

## Public Law 98-258

## 98th Congress

## An Act

Apr. 10, 1984

[H.R. 4072]

To make adjustments in the commodity programs for wheat, feed grains, upland cotton, and rice, to provide agricultural credit assistance, and for other purposes.

Agricultural  
Programs  
Adjustment  
Act of 1984.

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 "Agricultural Programs Adjustment Act of 1984".

## TITLE I—WHEAT

## TARGET PRICES

SEC. 101. Section 107B(b)(1)(C) of the Agricultural Act of 1949 (7 U.S.C. 1445b-1(b)(1)(C)) is amended by striking out "\$4.45 per bushel for the 1984 crop, and \$4.65 per bushel for the 1985 crop" and inserting in lieu thereof "and \$4.38 per bushel for the 1984 and 1985 crops".

## ACREAGE LIMITATION AND PAID DIVERSION PROGRAM FOR WHEAT

SEC. 102. Section 107B(e) of the Agricultural Act of 1949 (7 U.S.C. 1445b-1(e)) is amended by—

(1) striking out in the first sentence of paragraph (1)(A) "subparagraph (B)" and inserting in lieu thereof "subparagraphs (B), (C), and (D)";

(2) adding at the end of paragraph (1) the following new subparagraphs:

"(C) Notwithstanding any previous announcement to the contrary, for the 1984 crop of wheat the Secretary shall provide for a combination of (i) an acreage limitation program as described under paragraph (2) and (ii) a land diversion program as described under paragraph (5) under which the acreage planted to wheat for harvest on the farm would be limited to the acreage base for the farm reduced by not more than 30 per centum, consisting of a reduction of not more than 20 per centum under the acreage limitation program and a reduction of 10 per centum under the land diversion program, and (iii) a voluntary payment-in-kind land diversion program under which the acreage planted to wheat for harvest on the farm would be reduced by not less than 10 per centum nor more than 20 per centum of the acreage base for the farm, in addition to any reduction under the acreage limitation and land diversion programs provided for under clauses (i) and (ii), as determined by the Secretary. Under the payment-in-kind land diversion program, compensation in kind for diverted acres shall be made available to producers by the Secretary under such terms and conditions as the Secretary shall prescribe and in such amounts as the Secretary determines appropriate to encourage adequate participation in such program, except that the rate of such compensation shall not be less than 85 per centum of the farm program payment yield. As a condition of eligibility for loans, purchases, and payments on the 1984 crop of

Loans.

wheat, the producers on a farm must comply with the terms and conditions of the combined acreage limitation program and land diversion program.

“(D) For the 1985 crop of wheat the Secretary shall provide for a combination of (i) an acreage limitation program as described under paragraph (2) and (ii) a land diversion program as described under paragraph (5) under which the acreage planted to wheat for harvest on the farm would be limited to the acreage base for the farm reduced by not more than 30 per centum, consisting of a reduction of not more than 20 per centum under the acreage limitation program and a reduction of 10 per centum under the land diversion program. As a condition of eligibility for loans, purchases, and payments on the 1985 crop of wheat, the producers on a farm must comply with the terms and conditions of the combined acreage limitation program and land diversion program.”;

Loans.

(3) inserting “for the 1983 crop” immediately before the comma in the eighth sentence of paragraph (5); and

(4) inserting immediately before the last sentence of paragraph (5) the following: “Notwithstanding the foregoing provisions of this paragraph, the Secretary shall implement a land diversion program for the 1984 and 1985 crops of wheat under which the Secretary shall make crop retirement and conservation payments to any producer of the 1984 and 1985 crops of wheat whose acreage planted to wheat for harvest on the farm for each such crop is reduced so that it does not exceed the wheat acreage base for the farm less an amount equivalent to 10 per centum of the wheat acreage base in addition to the reduction required under paragraph (2), and who devotes to approved conservation uses an acreage of cropland equivalent to the reduction required from the wheat acreage base under this paragraph. Such payments shall be made in an amount computed by multiplying (i) the diversion payment rate, by (ii) the farm program payment yield for the crop, by (iii) the additional acreage diverted under this paragraph. The diversion payment rate for the 1984 and 1985 crops of wheat shall be established by the Secretary at not less than \$2.70 per bushel. The Secretary shall make not less than 50 per centum of any payments under this paragraph to producers of the 1984 and 1985 crops of wheat as soon as practicable after a producer enters into a land diversion contract with the Secretary for each such crop and in advance of any determination of performance.”.

Conservation.

#### HAYING AND GRAZING DIVERTED WHEAT ACREAGE

SEC. 103. Section 107B(e) of the Agricultural Act of 1949 (7 U.S.C. 1445b-1(e)) is amended by adding at the end thereof the following new paragraph:

“(8) Notwithstanding any other provision of this subsection, in carrying out acreage limitation, cash land diversion, and payment-in-kind land diversion programs for the 1984 crop of wheat, the Secretary shall permit, at the request of the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act for a State and subject to such terms and conditions as the Secretary may prescribe that are in no event more restrictive than those in effect for producers who participated in the payment-in-kind land diversion program for that part of the 1983 crop of wheat planted before January 11,

16 USC 590h.

1983, all or any part of the acreage diverted from production under such programs by participating producers in such State to be devoted to hay and grazing.”.

## TITLE II—FEED GRAINS

### TARGET PRICES

SEC. 201. Section 105B(b)(1)(C) of the Agricultural Act of 1949 (7 U.S.C. 1444d(b)(1)(C)) is amended by striking out “\$3.03 per bushel for the 1984 crop, and \$3.18 per bushel for the 1985 crop” and inserting in lieu thereof “and \$3.03 per bushel for the 1984 and 1985 crops”.

### ACREAGE LIMITATION AND PAID DIVERSION PROGRAM FOR FEED GRAINS

SEC. 202. Section 105B(e) of the Agricultural Act of 1949 (7 U.S.C. 1444d(e)) is amended by—

(1) striking out in the first sentence of paragraph (1)(A) “subparagraph (B)” and inserting in lieu thereof “subparagraphs (B) and (C)”;

(2) adding at the end of paragraph (1) the following new subparagraph:

Corn.

“(C) For the 1985 crop of feed grains, if the Secretary estimates that the quantity of corn on hand in the United States on September 30, 1985 (not including any quantity of corn produced in the United States during calendar year 1985), will exceed one billion one hundred million bushels, the Secretary (i) shall provide for a land diversion program as described under paragraph (5) under which the acreage planted to feed grains for harvest on the farm would be limited to the acreage base for the farm reduced by a total of not less than 5 per centum and (ii) may provide for an acreage limitation program as described under paragraph (2). If the Secretary implements a combined acreage limitation program and land diversion program, the total reduction required by the Secretary in the acreage planted to feed grains for harvest on the farm shall not exceed 20 per centum of the acreage base for the farm. Any reduction required by the Secretary in excess of 15 per centum of the acreage base for the farm shall be equally proportioned between an acreage limitation program and a land diversion program. As a condition of eligibility for loans, purchases, and payments on the 1985 crop of feed grains, if the Secretary implements a land diversion program or a combined acreage limitation and land diversion program, the producers on a farm must comply with the terms and conditions of such programs.”; and

Loans.

Conservation.

(3) in paragraph (5)—

(A) adding immediately after the sixth sentence the following new sentence: “Notwithstanding the foregoing provisions of this paragraph, if the Secretary implements a land diversion program for the 1985 crop of feed grains under the provisions of paragraph (1)(C), the Secretary shall make crop retirement and conservation payments to any producer of the 1985 crop of feed grains whose acreage planted to feed grains for harvest on the farm is reduced so that it does not exceed the feed grain acreage base for the farm less an amount equivalent to the percentage of the acreage base specified by the Secretary, but not less than 5

per centum, in addition to the reduction required under paragraph (2), if any, and who devotes to approved conservation uses an acreage of cropland equivalent to the reduction required from the feed grain acreage base under this paragraph.”;

(B) striking out “Such payments” in the eighth sentence (as redesignated under subparagraph (A) of this paragraph) and inserting in lieu thereof “Diversion payments made to producers under this paragraph”;

(C) in the ninth sentence (as redesignated under subparagraph (A) of this paragraph)—

(i) striking out “for corn” and inserting in lieu thereof “for the 1983 crop of corn”; and

(ii) inserting immediately before the period at the end thereof “, and at not less than \$1.50 per bushel for the 1985 crop of corn”; and

(D) striking out “1983 crop” in the eleventh sentence (as redesignated under subparagraph (A) of this paragraph) and inserting in lieu thereof “1983 and 1985 crops”.

#### PRICE SUPPORT TO PRODUCERS WHO CUT CORN FOR SILAGE

SEC. 203. Section 105B(a) of the Agricultural Act of 1949 (7 U.S.C. 1444d(a)) is amended by adding at the end thereof the following new paragraph:

Loans.

“(3) The Secretary may make available loans and purchases, as provided in this subsection, to producers on a farm who cut for silage corn that they have produced of the 1984 and 1985 crops and who participate in the program provided for by the Secretary under subsection (e). Such loans and purchases may be made on a quantity of corn of the same crop, other than the corn cut for silage, acquired by the producer equivalent to a quantity determined by multiplying the acreage of corn cut for silage by the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which such silage was obtained.”.

#### TITLE III—UPLAND COTTON

##### TARGET PRICES

SEC. 301. Section 103(g)(3)(B) of the Agricultural Act of 1949 (7 U.S.C. 1444(g)(3)(B)) is amended by striking out “\$0.81 per pound for the 1984 crop, and \$0.86 per pound for the 1985 crop” and inserting in lieu thereof “and \$0.81 per pound for the 1984 and 1985 crops”.

##### ACREAGE LIMITATION AND PAID DIVERSION PROGRAM FOR UPLAND COTTON

SEC. 302. Section 103(g)(9) of the Agricultural Act of 1949 (7 U.S.C. 1444(g)(9)) is amended by—

(1) in the first sentence of subparagraph (A), inserting “except as provided in the second and third sentences of this subparagraph,” immediately after the first comma;

(2) inserting immediately after the first sentence of subparagraph (A) the following new sentences: “For the 1985 crop of upland cotton, if the Secretary estimates that the quantity of

upland cotton on hand in the United States on July 31, 1985 (not including any quantity of upland cotton produced in the United States during calendar year 1985), will exceed three million seven hundred thousand bales, the Secretary (i) shall provide for a land division program as described under subparagraph (B) under which the acreage planted to upland cotton for harvest on the farm would be limited to the acreage base for the farm reduced by not less than 5 per centum and (ii) may provide for an acreage limitation program as described under this subparagraph under which the acreage planted to upland cotton for harvest on the farm would be limited to the acreage base for the farm reduced by not more than 20 per centum in addition to the reduction required under clause (i). If the Secretary implements a combined acreage limitation program and land division program, any reduction required by the Secretary in excess of 25 per centum of the acreage base for the farm shall be made under the land diversion program. As a condition of eligibility for loans, purchases, and payments on the 1985 crop of upland cotton, if the Secretary implements a land diversion program or a combined acreage limitation and land diversion program, the producers on a farm must comply with the terms and conditions of such program.”; and

Loans.

Conservation.

(3) adding at the end of subparagraph (B) the following new sentences: “Notwithstanding the foregoing provisions of this subparagraph, if the Secretary implements a land diversion program for the 1985 crop of upland cotton under the provisions of subparagraph (A), the Secretary shall make crop retirement and conservation payments to any producer of the 1985 crop of upland cotton whose acreage planted to upland cotton for harvest on the farm is reduced so that it does not exceed the upland cotton acreage base for the farm less an amount equivalent to the percentage of the acreage base specified by the Secretary, but not less than 5 per centum, in addition to the reduction required under the acreage limitation program under subparagraph (A), if any, and who devotes to approved conservation uses an acreage of cropland equivalent to the reduction required from the upland cotton acreage base under this subparagraph. Such payments shall be made in an amount computed by multiplying (i) the diversion payment rate, by (ii) the farm program payment yield for the crop, by (iii) the acreage diverted under this subparagraph. The diversion payment rate shall be established by the Secretary at not less than \$0.275 per pound: *Provided*, That if the Secretary estimates that the quantity of upland cotton on hand in the United States on July 31, 1985 (not including any quantity of upland cotton produced in the United States during calendar year 1985), will exceed (I) four million one hundred thousand bales, such rate shall be established by the Secretary at not less than \$0.30 per pound, and (II) four million seven hundred thousand bales such rate shall be established by the Secretary at not less than \$0.35 per pound. The Secretary shall make not less than 50 per centum of any payments under this subparagraph to producers of the 1985 crop as soon as practicable after a producer enters into a land diversion contract with the Secretary and in advance of any determination of performance. If a producer fails to comply with a land diversion contract after obtaining an advance payment under this subparagraph, the producer shall repay the

Contracts with  
U.S.Compliance,  
failure.



advance immediately and, in accordance with regulations issued by the Secretary, pay interest on the advance.”.

#### TITLE IV—RICE

##### TARGET PRICES

SEC. 401. Section 101(i)(2)(C) of the Agricultural Act of 1949 (7 U.S.C. 1441(i)(2)(C)) is amended by striking out “\$11.90 per hundredweight for the 1984 crop, and \$12.40 per hundredweight for the 1985 crop” and inserting in lieu thereof “and \$11.90 per hundredweight for the 1984 and 1985 crops”.

##### ACREAGE LIMITATION AND PAID DIVERSION PROGRAM FOR RICE

SEC. 402. Section 101(i)(5) of the Agricultural Act of 1949 (7 U.S.C. 1441(i)(5)) is amended by—

(1) striking out in the first sentence of subparagraph (A) “third and fourth” and inserting in lieu thereof “third, fourth, and fifth”;

(2) inserting immediately after the third sentence of subparagraph (A) the following new sentence: “For the 1985 crop of rice, if the Secretary estimates that the quantity of rice on hand in the United States on July 31, 1985 (not including any quantity of rice produced in the United States during calendar year 1985), will exceed twenty-five million hundredweight, the Secretary shall provide for a combination of an acreage limitation program as described under this subparagraph and a land diversion program as described under subparagraph (B) under which the acreage planted to rice for harvest on the farm would be limited to the acreage base for the farm reduced by a total of not less than 25 per centum, consisting of a reduction of 20 per centum under the acreage limitation program and a reduction under the land diversion program equal to the difference between the total reduction for the farm and the 20 per centum reduction under the acreage limitation program.”;

(3) striking out “1983 crop” in the fifth sentence of subparagraph (A) (as redesignated under paragraph (2) of this section) and inserting in lieu thereof “1983 and 1985 crops”;

(4) inserting immediately after the sixth sentence of subparagraph (B) the following new sentence: “Notwithstanding the foregoing provisions of this subparagraph, if the Secretary implements a land diversion program for the 1985 crop of rice under the provisions of subparagraph (A), the Secretary shall make crop retirement and conservation payments to any producer of the 1985 crop of rice whose acreage planted to rice for harvest on the farm is reduced so that it does not exceed the rice acreage base for the farm less an amount equivalent to the percentage of the acreage base specified by the Secretary, but not less than 5 per centum, in addition to the reduction required under the acreage limitation program under subparagraph (A), and who devotes to approved conservation uses an acreage of cropland equivalent to the reduction required from the rice acreage base under this subparagraph.”;

(5) striking out “Such payments” in the eighth sentence of subparagraph (B) (as redesignated under paragraph (4) of this

Conservation.

section) and inserting in lieu thereof "Diversion payments made to producers under this subparagraph";

(6) in the ninth sentence of subparagraph (B) (as redesignated under paragraph (4) of this section)—

(A) striking out "\$3.00 per hundredweight," and inserting in lieu thereof "\$3.00 per hundredweight for the 1983 crop of rice,"; and

(B) inserting immediately before the period at the end thereof "and at not less than \$2.70 per hundredweight for the 1985 crop of rice: *Provided*, That if the Secretary estimates that the quantity of rice on hand in the United States on July 31, 1985 (not including any quantity of rice produced in the United States during calendar year 1985), will exceed (I) thirty-five million hundredweight, such rate shall be established by the Secretary at not less than \$3.25 per hundredweight, and (II) forty-two million five hundred thousand hundredweight, such rate shall be established by the Secretary at not less than \$3.50 per hundredweight"; and

(7) striking out "1983 crop" in the tenth sentence of subparagraph (B) (as redesignated under paragraph (4) of this section) and inserting in lieu thereof "1983 and 1985 crops".

## TITLE V—AGRICULTURAL EXPORTS

### EXPORT ASSISTANCE

President of U.S.

SEC. 501. It is the sense of Congress that the President should implement, as soon as practicable after the enactment of this Act, the actions, proposed by the Administration to complement the provisions of this Act, to further assist in the development, maintenance, and expansion of international markets for United States agricultural commodities and products thereof, as follows—

(1) for the fiscal year ending September 30, 1984, the President will—

(A) request congressional approval for the appropriation of funds in the amount of \$150,000,000, in addition to the President's February 1984 request for a supplemental appropriation of \$90,000,000, to carry out programs of assistance under titles I, II, and III of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480); and

(B) direct the Secretary of Agriculture to increase funding, over the current budgeted level, for the Export Credit Guarantee Program (GSM-102), carried out through the Commodity Credit Corporation, by not less than \$500,000,000; and

(2) for the fiscal year ending September 30, 1985, the President will—

(A) request congressional approval for the appropriation of funds in the amount of at least \$175,000,000, in addition to the current funding level contained in the President's budget for that year, to carry out programs of assistance under titles I, II, and III of Public Law 480;

(B) direct the Secretary of Agriculture to increase funding, over the levels contained in the President's budget for that year or otherwise required by law, by not less than

\$1,100,000,000 for the Export Credit Guarantee Program (GSM-102) and by not less than \$100,000,000 for direct export credit programs carried out through the Commodity Credit Corporation (GSM-5, GSM-201, and GSM-301); and (C) request or use an additional amount of \$50,000,000 (over the amounts specified in clauses (2)(A) and (2)(B)) either for increased funding for direct export credit programs carried out through the Commodity Credit Corporation or for additional assistance under Public Law 480, in such proportions as determined necessary and appropriate by the President.

7 USC 1691 note.

EXPANDED AUTHORITY FOR THE USE ABROAD OF COMMODITY CREDIT CORPORATION STOCKS; ACQUISITION AND DONATION OF ULTRA-HIGH TEMPERATURE PROCESSED MILK

SEC. 502. Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by—

- (1) inserting "(a)" immediately after "SEC. 416.";
  - (2) striking out "section" each place that word appears and inserting in lieu thereof "subsection"; and
  - (3) adding at the end thereof the following new subsections:
- "(b) Dairy products and wheat acquired by the Commodity Credit Corporation through price support operations, which the Secretary determines meet the criteria specified in subsection (a), may be furnished by the Secretary for carrying out title II of the Agricultural Trade Development and Assistance Act of 1954, as approved by the Secretary, and for such purposes as approved by the Secretary. The provisions of section 203 of that Act shall apply to commodities furnished under this subsection. Agreements may be entered into under this subsection to provide dairy products and wheat in installments over an extended period of time. To the maximum extent practicable, expedited procedures shall be used in implementing the provisions of this subsection. Commodities and products furnished under this subsection may be sold or bartered, as approved by the Secretary, solely as follows: (1) sales and barter which are incidental to the donation of the commodities or products, (2) sales and barter, the proceeds of which are used to finance the distribution, handling, and processing costs of the donated commodities in the importing country or other activities in the importing country that are consistent with providing food assistance to needy people, and (3) sales and barter of commodities and products donated to intergovernmental organizations, insofar as they are consistent with normal programming procedures in the distribution of commodities by those organizations. Except as provided in the foregoing sentence, no portion of the proceeds or services realized from such sales or barter may be used to meet operating and overhead expenses. The cost of commodities furnished under this subsection and expenses incurred under section 203 of that Act in connection therewith shall be in addition to the level of assistance programmed under that Act and shall not be considered expenditures for international affairs and finance. Notwithstanding the foregoing provisions of this subsection, dairy products and wheat may not be made available for disposition under this subsection in amounts that will, in any way, reduce the amounts of commodities that traditionally are made available through donations to domestic feeding programs or agencies.

Dairy products.  
Wheat.

7 USC 1721.

7 USC 1723.

Marketing.



Disadvantaged  
persons.

Gifts and  
property.

7 USC 1691 note.

*Ante*, p. 130.

Report.

Emergency  
Agricultural  
Credit Act of  
1984.

7 USC 1921 note.

42 USC 5121  
note.

“(c) To prevent the waste of dairy products acquired by the Commodity Credit Corporation through price support operations, the Corporation, on such terms and under such regulations as the Secretary may prescribe, shall carry out a two-year pilot program under which the Corporation shall barter or exchange such dairy products, to the extent they are available, for forty thousand metric tons (consisting of twenty thousand metric tons in each year of the pilot program) of ultra-high temperature processed fluid milk. Such barter or exchange shall be effected on the basis of competitive bids submitted by domestic processors. The processed milk acquired by the Corporation under this subsection shall be available for donation through foreign governments and public and nonprofit private humanitarian organizations for the assistance of needy persons outside the United States, and the Corporation may pay, with respect to such processed milk donated under this subsection, transporting, handling, and other charges, including the cost of overseas delivery. Any donations under this subsection shall be coordinated through the mechanism designated by the President to coordinate assistance under the Agricultural Trade Development and Assistance Act of 1954 and shall be in addition to the level of assistance programmed under that Act. The pilot program shall be implemented by the Corporation as soon as practicable after the enactment of the Agricultural Programs Adjustment Act of 1984 and shall be operated for a period of two years after its implementation. Upon completion of the pilot program, the Secretary shall submit a report to Congress on its operation.”

## TITLE VI—AGRICULTURAL CREDIT

### SHORT TITLE

SEC. 601. This title may be cited as the “Emergency Agricultural Credit Act of 1984”.

### NATURAL DISASTER EMERGENCY LOANS

SEC. 602. (a) Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by adding at the end thereof the following new sentences: “The Secretary shall accept applications from, and make or insure loans pursuant to the requirements of this subtitle to, applicants, otherwise eligible under this subtitle, that conduct farming, ranching, or aquaculture operations in any county contiguous to a county where the Secretary has found that farming, ranching, or aquaculture operations have been substantially affected by a natural disaster in the United States or by a major disaster or emergency designated by the President under the Disaster Relief Act of 1974. The Secretary shall accept applications for assistance under this subtitle from persons affected by a natural disaster at any time during the eight-month period beginning (A) on the date on which the Secretary determines that farming, ranching, or aquaculture operations have been substantially affected by such natural disaster or (B) on the date the President makes the major disaster or emergency designation with respect to such natural disaster, as the case may be.”

(b) Section 324(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964(d)) is amended by adding at the end thereof the following new sentence: “If farm assets (including land, live-

stock, and equipment) are used as collateral to secure a loan made under this subtitle, the Secretary shall value the assets based on the higher of (A) the value of the assets on the day before the date the governor of the State in which the farm is located requests assistance under this subtitle or the Disaster Relief Act of 1974 for any portion of such State affected by the disaster with respect to which the application for the loan is made, or (B) the value of the assets one year before such day."

42 USC 5121  
note.

(c) the amendments made by this section shall be applicable to disasters occurring after May 30, 1983.

7 USC 1961 note.

#### ECONOMIC EMERGENCY LOANS

SEC. 603. Section 211 of the Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961 note) is amended by—

- (1) inserting "(a)" immediately before "The provisions"; and
- (2) adding at end thereof the following new subsection:

Insurance.

"(b) With respect to the economic emergency loan program operated under this title during the period beginning December 22, 1983, and ending September 30, 1984, the Secretary—

"(1) shall make available to eligible applicants during such period new contracts of insurance totaling, in the aggregate, \$310,000,000, and

"(2) as appropriate to achieve the goals of the economic emergency loan program and taking into consideration the amount of funds used for loan guarantees, may make available to eligible applicants during such period additional new contracts of insurance totaling, in the aggregate, not more than \$290,000,000."

#### OPERATING LOANS

SEC. 604. (a) Section 313 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943) is amended by striking out "\$100,000, or, in the case of a loan guaranteed by the Secretary, \$200,000" and inserting in lieu thereof "\$200,000, or, in the case of a loan guaranteed by the Secretary, \$400,000".

(b) Section 316(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(b)) is amended by—

- (1) in the second sentence, inserting "(or, in the case of loans for farm operating purposes, fifteen years)" after "seven years"; and

(2) in the fifth sentence, striking out "The interest rate" and inserting in lieu thereof "Except as otherwise provided for farm loans under section 331B of this title, the interest rate".

Infra.

#### FARM LOAN INTEREST RATES

SEC. 605. The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by inserting after section 331A the following new section:

"SEC. 331B. Any loan for farm ownership purposes under subtitle A of this title, farm operating purposes under subtitle B of this title, or disaster emergency purposes under subtitle C of this title, other than a guaranteed loan, that is deferred, consolidated, rescheduled, or reamortized under this title shall, notwithstanding any other provision of this title, bear interest on the balance of the original

7 USC 1981b.  
7 USC 1922,  
1941.  
7 USC 1961.

loan and for the term of the original loan at a rate that is the lower of (1) the rate of interest on the original loan or (2) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time of the deferral, consolidation, rescheduling, or reamortization.”.

#### CONFLICTS OF INTEREST

SEC. 606. Section 336 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1986) is amended by—

(1) designating the first, second, and third sentences as subsections (a), (c), and (d), respectively; and

(2) inserting after subsection (a) (as designated under clause (a) of this section) the following new subsection:

“(b) Except as otherwise provided in this subsection, no officer or employee of the Department of Agriculture who acts on or reviews an application made by any person under this title for a loan to purchase land may acquire, directly or indirectly, any interest in such land for a period of three years after the date on which such action is taken or such review is made. This prohibition shall not apply to a former member of a county committee provided for in section 332 of this title upon a determination by the Secretary, prior to the acquisition of such interest, that such former member acted in good faith when acting on or reviewing such application.”.

7 USC 1982.

#### LIMITED RESOURCE BORROWERS

SEC. 607. Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended by adding at the end thereof the following new subsection:

“(e)(1) Notwithstanding any other provision of law, not less than 20 per centum of the loans for farm ownership purposes under subtitle A of this title, and not less than 20 per centum of the loans for farm operating purposes under subtitle B of this title, authorized to be insured, or made to be sold and insured, from the Agricultural Credit Insurance Fund during fiscal year 1984 shall be for low-income, limited-resource borrowers.

7 USC 1922.

7 USC 1941.

“(2) The Secretary shall provide notification to farm borrowers under this title, as soon as practicable after the date of enactment of the Emergency Agricultural Credit Act of 1984 and in the normal course of loan making and loan servicing operations, of the provisions of this title relating to low-income, limited-resource borrowers and the procedures by which persons may apply for loans under the low-income, limited-resource borrower program.”.

*Ante*, p. 138.

#### AMORTIZATION OF DELINQUENT FARMERS HOME ADMINISTRATION LOANS

SEC. 608. Notwithstanding any other provision of law, the Secretary of Agriculture may develop and implement a program for the amortization of delinquent Farmers Home Administration loans

7 USC 1981 note.

from future revenues generated by timber crops planted and managed on lands previously used to produce commodities or pasture and subject to Farmers Home Administration liens. The Secretary shall submit a report to Congress by October 1, 1984, outlining the feasibility of such program and the plan for its implementation.

Report.

Approved April 10, 1984.

# SECTION 1. INCOME TAXES ON CERTAIN MILITARY AND CIVILIAN EMPLOYEES OF THE UNITED STATES DURING AS A RESULT OF BUREAU SUBSTANTIATION OVERSEAS

(a) GENERAL RULE.—Section 642 of the Internal Revenue Code of 1954 (relating to income taxes of members of the Armed Forces in death) is amended by adding at the end thereof the following new subsection:

"(c) CERTAIN MILITARY OR CIVILIAN EMPLOYEES OF THE UNITED STATES DURING AS A RESULT OF BUREAU SUBSTANTIATION OVERSEAS.—(1) IN GENERAL.—In the case of any individual who dies while a military or civilian employee of the United States, if such death occurs as a result of wounds or injury incurred outside the United States in a terrorist or military action, any tax imposed by this subtitle shall not apply—

"(A) with respect to the taxable year in which falls the date of his death; and

"(B) with respect to any prior taxable year in the period beginning with the last taxable year ending before the taxable year in which the wounds or injury were incurred.

"(2) TERRORISM OR MILITARY ACTION.—For purposes of paragraph (1), the term 'terrorist or military action' means—

"(A) any terrorist activity directed against the United States or any of its allies; and

"(B) any military action involving the Armed Forces of the United States and resulting from violence or aggression against the United States or any of its allies (or threat thereof).

For purposes of the preceding sentence, the term 'military action' does not include training exercises.

"(3) TREATMENT OF INTERNATIONAL FORCES.—For purposes of paragraph (2), any international force in which the United States is participating shall be treated as an ally of the United States."

## LEGISLATIVE HISTORY—H.R. 4072:

HOUSE REPORT No. 98-646 (Comm. of Conference).

## CONGRESSIONAL RECORD:

Vol. 129 (1983): Nov. 16, considered and passed House.

Vol. 130 (1984): Mar. 20, 21, 22, considered and passed Senate, amended.

Apr. 2, Senate agreed to conference report.

Apr. 3, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 20, No. 15 (1984):

Apr. 10, Presidential statement.