength of the dollar that has contributed to a substantial increase in the relative cost of U.S. commodities. In fact, USDA estimates that the value of the dollar is up 25 percent relative to our customers' currencies and up 40 percent relative to our major competitors' currencies.

In addition, domestic producers continue to compete on an uneven international playing field in light of trade barriers. Despite some progress in lowering trade barriers through the World Trade Organization, the fact remains that the average tariff on U.S. farm products in other countries is 62 percent, while the average U.S. tariff on goods coming into the U.S. is approximately 12 percent. Beyond high tariffs, our farmers also face the daunting challenge of competing with high foreign subsidies. For example, the average subsidy level in the European Union during 1997 to 1999 was $342 per acre, while the average subsidy level in the U.S. was only $43 per acre.

The effect of low commodity prices has been magnified in the 2001 crop year by skyrocketing energy costs. Between 1999 and 2000, U.S. producers incurred an additional $2.4 billion in fuel costs. This is a 40 percent increase from years past. For the 2001 crop year, energy costs are expected to contribute to a $1.5 billion increase in production expenses. Diesel prices for 2001 are expected to average $1.50 per gallon which is a 50 percent increase from last year. In addition, last year's rising natural gas prices have fueled sharply increased costs for irrigation and nitrogen fertilizer.

In each of the last three years, Congress has responded to the needs of American agriculture with emergency assistance. This money has provided a critical source of income for producers of contract crops and soybeans. Indeed, had Congress not provided nearly $25 billion in supplemental assistance to farmers in the last three years, tens of thousands of farmers would have been forced out of business, having a devastating impact on rural America. Without additional support in 2001, total net returns for these producers are expected to decline significantly from 2000 levels in light of continued anemic commodity prices and higher costs of production. Accordingly, additional economic assistance for producers in the 2001 crop years is justified.

Importantly, the supplemental assistance to farmers and ranchers that this legislation provides is fully contemplated by and is in compliance with the Budget Resolution passed by Congress earlier this year.

Providing income assistance for the 2001 crop year is constrained by USDA's ability to meet the September 30, 2001 deadline for disbursing payments. Even in the fourth year of annual economic loss assistance, USDA remains unable to improve its use of producer data to enhance program delivery criteria. On several related fronts USDA is doing an inadequate job in ensuring that their data information systems meet the direction of Congress and the needs of producers.

The Committee is disappointed with the manner in which USDA has implemented Section 121(c) of ARPA. Section 121 requires the Farm Service Agency (FSA) and the Risk Management Agency (RMA) to reconcile producer information of the two agencies. The Committee is concerned that RMA and FSA will not meet the time deadline for reconciling information required by Section 121. One year has elapsed since the enactment of ARPA and RMA and FSA have not modified their data information systems to capture farm, unit, acreage, and production information in a format that is reconcilable.

On a related note, RMA has contracted with the Center for Agribusiness Excellence at Tarleton State University as directed by ARPA. However, FSA has failed to provide needed producer information. The Committee expects the Secretary to require FSA to make available all relevant information in the same manner as RMA to the Center for Agribusiness Excellence so that it can proceed in reconciling producer information. The Committee believes that reconciling this information will benefit taxpayers by helping to identify waste, fraud and abuse, and assist producers through the identification of program deficiencies. In addition, it should allow FSA and RMA to improve service and provide policy makers with data needed to make decisions by providing reliable and up-to-date information. Most importantly, the Committee expects that this system can assist USDA by developing a paradigm on how to utilize a comprehensive and compatible information system.

Beyond providing immediate economic assistance to producers through this legislation, the Committee also expects USDA to address several other important issues administratively using existing authorities.

First, the Committee is very concerned about the delay in delivering crop insurance and disaster assistance to producer members of the Southern Minnesota Sugar Beet Cooperative. Approximately 600 Minnesota sugar beet producers suffered losses on their 2000 crop year crops due to freeze damage. The losses associated with the freeze threaten hundreds of farm families, the cooperative, and the jobs the cooperative provides.

The Committee understands that despite a determination by RMA that the losses are insurable (MGR Bulletin 01–010, dated March 2, 2001), crop insurance claims have still not been satisfied. Further, since eligibility for disaster assistance (authorized under Section 815 of the Agriculture Appropriations Bill for FY2001) is made administratively contingent upon loss determinations made under the Federal Crop Insurance Program, producers have not received this assistance either, even though authority for this program expires on September 30, 2001.

The Committee believes that the delay by RMA and FSA is unacceptable and expects the two agencies to take immediate steps to provide sugar beet producers with crop insurance and disaster assistance.

The Committee is aware that the RMA is not providing loss adjustment information that the private insurance providers have requested, citing that loss adjustments are not RMA's responsibility. The Committee notes, however, that the cause of the problem—the failure to correct a flaw in the sugar beet policy that was first revealed 16 years ago in a successful lawsuit against the FCIC—is the RMA's responsibility.

Further, the Committee understands the reluctance of the private insurance providers to adjust the claims for fear that any losses improperly paid may not be reinsured by RMA. However, disagreements over the Standard Reinsurance Agreement (SRA)—a contract between RMA and private insurance providers—should be resolved between the parties to the SRA and should never prejudice or delay the claim of a producer who is not privy to that contract.

Nevertheless, given the circumstances, the Committee expects RMA to work cooperatively and without further delay with the private insurance providers and producer and cooperative representatives to satisfy producer claims within a period of time that will allow FSA to make disaster payments on these claims before September 30, 2001. In any case, the Committee expects that under no circumstances will FSA fail to make disaster payments to these producers before authority to do so expires September 30, 2001.

As the Chief Judge of the 8th Circuit U.S. Court of Appeals made clear in a similar case, the fact that sugar beets were processed does not negate the fact that there is an insurable loss for which the insured is entitled to receive an indemnity, nor is it dispositive as to how the loss should ultimately be calculated. Because this principle is as applicable to disaster assistance as it is to crop insurance, the Committee sees no reason for FSA to wait for a decision by RMA. The Committee would note that since affected sugar producers are all members of the same cooperative and share equally in patronage dividends, an aggregate payment could be made to the cooperative on the condition that such a payment would be equitably distributed to producer members.

Second, the Committee is concerned about the increasing risk to our nation's food supply from plant and animal pests and diseases. Recent outbreaks of Karnal bunt in Texas, Pierce's disease in California, citrus canker in Florida and the threat of Foot and Mouth disease to our livestock industry has the Committee concerned that the Secretary's existing authority to declare emergencies may be insufficient to proactively address these critical emergencies. The Committee urges the Secretary to use existing authority to rapidly respond to pest and disease outbreaks and provide producers and agribusinesses whose income has been affected by such outbreaks with timely compensation.

The Committee recognizes that the Animal and Plant Health Inspection Service plays a critical role in protecting the agricultural sector in the United States from outbreaks of foreign plant and animal diseases and invasive pests and in containing and mitigating the deleterious effects of outbreaks when they do occur.

The recent outbreak of Food and Mouth Disease in the United Kingdom and in Europe has highlighted the critical need for increased investment of resources in the Animal and Plant Health Inspection Service as well as the need for closer coordination and collaboration between APHIS and other agencies and jurisdictions, such as FEMA, state governments, and local governments, that might find themselves involved in the containment of plant and animal diseases and pests.

The Committee urges the Department of Agriculture to conduct a top to bottom review of its ability to respond quickly and adequately to the outbreak of catastrophic plant and animal diseases and invasive pests. For example, due to the concentrated nature of livestock operations in many states such as North Carolina, an outbreak of a disease like Foot and Mouth Disease would spread rapidly, threatening not only a multi-billion dollar livestock industry, but the entire state economy.

In its re-examination of farm policy and in writing a farm bill in the 107th Congress, the Committee will closely examine ways in which to increase the resources available to APHIS and also possibilities to improve the capacity of APHIS to adequately respond to potential threats and outbreaks that threaten to undermine and damage the US agricultural sector.

Third, the Committee also notes that the Department has not yet expended the funds made available by section 203(e) of ARPA with regard to Pierce's Disease. The $25 million in funding made available by section 203(e) was provided to USDA to compensate growers for losses due to the plum pox virus, citrus canker, and Pierce's disease, and USDA has expended the funds to compensate growers with respect to the plum pox virus and citrus canker. Citrus canker is a devastating disease affecting citrus production and immediate efforts to control and eradicate the disease are necessary to prevent spread of citrus canker to other citrus-growing areas. The Committee applauds the U.S. Secretary of Agriculture's efforts to enable crucial eradication and control measures to continue and encourages these actions to move toward completion.

With the remaining $7.14 million of the funds made available by section 203(e) of ARPA, the Committee expects USDA to expend these funds in a manner that: (1) is consistent with section 261(a)(2) of ARPA; and (2) compensates growers for economic losses associated with the destruction of grape vines due to Pierce's disease without limits of payments to individual growers and without grower eligibility requirements based on gross income. The Committee notes that USDA has the authority to enter into cooperative agreements or contracts with state agencies, such as the California Department of Food and Agriculture, and urges the Department to expedite this process in order to accomplish the goals of section 203(e) of ARPA in a timely manner.

The Committee also urges the Secretary to reassess the valuation of tangerines in its final rule on citrus canker commercial compensation recognizing the discrepancy in values between the average price for tangerines and that of Valencia oranges. Using existing funds designated to compensate growers for losses due to citrus canker, the Secretary is encouraged to issue payments to tangerine growers who have lost their groves due to citrus canker based on the recalculated value of tangerines.

Finally, the Committee urges the Secretary to utilize the authority of section 815 of the FY 2001 agricultural appropriations act to provide assistance to orchardists and tree farmers who have planted trees for commercial purposes but have lost the trees as a result of a natural disaster for the 2000 crop. The assistance provided should reimburse a portion of the cost of replanting lost trees.

SECTION-BY-SECTION

Section 1. Market loss assistance

Section 1 requires the Secretary of Agriculture to use $4,622,240,000 of funds of the Commodity Credit Corporation to make a market loss assistance payment to owners and producers on a farm that are eligible for a final payment for fiscal year 2001 under a production flexibility contract for the farm under the Agriculture Market Transition Act.

Section 2. Supplemental oilseeds payment

Section 2 requires the Secretary to use $423,510,000 of the funds of the Commodity Credit Corporation to make supplemental payments under section 202 of Agricultural Risk Protection Act (ARPA) to producers of the 2000 crop of oilseeds that previously received a payment .

Section 3. Supplemental peanut payment

Section 3 requires the Secretary to use $54,210,000 of the funds of the Commodity Credit Corporation to provide supplemental payments under section 204(a) of ARPA to producers of quota or additional peanuts for the 2000 crop year that previously received a payment.

Section 4. Supplemental tobacco payment

Section 4 requires the Secretary to use $129,000,000 of the funds of the Commodity Credit Corporation to provide supplemental payments under section 204(b) of ARPA to eligible persons that previously received a payment. The section also provides that the Secretary may make payments to Georgia producers only if the State of Georgia makes $13 million in payments to such producers.

Section 5. Supplemental wool and mohair payment

Section 5 requires the Secretary to use $16,940,000 of the funds of the Commodity Credit Corporation to provide a supplemental payment under section 814 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act for Fiscal Year 2001 to producers of wool and mohair for the 2000 marketing year that previously received a payment. The payment rate will be adjusted to reflect the $16,940,000 made available for payments.

Section 6. Supplemental cottonseed assistance

Section 6 requires the Secretary to use $84,700,000 of funds of the Commodity Credit Corporation to provide supplemental assistance under section 204(e) of ARPA to producers and first-handlers of the 2000 crop of cottonseed that previously received assistance.

Section 7. Specialty crops

Subsection 7(a) requires the Secretary to use $26 million of the funds of the Commodity Credit Corporation to make a grant in the amount of $500,000 to each of the several States and $1,000,000 to Puerto Rico to support activities that promote agriculture.

Subsection 7(b) requires the Secretary to use $133,400,000 of the funds of the Commodity Credit Corporation to make a grant to each State in an amount that represents the proportion of the value of specialty crop production in the State in relation to the national value of specialty crop production as specified in the legislation.

Subsection 7(c) requires the States to give priority to the support of specialty crops in the use of the grant funds as a condition on the receipt of a grant.

Subsection 7(d) defines specialty crop to mean any crop of an agricultural commodity except wheat, feed grains, oilseeds, cotton, rice, peanuts, and tobacco.

The Committee expects that the grants provided in this Act to the States will be used to assist growers of specialty crops. The Committee expects that the States will use all means necessary to ensure that specialty crops are given the priority established in this Act in the use of these funds. Specialty crops need these additional resources because of the many different and difficult circumstances facing specialty crop growers resulting from disease, low prices, and lack of funding for research, promotion, and inspection, to name just a few. For example, many growers have indicated interest in using this funding for value-added research, such as that envisioned by Arkansas State University. The Committee expects these funds to be in addition to any funds already provided by the States to support agriculture and expects the States to maintain their current efforts to support agriculture.

Section 8. Commodity assistance program

Section 8 requires the Secretary to use $10,000,000 of funds of the Commodity Credit Corporation to make grants to States to pay direct and indirect costs related to the processing, transportation, and distribution of commodities under section 204(a) of the Emergency Food Assistance Act of 1983 (EFAP).

Section 9. Technical correction regarding indemnity payments for cotton producers

Section 9 amends subsection (b) of section 1121 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act for Fiscal year 1999 as previously amended to allow the State of Georgia to use the indemnity funds already provided for cotton producers and ginners that suffered economic losses due to the failure of a warehouse.

Section 10. Increase in payment limitations regarding loan deficiency payments and marketing loan gains

Section 10 limits marketing loan gains and loan deficiency payments for 2001 crops to $150,000 per person.

Section 11. Timing of, and limitation on, expenditures

Section 12 requires that all expenditures required by this Act will be made before September 30, 2001. The total amount that can be expended is $5,500,000,000. If the payments required by section 1 through 11 would result in expenditures in excess of $5,500,000,000, the Secretary must reduce the payments on a pro rata basis to ensure that the expenditures do not exceed $5,500,000,000.

Section 12. Regulations

Section 13 requires the Secretary and the CCC, whichever is appropriate, to promulgate regulations to implement this Act without regard to notice and comment rulemaking.

COMMITTEE CONSIDERATION

The Committee on Agriculture met, pursuant to notice, with a quorum present, on June 20, 2001, to consider H.R. 2213, a bill to respond to the continuing economic crisis adversely affecting American agricultural producers.

Chairman Combest made a brief opening statement and then recognized Mr. Stenholm for remarks.

After opening remarks and brief discussion of the bill, the Chairman, without objection, placed H.R. 2213 before the Committee to be open for amendment at any point.

Mr. Stenholm was then recognized to offer and explain an Amendment in the Nature of a Substitute on behalf of himself and Mr. Boehner that limited the overall assistance to $5.5 billion in Fiscal year 2001 funds.

Mr. Chambliss was recognized to offer and explain an amendment to the Substitute Amendment that was a technical correction to the tobacco payment allocation under the Tobacco Settlement Agreement of the State of Georgia which allows for matching payments to producers. Discussion occurred and the amendment was adopted, by a voice vote.

Mr. Condit was also recognized to offer and explain an amendment verbally to the Substitute Amendment that would lower the amount of base state grants (excluding Puerto Rico) and provide a corresponding increase in the amount of value production grants. Discussion occurred and the amendment was adopted, by a voice vote.

Mr. Holden was then recognized to offer and explain an amendment on behalf of himself and Mr. Baldacci to the Substitute Amendment to transfer $430 million from AMTA payments to specialty crops. Discussion occurred and by a voice vote, the amendment failed.

Mr. Boswell was also recognized to offer and explain an amendment to the Substitute Amendment that would provide crop loss assistance for 2001 crops. Discussion occurred and without objection, the amendment was withdrawn.

Further discussion occurred on the Substitute Amendment and it was adopted by a vote of 24 yeas, 23 nays, and 4 not voting. See Roll Call Vote #1.

Mr. Condit offered and explained an amendment to provide assistance for agricultural producers whose energy costs have increased during calendar 2001. Discussion occurred and the amendment was ruled out of order.

Mr. Smith was then recognized to offer and explain an amendment that would add asparagus to the list of purchases. Discussion occurred and without objection, the amendment was withdrawn.

Mr. Thompson of California was then recognized to offer and explain an amendment to provide payment to producers that incurred losses as a result of the Tri-Valley Growers bankruptcy. Discussion occurred and without objection, the amendment was withdrawn.

Mr. Thompson offered and explained another amendment that would provide payment on a prorated basis to producers that incurred losses as a result of the Tri-Valley Growers bankruptcy. Discussion occurred and by a voice vote, the amendment failed.

Mr. Lucas of Oklahoma was then recognized to offer and explain an amendment that would prohibit the Secretary of Agriculture from spending any USDA funds to designate critical habitat of the Arkansas River. Discussion occurred and without objection, the amendment was withdrawn.

Mr. Berry was recognized to offer and explain an amendment to limit the amount received for one or more contract commodities and oilseeds. Discussion occurred and by a voice vote, the amendment, as amended, was adopted.

Mr. Smith was then recognized to offer and explain an amendment to provide assistance to eligible orchardists and tree farmers. Discussion occurred and without objection, the amendment was withdrawn.

Mr. Pombo was recognized to offer and explain an amendment to provide compensation for growers for losses due to Pierce's Disease. Discussion occurred and by a voice vote, the amendment was adopted.

Mr. Gutknecht was also recognized to offer and explain an amendment to impose tariff-rate quotas on certain casein and milk concentrates. Discussion occurred and without objection, the amendment was withdrawn.

Mr. Fletcher was recognized to offer and explain an amendment to allow horse breeders affected by the Mare Reproductive Loss Syndrome to apply for USDA disaster loans for a period of two years. Discussion occurred and without objection, the amendment was withdrawn.

Mr. Kennedy was then recognized to offer and explain report language regarding the difficulties faced by Minnesota beet growers. Discussion occurred and without objection, report language was accepted.

Mr. Stenholm was then recognized to offer and explain report language regarding Farm Service Agency producer information. Discussion occurred and without objection, report language was accepted.

Mrs. Clayton was then recognized to offer and explain an amendment on behalf of herself, Mr. Putnam and Mr. Condit that would provide an increase in funds of $35 million for USDA's Animal and Plant Health Inspection Service to respond to pests and foot-and-mouth disease. Discussion occurred and without objection, the amendment was withdrawn. However, report language was accepted in lieu of the amendment.

Mr. Putnam was also recognized to respond and noted that he wanted the report language to acknowledge that there is an emergency now even though it is a preventative effort rather than an eradication effort to keep foot-and-mouth disease off our shores. Without objection, the report language was accepted.

There being no further amendments, Mr. Stenholm moved that the bill, H.R. 2213, as amended, be adopted and reported favorably to the House with the recommendation that it do pass.

By a roll call vote of 31 yeas, 14 nays, and 6 not voting, H.R. 2213 was ordered reported favorably to the House. See Roll Call Vote #2.

Mr. Stenholm also moved, pursuant to clause 1 rule XX, that the Committee authorize the Chairman to offer such motions as may be necessary in the House to go to conference with the Senate on the bill H.R. 2213, or any similar Senate bill.

Without objection, the motion was agreed to and the Committee adjourned.

Roll Call Votes

In compliance with clause 3(b) of Rule XIII of the House of Representatives, the Committee sets forth the record of the following roll call votes taken with respect to H.R. 2213.

ROLL CALL NO. 1

Summary: Amendment in the Nature of a Substitute limiting overall assistance to $5.5 billion, with $4.6 billion in market loss payments to major crop producers, and the balance to oilseed, peanut, wool and mohair, tobacco quota holders, as well as handlers and producers of cottonseed.

Offered By: Mr. Stenholm and Mr. Boehner.

Results: The Substitute Amendment was adopted with 24 yeas, 23 nays, and 4 not voting.

YEAS

1. Mr. Boehner
2. Mr. Goodlatte
3. Mr. Pombo
4. Mr. Chambliss
5. Mr. Gutknecht
6. Mr. Fletcher
7. Mr. Putnam
8. Mr. Stenholm
9. Mr. Condit
10. Mr. Peterson
11. Mr. Dooley
12. Mrs. Clayton
13. Mr. Hilliard
14. Mr. Holden
15. Mr. Baldacci
16. Mr. McIntyre
17. Mr. Phelps
18. Mr. Lucas (KY)
19. Mr. Thompson (CA)
20. Mr. Hill
21. Mr. Baca
22. Mr. Larsen
23. Mr. Acevedo-Vilá
24. Mr. Kind

NAYS

1. Mr. Combest
2. Mr. Smith
3. Mr. Everett
4. Mr. Lucas (OK)
5. Mr. Moran
6. Mr. Thune
7. Mr. Jenkins
8. Mr. Cooksey
9. Mr. Riley
10. Mr. Simpson
11. Mr. Ose
12. Mr. Hayes
13. Mr. Pickering
14. Mr. Johnson
15. Mr. Osborne
16. Mr. Pence
17. Mr. Rehberg
18. Mr. Graves
19. Mr. Kennedy

20. Mr. Berry
21. Mr. Boswell
22. Mr. Ross
23. Mr. Shows

NOT VOTING

1. Mr. Schaffer
2. Mr. Bishop
3. Mr. Thompson (MS)
4. Mr. Etheridge

ROLL CALL NO. 2

Summary: Final passage of bill, as amended.
Requested By: Chairman Combest.
Results: H.R. 2213 was ordered reported, as amended, favorably to the House by a vote of 31 yeas, 14 nays, and 6 not voting.

YEAS

1. Mr. Boehner
2. Mr. Pombo
3. Mr. Everett
4. Mr. Chambliss
5. Mr. Cooksey
6. Mr. Gutknecht
7. Mr. Fletcher
8. Mr. Johnson
9. Mr. Graves
10. Mr. Putnam
11. Mr. Kennedy
12. Mr. Stenholm
13. Mr. Condit
14. Mr. Peterson
15. Mr. Dooley
16. Mrs. Clayton
17. Mr. Hilliard
18. Mr. Holden
19. Mr. Bishop
20. Mr. Thompson (MS)
21. Mr. Baldacci
22. Mr. Berry
23. Mr. Phelps
24. Mr. Thompson (CA)
25. Mr. Hill
26. Mr. Baca
27. Mr. Larsen
28. Mr. Ross
29. Mr. Acevedo-Vilá
30. Mr. Kind
31. Mr. Shows

NAYS

1. Mr. Combest
2. Mr. Goodlatte
3. Mr. Smith
4. Mr. Lucas (OK)
5. Mr. Moran
6. Mr. Thune
7. Mr. Jenkins
8. Mr. Simpson
9. Mr. Ose
10. Mr. Hayes
11. Mr. Pickering
12. Mr. Osborne
13. Mr. Rehberg
14. Mr. Boswell

NOT VOTING

1. Mr. Schaffer
2. Mr. Riley
3. Mr. Pence
4. Mr. McIntyre
5. Mr. Etheridge
6. Mr. Lucas (KY)

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Agriculture's oversight findings and recommendations are reflected in the body of this report.

BUDGET ACT COMPLIANCE (SECTIONS 308, 402, AND 423)

The provisions of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority, new spending authority, new credit authority, or increased or decreased revenues or tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the Director of the Congressional Budget Office under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and sections 402 and 423 of the Congressional Budget Act of 1974 submitted to the Committee prior to the filing of this report are as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC,

Hon. LARRY COMBEST,
Chairman, Committee on Agriculture,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2213, a bill to respond to the continuing economic crisis adversely affecting American agricultural producers.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jim Langley.

Sincerely,

ROBERT A. SUNSHINE
(For Dan L. Crippen, Director).

Enclosure.

H.R. 2213—A bill to respond to the continuing economic crisis adversely affecting American agricultural producers

Summary: H.R. 2213 would authorize new direct spending of $5.5 billion from the Commodity Credit Corporation to benefit agricultural producers. The bill also would make certain technical corrections to agricultural laws and would increase payment limitations for marketing assistance loan benefits; CBO estimates that these other provisions would have no cost. Because the bill would increase direct spending by $5.5 billion in 2001, pay-as-you-go procedures would apply.

H.R. 2213 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). It would require the state of Georgia to make payments to tobacco producers in that state as a condition of federal assistance to those producers. Any such payments would be voluntary.

Estimated Cost to the Federal Government: The estimated budgetary impact of H.R.. 2213 is shown in the following table. The costs of this legislation fall within budget functions 350 and 600 (agriculture and income security).

	By fiscal year, in millions of dollars—					
	2001	2002	2003	2004	2005	2006
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	5,500	0	0	0	0	0
Estimated Outlays	5,500	0	0	0	0	0

Basis of estimate: H.R. 2213 would authorize the Secretary of Agriculture to use the Commodity Credit Corporation (CCC) to make $5.5 billion available to agricultural producers in 2001. Most of these funds would go directly to producers who were eligible to receive the assistance provided in the Agricultural Risk Protection Act of 2000 and the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001. About $159 million would be given to the states and Puerto

Rico to support speciality crops, and states would receive $10 million to pay for costs associated with processing, transporting, and distributing commodities under the provisions of the Emergency Food Assistance Program. The bill would require that all obligations and expenditures be made prior to September 30, 2001, and that any funds not obligated by that date would be rescinded.

Section 1 would provide $4.6 billion for payments for market loss assistance to producers of feed grains, wheat, cotton, and rice. Sections 2 through 6 would provide $424 million to oilseed producers, $54 million to peanut producers, $129 million to tobacco producers, $17 million to wool and mohair producers, and $85 million to producers and first handlers of cottonseed. Under this bill, the Secretary could make tobacco payments to producers in Georgia only if the state of Georgia makes $13 million in payments to the same eligible producers in the state in a timely manner. For this estimate, CBO assumes that Georgia would make these payments.

Section 9 would make certain technical corrections to current law regarding indemnity payments for cotton producers. CBO estimates these corrections would have no cost. These provisions deal with payments to cotton producers in Georgia. The 1999 agricultural appropriations act authorized the Secretary of Agriculture to transfer $5 million to the State of Georgia to establish an indemnity fund to assist cotton producers who suffered income losses resulting from the failure of certain cotton merchants to pay producers for their cotton. As a condition of the payment, Georgia was required to contribute a matching $5 million to the indemnity fund. The $5 million from the Agriculture Department has already been transferred and used to make payments to eligible producers. However, Georgia did not contribute its share in a timely manner, despite an extension of the deadline in the 2001 agricultural appropriations act. Section 9 would extend the deadline for Georgia to contribute its share of the indemnity funds, but would not authorize or permit any additional federal funds to be expended.

Section 10 would increase the payment limitations for loan deficiency payments (LDPs) and marketing loan gains (MLGs) to $150,000 per person during the 2001 crop year. LDPs and MLGs allow producers to repay commodity loans at less than the full amount of the loan whenever market prices drop below specified levels for each eligible commodity. The limitation for these payments was originally $75,000 per person. The Agriculture Department is authorized to issue loan benefits in the form of commodity certificates instead of cash payments. Such certificates ultimately result in equivalent cash outlays by the department, but do not count against payment limitations. Consequently, CBO estimates that the bill's changes to payment limitations on LDPs and MLGs would not result in any additional federal outlays.

Section 11 would require that all expenditures authorized by this bill be made not later than September 30, 2001. Any funds that have not been obligated by that date shall be deemed unexpendable and shall be rescinded. In general, each provisions of H.R. 2213 specifies that payments are to be made to eligible producers who previously received a similar payment or directly to states. Hence, USDA would not be required to undertake a lengthy sign-up process to determine who is eligible for payments. CBO estimates that all the authorized payments would be made by September 30.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By fiscal year, in millions of dollars—										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Changes in outlays	5,500	0	0	0	0	0	0	0	0	0	0
Changes in receipts	Not applicable										

Intergovernmental and private-sector impact: H.R. 2213 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would authorize grants to states for activities to promote agriculture and for support of certain specialty crops. In addition, the bill would authorize payments to tobacco producers in certain states, but would make the payment to producers in Georgia's contingent upon any agreement by the state to make payments to those same producers totaling $13 million. Any such payments by the state would be voluntary.

Estimate prepared by: Federal Costs: Jim Langley, Dave Hull, Greg Hitz and Valerie Baxter. Impact on State, Local, and Tribal Governments: Marjorie Miller. Impact on the Private Sector: Lauren Marks.

Estimate approved by: Robert A. Sunshine, Assistant Director for Budget Analysis.

Performance Goals and Objectives

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objectives of this legislation are to provide economic assistance for producers to be used in the 2001 Fiscal year that expires September 30, 2001.

Constitutional Authority Statement

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds the Constitutional authority for this legislation in Article I, clause 8, section 18, that grants Congress the power to make all laws necessary and proper for carrying out the powers vested by Congress in the Constitution of the United States or in any department or officer thereof.

Committee Cost Estimate

Pursuant to clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, the Committee report incorporates the cost estimate prepared by the Director of the Congressional Budget Office pursuant to sections 402 and 423 of the Congressional Budget Act of 1974.

ADVISORY COMMITTEE STATEMENT

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

FEDERAL MANDATES STATEMENT

The Committee adopted as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104–4).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 1121 OF THE AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

SEC. 1121. INDEMNITY PAYMENTS FOR COTTON PRODUCERS.

(a) * * *

⟦(b) CONDITIONS ON PAYMENT TO STATE.—The Secretary of Agriculture shall make the payment to the State of Georgia under subsection (a) only if the State also contributes $5,000,000 to the indemnity fund and agrees to expend all amounts in the indemnity fund by not later than January 1, 2001, to provide compensation to cotton producers as provided in such subsection. If the State of Georgia fails to make its contribution of $5,000,000 to the indemnity fund by July 1, 1999, the funds that would otherwise be paid to the State shall be available to the Secretary for the purpose of providing partial compensation to cotton producers as provided in such subsection.⟧

(b) CONDITIONS ON PAYMENT TO STATE.—The Secretary of Agriculture shall make the payment to the State of Georgia under subsection (a) only if the State—

(1) contributes $5,000,000 to the indemnity fund and agrees to expend all amounts in the indemnity fund by not later than January 1, 2002 (or as soon as administratively practical thereafter), to provide compensation to cotton producers as provided in such subsection;

(2) requires the recipient of a payment from the indemnity fund to repay the State, for deposit in the indemnity fund, the amount of any duplicate payment the recipient otherwise recovers for such loss of cotton, or the loss of proceeds from the sale of cotton, up to the amount of the payment from the indemnity fund; and

(3) agrees to deposit in the indemnity fund the proceeds of any bond collected by the State for the benefit of recipients of payments from the indemnity fund, to the extent of such payments.

(c) REPORTING REQUIREMENTS.—[Upon the establishment of the indemnity fund, and not later than October 1, 1999, the] *The* State of Georgia shall submit a report to the Secretary of Agriculture and the Congress describing the State's efforts to use the indemnity fund to provide compensation to injured cotton producers.

[(d) ADDITIONAL DISBURSEMENT.—

[(1) COTTON STORED IN GEORGIA.—The State of Georgia may use funds remaining in the indemnity fund established in accordance with this section to compensate cotton producers in other States who stored cotton in the State of Georgia and incurred losses in 1998 or 1999 as the result of the events described in subsection (a).

[(2) GINNERS AND OTHERS.—The State of Georgia may also use funds remaining in the indemnity fund established in accordance with this section to compensate cotton ginners and others in the business of producing, ginning, warehousing, buying, or selling cotton for losses they incurred in 1998 or 1999 as the result of the events described in subsection (a), if—

[(A) as of March 1, 2000, the indemnity fund has not been exhausted,

[(B) the State of Georgia provides cotton producers an additional time period prior to May 1, 2000, in which to establish eligibility for compensation under this section;

[(C) the State of Georgia determines during calendar year 2000 that all cotton producers in that State and cotton producers in other States as described in paragraph (d)(1) have been appropriately compensated for losses incurred in 1998 or 1999 as described in subsection (a); and

[(D) such additional compensation is not made available until May 1, 2000.]

(d) ADDITIONAL DISBURSEMENT TO COTTON GINNERS.—The State of Georgia shall use funds remaining in the indemnity fund, after the provision of compensation to cotton producers in Georgia under subsection (a) (including cotton producers who file a contingent claim, as defined and provided in section 5.1 of chapter 19 of title 2 of the Official Code of Georgia), to compensate cotton ginners (as defined and provided in such section) that—

(1) incurred a loss as the result of—

(A) the business failure of any cotton buyer doing business in Georgia; or

(B) the failure or refusal of any such cotton buyer to pay the contracted price that had been agreed upon by the ginner and the buyer for cotton grown in Georgia on or after January 1, 1997, and had been purchased or contracted by the ginner from cotton producers in Georgia;

(2) paid cotton producers the amount which the cotton ginner had agreed to pay for such cotton received from such cotton producers in Georgia; and

(3) satisfy the procedural requirements and deadlines specified in chapter 19 of title 2 of the Official Code of Georgia applicable to cotton ginner claims.

ADDITIONAL VIEWS

H.R. 2213, as reported by the Agriculture Committee will provide $5.5 billion in much needed assistance this year. This legislation represents a meaningful first step in keeping Congress' commitment to stand by our farmers and ranchers each year until a permanent safety net is put in place.

However, H.R. 2213 as reported by the Agriculture Committee is inadequate in at least two respects. First, the assistance level is not sufficient to address the needs of farmers and ranchers in the 2001 crop year. Second, the bill's scope is too narrow, leaving many needs completely unaddressed.

At a time when real net cash income on the farm is at its lowest level since the Great Depression and the cost of production is expected to set a record high, H.R. 2213 as reported by the Committee cuts supplemental help to farmers by $1 billion from last year to this year. Hardest hit will be wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybean, and other oilseed farmers since the cuts will come at their expense.

H.R. 2213, as reported by the Committee, also fails to address the needs of dairy farmers, sugar beet and sugarcane farmers, farmers who graze their wheat, barleys, and oats, as well as farmers who are denied marketing loan assistance either because they don't haven an AMTA contract or because they lost beneficial interest in their crops.

Earlier this year, 20 farm group pegged the need in farm country for the 2001 crop year at $9 billion. And, while most of these groups acknowledge that limited federal resources cannot possibly accommodate that level of supplemental assistance, the farmers they represent—and their lenders—had every reason to believe that the help this year would be at least comparable to the help Congress provided last year. Since H.R. 2213 as reported will not meet expectation, it is our sincere hope that the fallout in farm country as a result of this bill's passage will be limited to mere disappointment.

H.R. 2213, as originally introduced provided a level of support that more closely reflected the expectations and actual needs in farm country. The $6.5 billion measure provided the same level of assistance to producers of staple crops as last year; increased assistance to producers of specialty crops over last year through purchases that would have moved the market without damaging prices in the long term; assisted producers of sugar, dairy, peanuts, tobacco, wool and mohair; producers who graze their wheat, barley, and oats; as well as producers who are denied marketing loan assistance either because they don't have an AMTA contract or they lost beneficial interest in their crops.

Those who championed H.R. 2213 as reported by this Committee argued, in part, that a cut in help to farmers this year is necessary to save money for a rewrite of the Farm Bill. But, the fly in the ointment is that many farmers are deeply worried about whether they can make it through this year, let alone next year.

As this process moves forward, we will work to build a more sturdy bridge over this year's financial straits—straits that man otherwise threaten to separate many farmers from the promise of the next farm bill.

LARRY COMBEST, Chairman.
CHARLES W. "CHIP" PICKERING.
DENNIS R. REHBERG.
MIKE PENCE.
SAM GRAVES.
TOM OSBORNE.
MARK R. KENNEDY.
TERRY EVERETT.
RONNIE SHOWS.
ROBIN HAYES.
MICHAEL K. SIMPSON.
DOUG OSE.
FRANK D. LUCAS.
JOHN R. THUNE.
WILLIAM L. JENKINS.
BOB RILEY.
JERRY MORAN.

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