

105TH CONGRESS
1ST SESSION

H. R. 1864

To provide for a gradual reduction in the loan rate for peanuts, to repeal peanut quotas for the 2002 and subsequent crops, and to make non-recourse loans available for peanut producers.

IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 1997

Mr. SHAYS (for himself, Mrs. LOWEY, Mr. ANDREWS, Mr. BARRETT of Wisconsin, Mr. BASS, Ms. CARSON, Mr. CASTLE, Mr. CHABOT, Mr. COYNE, Mr. DELLUMS, Mr. DOYLE, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. FAWELL, Mr. FOGLIETTA, Mr. FRANKS of New Jersey, Mr. FRELINGHUYSEN, Mr. GEKAS, Mr. HINCHEY, Mr. HOBSON, Mr. HOLDEN, Mr. HUTCHINSON, Mr. KANJORSKI, Mr. KLUG, Mr. KNOLLENBERG, Mr. KOLBE, Mr. LaFALCE, Mr. LaTOURETTE, Mr. LIPINSKI, Mr. LoBIONDO, Mr. McINTOSH, Mrs. MALONEY of New York, Mr. MARKEY, Mr. MARTINEZ, Mr. McHALE, Mr. MEEHAN, Mr. MENENDEZ, Mr. MILLER of Florida, Mrs. MORELLA, Mr. NEUMANN, Mr. OLVER, Mr. PACKARD, Mr. PORTER, Mr. PORTMAN, Mr. QUINN, Mr. RAMSTAD, Ms. RIVERS, Mr. ROHRABACHER, Mr. ROTHMAN, Mrs. ROUKEMA, Mr. ROYCE, Mr. SCHUMER, Mr. SENSENBRENNER, Mr. SKAGGS, Mr. SMITH of New Jersey, Mr. SOUDER, Mr. STARK, Mr. TORRES, Mr. VISCLOSKY, and Mr. WAMP) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for a gradual reduction in the loan rate for peanuts, to repeal peanut quotas for the 2002 and subsequent crops, and to make nonrecourse loans available for peanut producers.

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

3 **SECTION 1. REDUCTION IN LOAN RATES FOR PEANUTS.**

4 Section 155(a) of the Agricultural Market Transition
 5 Act (7 U.S.C. 7271(a)(2)) is amended by striking para-
 6 graph (2) and inserting the following new paragraph:

7 “(2) LOAN RATE.—The national average quota
 8 loan rate for quota peanuts shall be as follows:

9 “(A) \$610 per ton for the 1997 crop.

10 “(B) \$550 per ton for the 1998 crop.

11 “(C) \$515 per ton for the 1999 crop.

12 “(D) \$480 per ton for the 2000 crop.

13 “(E) \$445 per ton for the 2001 crop.”.

14 **SEC. 2. FUTURE TERMINATION OF PRICE SUPPORT AND**
 15 **MARKETING QUOTA PROGRAMS FOR PEA-**
 16 **NUTS.**

17 (a) EFFECTIVE DATE.—The amendments made by
 18 this section shall take effect October 1, 2001, and shall
 19 apply with respect to the 2002 and subsequent crops of
 20 peanuts.

21 (b) PRICE SUPPORT.—Section 155 of the Agricul-
 22 tural Market Transition Act (7 U.S.C. 7271) is repealed.

23 (c) MARKETING QUOTA.—Part VI of subtitle B of
 24 title III of the Agricultural Adjustment Act of 1938 (7
 25 U.S.C. 1357–1359a), relating to peanuts, is repealed.

1 (d) CONFORMING AMENDMENTS.—The Agricultural
2 Act of 1949 (7 U.S.C. 1441 et seq.) is amended—

3 (1) in section 101(b) (7 U.S.C. 1441(b)), by
4 striking “*and peanuts*”; and

5 (2) in section 408(c) (7 U.S.C. 1428(c)), by
6 striking “peanuts,”.

7 (e) PROHIBITION ON SUBSEQUENT PROVISION OF
8 PRICE SUPPORT.—

9 (1) PROHIBITION.—After the effective date of
10 this section, except as provided in section 3, the Sec-
11 retary of Agriculture may not make price support
12 available, whether in the form of loans, purchases,
13 or other operations, to peanut producers for the
14 2002 and subsequent crops of peanuts by using the
15 funds of the Commodity Credit Corporation or under
16 the authority of any law.

17 (2) OUTSTANDING LOANS.—Notwithstanding
18 paragraph (1), the Secretary shall settle any out-
19 standing loans under section 155 of the Agricultural
20 Market Transition Act (title I of Public Law 104–
21 127; 7 U.S.C. 7271) made before the effective date
22 of this section with regard to the 2001 and previous
23 crops of peanuts.

24 (f) CONTINUED LIABILITY OF PRODUCERS.—An
25 amendment made by this section shall not affect the liabil-

1 ity of any person under any provision of law as in effect
2 before the effective date of this section.

3 **SEC. 3. NONRECOURSE LOANS FOR PEANUT PRODUCERS.**

4 (a) NONRECOURSE LOANS AVAILABLE.—For each of
5 the 2002 and subsequent crops of peanuts produced in
6 the United States, the Secretary of Agriculture shall make
7 available to producers on a farm a nonrecourse loan for
8 peanuts produced on the farm. The loans shall be made
9 under terms and conditions that are prescribed by the Sec-
10 retary and at the loan rate established under subsection
11 (b).

12 (b) LOAN RATE.—The loan rate for a nonrecourse
13 loan under this section for peanuts shall be—

14 (1) not less than 85 percent of the simple aver-
15 age price received by producers of peanuts, as deter-
16 mined by the Secretary, during the marketing years
17 for the immediately preceding five crops of peanuts,
18 excluding the year in which the average price was
19 the highest and the year in which the average price
20 was the lowest in the period; but

21 (2) not more than \$350 per ton.

22 (c) TERM OF LOAN.—A nonrecourse loan for peanuts
23 under this section shall have a term of 9 months beginning
24 on the first day of the first month after the month in

1 which the loan is made. The Secretary may not extend
2 the term of the loan.

3 (d) REPAYMENT RATES.—The Secretary shall permit
4 a producer to repay a nonrecourse loan for peanuts under
5 this section at a rate that is the lesser of—

6 (1) the loan rate established under subsection
7 (b), plus interest (as determined by the Secretary);
8 or

9 (2) a rate that the Secretary determines will—

10 (A) minimize potential loan forfeitures;

11 (B) minimize the accumulation of stocks of
12 peanuts by the Federal Government;

13 (C) minimize the cost incurred by the Fed-
14 eral Government in storing the peanuts; and

15 (D) allow peanuts produced in the United
16 States to be marketed freely and competitively,
17 both domestically and internationally.

18 (e) LOAN DEFICIENCY PAYMENTS.—

19 (1) AVAILABILITY.—The Secretary may make
20 loan deficiency payments available to peanut produc-
21 ers who, although eligible to obtain a nonrecourse
22 loan under this section, agree to forgo obtaining the
23 loan for the commodity in return for payments
24 under this subsection.

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

4 (A) the loan payment rate determined
5 under paragraph (3); by

6 (B) the quantity of peanuts that the pro-
7 ducers on a farm are eligible to place under
8 loan but for which the producers forgo obtain-
9 ing the loan in return for payments under this
10 subsection.

11 (3) LOAN PAYMENT RATE.—For purposes of
12 this subsection, the loan payment rate shall be the
13 amount by which—

14 (A) the loan rate established under sub-
15 section (b); exceeds

16 (B) the rate at which a loan for the pea-
17 nuts may be repaid under subsection (d).

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