

105TH CONGRESS  
2D SESSION

# H. R. 4272

To amend the Agricultural Market Transition Act to provide an alternative single payment for production flexibility contracts.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 17, 1998

Mr. THUNE (for himself, Mr. LUCAS of Oklahoma, and Mr. MORAN of Kansas) introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To amend the Agricultural Market Transition Act to provide an alternative single payment for production flexibility contracts.

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. SHORT TITLE.**

4 This Act may be cited as the “Farm Life Extension  
5 Act of 1998”.

6 **SEC. 2. ALTERNATIVE SINGLE PAYMENT.**

7 (a) IN GENERAL.—Section 112(d) of the Agricultural  
8 Market Transition Act (7 U.S.C. 7212(d)) is amended—

1           (1) in paragraph (1), by striking “An” and in-  
2       serting “Except as provided in paragraph (3), an”;  
3       and

4           (2) by adding at the end the following:

5           “(3) SINGLE PAYMENT ALTERNATIVE.—The  
6       Secretary may, at the request of an eligible owner or  
7       producer, and in lieu of annual contract payments,  
8       make a single payment representing the present  
9       value, as of the time the single payment is made, of  
10      the right to receive the remaining annual contract  
11      payments that would otherwise be made under the  
12      contract. Any single payment made under this para-  
13      graph shall be conditioned on the owner or producer  
14      irrevocably assigning to the Secretary or the des-  
15      ignee of the Secretary the right of the owner or pro-  
16      ducer to receive the full amount of the remaining  
17      annual contract payments that would otherwise be  
18      made under the contract in lieu of the single pay-  
19      ment.”.

20          (b) PAYMENT LIMITATIONS.—Paragraphs (1) and  
21      (2) of section 1001 of the Food Security Act of 1985 (7  
22      U.S.C. 1308) are each amended by striking “The total”  
23      and inserting “Except a single payment under section  
24      112(d)(3) of the Agricultural Market Transition Act, the  
25      total”.

1 **SEC. 3. FINANCING THROUGH THE FEDERAL AGRICUL-**  
2 **TURAL MORTGAGE CORPORATION.**

3 (a) ISSUANCE OF SECURITIES.—

4 (1) IN GENERAL.—Notwithstanding the Farm  
5 Credit Act of 1971, the Federal Agricultural Mort-  
6 gage Corporation may issue securities, at the request  
7 of the Secretary of Agriculture, to raise funds suffi-  
8 cient to cover the amount (if any) by which Federal  
9 outlays made in any fiscal year for single payments  
10 under section 112(d)(3) of the Agricultural Market  
11 Transition Act exceed the Federal outlays that  
12 would have been made in the fiscal year for the an-  
13 nual contract payments in lieu of which the single  
14 payments are made.

15 (2) TERMS AND CONDITIONS.—Each security  
16 issued pursuant to paragraph (1) shall be issued  
17 subject to such terms and conditions as the Sec-  
18 retary of Agriculture deems appropriate. Sections  
19 8.32, 8.33, and 8.34 of the Farm Credit Act of 1971  
20 shall not apply to any on- or off-balance sheet asset  
21 created or acquired by the Federal Agricultural  
22 Mortgage Corporation under this Act.

23 (b) USE OF PROCEEDS FROM SECURITY SALES.—

24 The proceeds from the sales of securities issued pursuant  
25 to subsection (a) shall be covered into the Treasury of the  
26 United States as a miscellaneous receipt.

1       (c) ADMINISTRATIVE AUTHORITIES.—The Secretary  
2 of Agriculture may issue such regulations, enter into such  
3 contracts, and take such other actions as the Secretary  
4 determines are necessary or appropriate to implement this  
5 Act.

6       (d) ASSIGNMENT OF ANNUAL PAYMENTS.—To the  
7 extent that the Federal Agricultural Mortgage Corpora-  
8 tion provides funds under this Act, the Secretary of Agri-  
9 culture shall ensure that all annual contract payments  
10 that would otherwise be made under any contract in lieu  
11 of a single payment under section 112(d)(3) of the Agri-  
12 cultural Market Transition Act are assigned to the Fed-  
13 eral Agricultural Mortgage Corporation and are so paid  
14 regardless of the status of the owner or producer assigning  
15 the payments or the status of the land in respect of which  
16 the payments were to be made.

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