Public Law 100-45
100th Congress

An Act

May 27, 1987
[H.R. 1157]

To provide for an acreage diversion program applicable to producers of the crop of winter wheat harvested in 1987, and otherwise to extend assistance to farmers adversely affected by natural disasters in 1986.

Farm Disaster Assistance Act of 1987.
Agriculture and agricultural commodities.
7 USC 1421 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Disaster Assistance Act of 1987".

WHEAT ACREAGE DIVERSION

SEC. 2. Effective only for the 1987 crop of wheat, section 107D(c)(1)(C) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3(c)(1)(C)) is amended by—

(1) in clause (i)—

(A) inserting ", or all of such permitted acreage (as provided in subclauses (II), (III), and (IV) of clause (ii))," after "permitted wheat acreage of the farm for the crop"; and

(B) in subclause (I) thereof, inserting "(or all)" after "such portion";

(2) in clause (ii)—

(A) inserting "(I)" after the clause designation;

(B) inserting "subclauses (II), (III), and (IV) of this clause and" before "clauses (iii) and (vii)"; and

(C) adding at the end thereof the following:

Conservation.

"(II) "Effective for the 1987 crop, producers of winter wheat on a farm shall not be subject to the 50 percent planting requirement, and may devote all or any portion of the farm's 1987 winter wheat permitted acreage to conservation uses (or other uses as provided in subparagraph (K)) under the program under this subparagraph.

Conservation.
Loans.

"(III) Effective for the 1987 crop, producers of wheat on a farm shall not be subject to the 50 percent planting requirement, and may devote all or any portion of the farm's 1987 permitted wheat acreage to conservation uses (or other uses as provided in subparagraph (K)) under the program under this subparagraph, if the farm is, during the normal planting season for such crop, subject to flooding on at least 50 percent of the permitted wheat acreage of the farm as the result of damage to a levee from flooding that occurred in 1986 and the farm is located in a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of such disaster.

Conservation.

"(IV) Effective for the 1987 crop, producers of wheat on a farm shall not be subject to the 50 percent planting requirement, and may devote all or any portion of the farm's 1987 permitted wheat acreage to conservation uses (or other uses as provided in subparagraph (K)) under the program under this subparagraph, if the producers on the farm are prevented from planting such acreage, if intended for wheat, to wheat for harvest in 1987 because of a natural disaster in

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1986 and the farm is located in a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of such disaster."; and

(3) in clause (iv)—

(A) inserting "(or all)" after "such portion"; and

(B) inserting "under this subparagraph" after "subparagraph (K))".

FEED GRAIN ACREAGE DIVERSION

SEC. 3. Effective only for the 1987 crop of feed grains, section 105C(c)(1)(B) of the Agricultural Act of 1949 (7 U.S.C. 1444e(c)(1)(B)) is amended by—

(1) in clause (i)—

(A) inserting ", or all of such permitted acreage (as provided in the second sentence of clause (ii))," after "permitted feed grain acreage of the farm for the crop"; and

(B) in subclause (I) thereof, inserting "(or all)" after "such portion";

(2) in clause (ii)—

(A) inserting "the following sentence and" before "clause (iii)"; and

(B) adding at the end thereof the following: "Effective for the 1987 crop, producers of feed grains on a farm shall not be subject to the 50 percent planting requirement, and may devote all or any portion of the farm's 1987 permitted feed grain acreage to conservation uses (or other uses as provided in subparagraph (I)) under the program under this paragraph, if the farm is, during the normal planting season for such crop, subject to flooding on at least 50 percent of the permitted feed grain acreage of the farm as the result of damage to a levee from flooding that occurred in 1986 and the farm is located in a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of such disaster."; and

Conservation.
Loans.

(3) in clause (iv)—

(A) inserting "(or all)" after "such portion"; and

(B) inserting "under this subparagraph" after "subparagraph (I))".

COTTON ACREAGE DIVERSION

SEC. 4. Effective only for the 1987 crop of upland cotton, section 103A(c)(1)(B) of the Agricultural Act of 1949 (7 U.S.C. 1444-1(c)(1)(B)) is amended by—

(1) in clause (i)—

(A) inserting ", or all of such permitted acreage (as provided in subclause (II) of clause (ii))," after "permitted upland cotton acreage of the farm for the crop"; and

(B) in subclause (I), inserting "(or all)" after "such portion";

(2) in clause (ii)—

(A) inserting "(I)" after the clause designation;

(B) inserting "subclause (II) and" before "clause (iii)"; and

(C) adding at the end thereof the following new subclause:

Conservation. Loans.

"(II) Effective for the 1987 crop, producers of upland cotton on a farm shall not be subject to the 50 percent planting requirement, and may devote all or any portion of the farm's 1987 permitted upland cotton acreage to conservation uses (or other uses as provided in subparagraph (G)) under the program under this subparagraph, if the farm is, during the normal planting season for such crop, subject to flooding on at least 50 percent of the permitted upland cotton acreage of the farm as the result of damage to a levee from flooding that occurred in 1986 and the farm is located in a county in which producers are eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of such disaster."; and

(3) in clause (iv)—

(A) inserting "(or all)" after "such portion"; and

(B) inserting "under this subparagraph" after "subparagraph (G))".

RICE ACREAGE DIVERSION

SEC. 5. Effective only for the 1987 crop of rice, section 101A(c)(1)(B) of the Agricultural Act of 1949 (7 U.S.C. 1444-1(c)(1)(B)) is amended by—

7 USC 1441-1.

(1) in clause (i)—

(A) inserting ", or all of such permitted acreage (as provided in subclause (II) of clause (ii))," after "permitted rice acreage of the farm for the crop"; and

(B) in subclause (I), inserting "(or all)" after "such portion";

(2) in clause (ii)—

(A) inserting "(I)" after the clause designation;

(B) inserting "subclause (II) and" before "clause (iii)"; and

(C) adding at the end thereof the following new subclause:

Conservation. Loans.

"(II) Effective for the 1987 crop, producers of rice on a farm shall not be subject to the 50 percent planting requirement, and may devote all or any portion of the farm's 1987 permitted rice acreage to conservation uses (or other uses as provided in subparagraph (G)) under the program under this subparagraph, if the farm is, during the normal planting season for such crop, subject to flooding on at least 50 percent of the permitted rice acreage of the farm as the result of damage to a levee from flooding that occurred in 1986 and the farm is located in a county in which producers are eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of such disaster."; and

(3) in clause (iv)—

(A) inserting "(or all)" after "such portion"; and

(B) inserting "under this subparagraph" after "subparagraph (G))".

FULL PAYMENTS FOR DISASTER LOSSES

Claims. Securities.

SEC. 6. Notwithstanding any other provision of law, the Secretary of Agriculture shall make full payment in the form of generic negotiable commodity certificates to eligible producers, using funds, facilities, and authorities of the Commodity Credit Corporation, on all qualifying claims for assistance under section 633(B) of the

Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in section 101(a) of Public Laws 99-500 and 99-591, and as amended by sections 7 and 11 of this Act, to the extent provided in advance in an appropriation Act. To the extent that partial payment on any such claim has been made prior to the date of enactment of this Act, the Secretary shall provide a supplemental payment to the producer under this section, as soon as practicable after the date of enactment of this Act, to cover the difference between the partial payment and the amount of the full claim.

100 Stat. 1783-30, 3341-30.
100 Stat. 1783.
100 Stat. 3341.

DISASTER PAYMENTS

SEC. 7. Section 633(B) of the Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in section 101(a) of Public Laws 99-500 and 99-591, is amended by—

100 Stat. 1783-30, 3341-30.

(1) in subsection (a)(5)—

(A) amending clause (ii) of subparagraph (B) to read as follows:

"(ii) with respect to soybeans, peanuts, sugar beets, and sugarcane—

"(I) except as provided in subclause (III), with respect to soybeans and peanuts, the acreage so affected but not to exceed the acreage planted in the immediately preceding year to soybeans or peanuts, respectively, for harvest including any acreage that the producer was prevented from planting to such commodity or to other nonconserving crops in lieu of soybeans or peanuts because of drought, excessive moisture, flood, hail, or other natural disaster, or other condition beyond the control of the producer;

"(II) with respect to sugar beets and sugarcane (including sugar beets or sugarcane produced by those producers who did not plant acreage to sugar beets or sugarcane during 1985 as the result of the bankruptcy of the Great Western Sugar Company), the acreage so affected; and

"(III) with respect to producers of soybeans and peanuts whose plantings of such commodities in 1985 were either prevented or below normal levels because of rotation practices carried out by such producers, the acreage so affected but not to exceed a quantity of acreage based on the historical plantings of such commodities as determined by the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b))."; and

(B) adding at the end thereof the following:

"(C) Any payments made available in accordance with subclause (II) or (III) of subparagraph (B)(ii) may be made only to the extent such payments are provided for in advance in an appropriation Act, as authorized under section 6 of the Farm Disaster Assistance Act of 1987.";

(2) in paragraph (1) of subsection (c), inserting "(including hay and straw that was harvested in 1986, stored on a field, and removed from the field by a flood)" after "commercial crops";

(3) striking out "1987." in paragraph (2) of subsection (d) and inserting in lieu thereof the following: "1987, except as provided in the following sentence. Applications for payments—

"(A) with respect to hay and straw referred to in subsection (c)(1) and crops of apples damaged by freezing;

"(B) made by producers under the last sentence of subsection (a)(5)(A)(ii) or under subclause (II) or (III) of subsection (a)(5)(B)(ii); and

Maine.

"(C) with respect to program or nonprogram crops produced in the State of Maine,

must be filed on or before the date that is 30 days after the date of enactment of the Farm Disaster Assistance Act of 1987.";

(4) adding at the end of subsection (e) the following:

"(3) With respect to losses of hay and straw referred to in subsection (c)(1)—

"(A) payments may be made to producers only to the extent payments under this section are provided for in advance in an appropriation Act, as authorized under section 6 of the Farm Disaster Assistance Act of 1987;

"(B) the total amount of payments made to all producers may not exceed $1,000,000; and

"(C) the total amount of payments made to an individual producer may not exceed $20,000.

"(4) With respect to losses of apple crops under subsection (b), payments may be made to producers only to the extent payments under this section are provided for in advance in an appropriation Act, as authorized under section 6 of the Farm Disaster Assistance Act of 1987.

Maine.

"(5) With respect to losses of program or nonprogram crops produced in the State of Maine—

"(A) payments may be made to producers only to the extent payments under this section are provided for in advance in an appropriation Act, as authorized under section 6 of the Farm Disaster Assistance Act of 1987; and

"(B) the total amount of payments made to all producers may not exceed $1,000,000."; and

(5)(A) in paragraph (1) of subsection (b), inserting "and (with respect to apple crops) freeze," after "excessive moisture,";

(B) in paragraph (2)(A) of subsection (b) inserting "or (with respect to apple crops) freeze," after "excessive moisture,"; and

(C) in paragraph (1)(B) of subsection (c), inserting "freeze" after "excessive moisture,".

AUTHORIZATION NOT TO INCREASE THE DEFICIT

SEC. 8. Each appropriation made pursuant to authorizations in this Act and any new appropriation for an expenditure of funds by the Department of Agriculture (whether in a general, supplemental, or continuing appropriation Act) shall be made in accordance with the provisions of the Congressional Budget and Impoundment Control Act (which prohibits the consideration by Congress of any bill that would cause the deficit of the United States Government to exceed the levels established by the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings)), such that the appropriation does not increase the deficit of the United States Government for fiscal year 1987, and shall be made only if the expenditure is authorized by law.

2 USC 621 note.

2 USC 901 note.

GREAT LAKES FLOOD EMERGENCY ASSISTANCE

SEC. 9. Section 5 of the Act of August 18, 1941 (33 U.S.C. 701n) is amended—

(1) by redesignating subsection (a) as subsection (a)(1); and

(2) by adding at the end of subsection (a)(1), as redesignated by this Act, the following new paragraph:

"(2) In preparing a cost and benefit feasibility assessment for any emergency project described in paragraph (1), the Chief of Engineers shall consider the benefits to be gained by such project for the protection of—

"(A) residential establishments;

"(B) commercial establishments, including the protection of inventory; and

"(C) agricultural establishments, including the protection of crops.".

CONSERVATION RESERVE

SEC. 10. Section 1235(a) of the Food Security Act of 1985 should be reviewed by the Secretary of Agriculture to ensure that the provisions thereof relating to exceptions to the three-year ownership requirement with respect to eligibility for the conservation reserve are being implemented in a manner to encourage inclusion of producer-owned land in the conservation reserve. However, any such exception to the three-year requirement should be made only if the Secretary determines that the land involved (1) was not acquired for the purpose of placing the land in the conservation reserve or (2) otherwise meets the criteria for exceptions made under section 1235(a). 16 USC 3835.

UPLAND COTTON DISASTER PAYMENTS

SEC. 11. Section 633(B) of the Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in section 101(a) of Public Laws 99-500 and 99-591, is amended by— 100 Stat. 1783-30, 3341-30.

(1) adding at the end of subsection (a)(5)(A)(ii) a new sentence as follows: "To ensure equitable treatment of all producers suffering losses, each county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act, in accordance with regulations established by the Secretary, shall make adjustments in the actual production on each farm of the 1986 upland cotton crop to reflect any reduction in the quality of such crop caused by drought, excessive heat, floods, hail, or excessive moisture in 1986."; and 100 Stat. 1783, 3341. 16 USC 590h.

(2) adding at the end of subsection (e), as amended by section 7 of this Act, the following:

"(6) With respect to payments based on adjustments made to reflect any reduction in the quality of the 1986 upland cotton crop under subsection (a)—

"(A) payments may be made to producers only to the extent payments under this section are provided for in advance in an appropriation Act, as authorized under section 6 of the Farm Disaster Assistance Act of 1987; and

"(B) the total amount of payments made to all producers may not exceed $15,000,000.".

DESIGNATION OF CERTAIN LANDS AS WETLANDS UNDER WATER BANK ACT

South Dakota.

SEC. 12. The Secretary of Agriculture shall designate as "wetlands", for purposes of section 3 of the Water Bank Act (16 U.S.C. 1302), areas in the Kingsbury, Hamlin, Lake, Miner, Brookings, and Codington Counties of the State of South Dakota that suffered from floods in 1986: *Provided,* That, notwithstanding the designation of such lands as wetlands, total payments to owners and operators under the Water Bank Program for lands in the State of South Dakota shall not exceed $1,243,000 during fiscal year 1987.

ETHANOL COST-EFFECTIVENESS STUDY

SEC. 13. (a) The Secretary of Agriculture shall, within 30 days after the date of enactment of this Act, establish a panel to conduct a study of the cost-effectiveness of ethanol production.

(b) The panel shall consist of 7 members appointed by the Secretary, of which—

(1) 4 members shall be persons who are representatives of—

(A) feed grain producers;

(B) feed grain processors;

(C) members of associations involved in the production and marketing of ethanol; and

(D) other related industries or institutions of higher education, and both; and

(2) no more than 2 of the remaining 3 members shall be employees of the Federal Government.

(c) The panel shall—

(1) review and assess the economics and cost of production factors involved in the manufacture of ethanol in modern ethanol production facilities;

(2) assess ethanol technology, production, and marketing advances that have enabled the ethanol industry to grow rapidly since the inception of the industry in 1980;

(3) assess the economic effect on United States agriculture from fuel ethanol production from United States agricultural commodities;

(4) review and analyze the tradeoffs between Federal production and marketing incentives for fuel ethanol and other agricultural programs designed to enhance farm income and adjust agricultural production;

(5) analyze the effect on the agricultural economy resulting from increasing levels of ethanol production, including increased employment, increased tax receipts, expanded economic activity, export potential of residual products, and net costs or savings;

(6) analyze the effect fuel ethanol production has on agricultural prices and farm income; and

(7) analyze the effect of increased ethanol production on the balance of trade, energy security, and air quality in the United States.

Reports.

(d) Not later than 90 days after the date of enactment of this Act, the panel shall submit a report describing the results of the study to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Secretary of Agriculture.

MARKETING LOAN REPORT

SEC. 14. If marketing loan programs are not established for the 1987 crops of wheat, feed grains, and soybeans under sections 107D(a)(5), 105C(a)(4), and 201(i)(3) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3(a)(5), 1444e(a)(4), and 1446(i)(3)) before the date of enactment of this Act, the Secretary of Agriculture, no later than July 1, 1987, shall submit to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains—

(1) a statement of the reasons for not establishing marketing loan programs for the 1987 crops of wheat, feed grains, and soybeans;

(2) a comparison of—

(A) the cost of the price support and production control programs for the 1987 crops of wheat, feed grains, and soybeans; and

(B) the cost of such programs if such marketing loan programs were established;

(3) an analysis of the effectiveness of the existing marketing loan programs for cotton and rice;

(4) a comparison of—

(A) the effectiveness of the current marketing loan programs for cotton and rice; and

(B) the effectiveness of marketing loan programs that could be established by the Secretary for wheat, feed grains, and soybeans;

(5) an analysis of whether the generic certificate program established by the Secretary produces the same effect on the price of exported grain as would be achieved by establishing marketing loan programs; and

(6) an analysis of the effect a soybean marketing loan program would have on the markets for sunflower and other oil seeds, situations in which a sunflower marketing loan program would be appropriate, and how such program would operate in conjunction with marketing loan programs for other commodities.

SUNFLOWER PRICE SUPPORT PROGRAM

SEC. 15. (a) Effective for the 1987 through 1990 crops of sunflowers, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended by—

(1) in the first sentence, inserting "sunflower seeds," after "soybeans,"; and

(2) adding at the end thereof the following new subsection:

"(l)(1) The Secretary may support the price of sunflower seeds through loans and purchases for each of the 1987 through 1990 crops of sunflowers at such level as the Secretary determines will take into account the historical price relationship between sunflower seeds and soybeans, the prevailing loan level for soybeans, and the historical oil content of sunflower seeds and soybeans, except that the level of loans and purchases may not be less than 8½ cents per pound of sunflower seeds. Loans.

"(2)(A) The Secretary may permit a producer to repay a loan made under paragraph (1) for a crop at a level that is the lesser of—

"(i) the loan level determined for such crop; or

"(ii) the prevailing world market price for sunflower seeds, as determined by the Secretary.

"(B) If the Secretary permits a producer to repay a loan in accordance with subparagraph (A), the Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for sunflower seeds; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for sunflower seeds.

"(3)(A) The Secretary may, for each of the 1987 through 1990 crops of sunflowers, make payments available to producers who, although eligible to obtain a loan or purchase agreement under paragraph (1), agree to forgo obtaining such loan or agreement in return for such payments.

"(B) A payment under this paragraph shall be computed by multiplying—

"(i) the loan payment rate; by

"(ii) the quantity of sunflower seeds the producer is eligible to place under loan.

"(C) For purposes of this paragraph, the loan payment rate shall not be less than the amount by which the loan level determined for such crop under paragraph (1) exceeds the level at which a loan may be repaid under this subsection.

"(D) At the option of the Secretary, payments to a producer under this paragraph shall be made in the form of cash or negotiable certificates redeemable for any agricultural commodity owned by the Commodity Credit Corporation, or any combination thereof.

Regulations.

"(4) For purposes of this subsection, the marketing year for sunflower seeds shall be prescribed by the Secretary by regulation.

"(5)(A) If price support is to be provided under this subsection for a crop of sunflowers, the Secretary shall make a preliminary announcement of the level of price support for sunflower seeds for the marketing year for such crop not earlier than 30 days before the beginning of the marketing year. The announced level shall be based on the latest information and statistics available at the time of the announcement.

"(B) The Secretary shall make a final announcement of such level as soon as complete information and statistics are available on prices for the 5 years preceding the beginning of the marketing year. Such final level of support may not be announced later than 30 days after the beginning of the marketing year with respect to which the announcement is made. The final level of support may not be less than the level of support provided for in the preliminary announcement.

"(6) Notwithstanding any other provision of law, the Secretary shall not require participation in any production adjustment program for sunflowers or any other commodity as a condition of eligibility for price support for sunflower seeds.".

(b) It is the sense of Congress that, if producers are permitted to repay loans for a crop of soybeans under section 201(i) of the Agricultural Act of 1949 at a level that is less than the full amount of the loan, the Secretary should—

7 USC 1446.

(1) make loans and purchases available for such crop of sunflowers in accordance with section 201(l)(1) of the Agricultural Act of 1949; and

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(2) permit producers to repay such loans in accordance with section 201(l)(2) of such Act.

Approved May 27, 1987.

LEGISLATIVE HISTORY—H.R. 1157:

HOUSE REPORTS: No. 100-25 (Comm. on Agriculture) and No. 100-91 (Comm. of Conference).
CONGRESSIONAL RECORD, Vol. 133 (1987):
Mar. 17, considered and passed House.
Apr. 21-23, considered and passed Senate, amended.
May 5, House disagreed to Senate amendments.
May 7, Senate insisted on its amendments.
May 12, Senate agreed to conference report.
May 13, House agreed to conference report.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 23 (1987):
May 27, Presidential statement.