

105TH CONGRESS
2D SESSION

H. R. 4690

To respond to the needs of United States farmers experiencing exceptionally low commodity prices and extensive crop failures.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 2, 1998

Mr. MINGE (for himself and Mr. POMEROY) introduced the following bill;
which was referred to the Committee on Agriculture

A BILL

To respond to the needs of United States farmers experiencing exceptionally low commodity prices and extensive crop failures.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Emergency Agricultural Response Act of 1998”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Use of disaster reserve authority to provide disaster assistance to certain producers.

Sec. 3. Uncapping loan rates for marketing assistance loans for certain crops.

Sec. 4. Extension of marketing assistance loans.

Sec. 5. Reinstatement of farmer-owned reserve program.

Sec. 6. Strategic food reserve of loan commodities.

Sec. 7. Improved delivery of Farm Service Agency services at local and area level.

Sec. 8. Temporary conservation reserve to respond to disease infestations.

Sec. 9. Special crop insurance rules for counties subject to disaster declaration.

1 **SEC. 2. USE OF DISASTER RESERVE AUTHORITY TO PRO-**
 2 **VIDE DISASTER ASSISTANCE TO CERTAIN**
 3 **PRODUCERS.**

4 (a) PROVISION OF ASSISTANCE.—Section 813(a) of
 5 the Agricultural Act of 1970 (7 U.S.C. 1427a(a)) is
 6 amended by adding at the end the following:

7 “The Secretary shall use funds appropriated for the
 8 purposes of this section to make cash payments to agricul-
 9 tural producers to augment crop insurance benefits for the
 10 purpose of alleviating distress caused by multiple year
 11 crop losses.”

12 (b) APPROPRIATIONS.—There is hereby appropriated,
 13 out of any money in the Treasury not otherwise appro-
 14 priated, \$1,200,000,000 for the reserve established under
 15 section 813 of the Agricultural Act of 1970 (7 U.S.C.
 16 1427a).

17 (c) DESIGNATION OF EMERGENCY.—The amount ap-
 18 propriated under subsection (b) shall be available only to
 19 the extent that the President submits to Congress an offi-
 20 cial budget request for a specific dollar amount that in-
 21 cludes designation of the entire amount of the request as
 22 an emergency requirement for the purposes of the Bal-

1 anced Budget and Emergency Deficit Control Act of 1985
 2 (2 U.S.C. 900 et seq.). The entire amount of the funds
 3 is designated by Congress as an emergency requirement
 4 under section 251(b)(2)(A) of the Balanced Budget and
 5 Emergency Deficit Control Act of 1985 (2 U.S.C.
 6 901(b)(2)(A)).

7 **SEC. 3. UNCAPPING LOAN RATES FOR MARKETING ASSIST-**
 8 **ANCE LOANS FOR CERTAIN CROPS.**

9 (a) WHEAT.—Subsection (a)(1) of section 132 of the
 10 Agricultural Market Transition Act (7 U.S.C. 7232) is
 11 amended—

12 (1) in subparagraph (A), by striking “5 crops”
 13 and inserting “7 crops”; and

14 (2) in subparagraph (B), by striking “not more
 15 than” and inserting “not less than”.

16 (b) FEED GRAINS.—Subsection (b)(1) of such section
 17 is amended—

18 (1) in subparagraph (A), by striking “5 crops”
 19 and inserting “7 crops”; and

20 (2) in subparagraph (B), by striking “not more
 21 than” and inserting “not less than”; in subpara-
 22 graph (A), by striking “5 crops” and inserting “7
 23 crops”; and

24 (2) in subparagraph (B), by striking “not more
 25 than” and inserting “not less than”.

1 (c) UPLAND COTTON.—Subsection (c) of such section
2 is amended—

3 (1) in paragraph (1)—

4 (A) in the matter before the subpara-
5 graphs, by striking “the smaller of” and insert-
6 ing “the greater of”; and

7 (B) in subparagraph (A), by striking “dur-
8 ing 3 years of the 5-year period” and inserting
9 “during 5 years of the 7-year period”; and

10 (2) in paragraph (2), by striking “or more than
11 \$0.5192 per pound”.

12 (d) EXTRA LONG STAPLE COTTON.—Subsection (d)
13 of such section is amended—

14 (1) in paragraph (1), by striking “during 3
15 years of the 5-year period” and inserting “during 5
16 years of the 7-year period”; and

17 (2) in paragraph (2), by striking “not more
18 than” and inserting “not less than”.

19 (e) RICE.—Subsection (e) of such section is amended
20 by inserting “not less than” after “shall be”.

21 (f) OILSEEDS.—Subsection (f) of such section is
22 amended—

23 (1) in paragraph (1)(A), by striking “5 crops”
24 and inserting “7 crops”;

1 (2) in paragraph (1)(B), by striking “or more
2 than \$5.26”; and

3 (3) in paragraph (2)(B), by striking “or more
4 than \$0.093”.

5 **SEC. 4. EXTENSION OF MARKETING ASSISTANCE LOANS.**

6 Section 133 of the Agricultural Market Transition
7 Act (7 U.S.C. 7233) is amended by striking subsection
8 (c) and inserting the following:

9 “(c) EXTENSION.—The Secretary may extend the
10 term of marketing assistance loans made to producers
11 under this subtitle for any loan commodity for a 6-month
12 period if the Secretary determines that the extension will
13 promote the orderly delivery of the loan commodity, mate-
14 rially reduce program costs to the Government, or result
15 in a significant improvement in income for producers.”.

16 **SEC. 5. REINSTATEMENT OF FARMER-OWNED RESERVE**
17 **PROGRAM.**

18 Section 171(b)(1) of the Agricultural Market Transi-
19 tion Act (7 U.S.C. 7301(b)(1)) is amended by striking
20 subparagraph (E).

21 **SEC. 6. STRATEGIC FOOD RESERVE OF LOAN COMMOD-**
22 **ITIES.**

23 Subtitle C of the Agricultural Market Transition Act
24 (7 U.S.C. 7231 et seq.) is amended by adding at the end
25 the following new section:

1 **“SEC. 138. STRATEGIC FOOD RESERVE.**

2 “(a) RESERVE REQUIRED.—The Secretary shall
3 build a reserve stock of a loan commodity whenever prices
4 for that commodity fall below 75 percent of the loan rate
5 for marketing assistance loans for that commodity.

6 “(b) METHODS OF ACQUISITION.—Loan commodities
7 for inclusion in the reserve may be acquired—

8 “(1) through purchases—

9 “(A) from producers; or

10 “(B) in the market, if the Secretary deter-
11 mines that the purchases will not unduly dis-
12 rupt the market; or

13 “(2) by designation by the Secretary of stocks
14 of loan commodities of the Commodity Credit Cor-
15 poration.

16 “(c) RELEASE OF ELIGIBLE COMMODITIES.—The
17 Secretary may release stocks of a loan commodity in the
18 reserve only when there is such a domestic shortage of
19 the loan commodity that—

20 (1) widespread concern exists about the supply
21 of affordable food for residents of the United States;
22 and

23 (2) prices for the commodity exceed 200 per-
24 cent of the loan rate for marketing assistance loans
25 for the commodity.

1 “(d) ADMINISTRATION.—To the maximum extent
2 practicable consistent with the fulfillment of the purposes
3 of this section and the effective and efficient administra-
4 tion of this section, the Secretary shall use the usual and
5 customary channels, facilities, arrangements, and prac-
6 tices of trade and commerce to release stocks of a loan
7 commodity maintained in the reserve. The Secretary shall
8 administer the release of stocks from the reserve so as to
9 ensure that the prices received by agricultural producers
10 of that commodity are not depressed as a result of the
11 release.

12 “(e) LIMITATION ON TOTAL QUANTITY ACQUIRED.—
13 The Secretary may not acquire for inclusion in the reserve
14 more than 25 percent of the average annual production
15 of a loan commodity.

16 “(f) MANAGEMENT OF COMMODITIES.—The Sec-
17 retary shall provide—

18 “(1) for the management of loan commodities
19 in the reserve, including the selection of storage lo-
20 cations; and

21 “(2) for the periodic rotation or replacement of
22 stocks of loan commodities in the reserve to avoid
23 spoilage and deterioration of the commodities.

24 “(g) USE OF COMMODITY CREDIT CORPORATION.—
25 The funds, facilities, and authorities of the Commodity

1 Credit Corporation shall be used by the Secretary in carry-
2 ing out this section, except that any restriction applicable
3 to the acquisition, storage, or disposition of commodities
4 owned or controlled by the Commodity Credit Corporation
5 shall not apply.”.

6 **SEC. 7. IMPROVED DELIVERY OF FARM SERVICE AGENCY**
7 **SERVICES AT LOCAL AND AREA LEVEL.**

8 (a) TRANSFER OF FUNDS FOR FISCAL YEAR 1999.—
9 To ensure the prompt response of the Farm Service Agen-
10 cy during fiscal year 1999 to requests submitted by pro-
11 ducers, the Secretary of Agriculture may transfer to the
12 Farm Service Agency from other appropriations or funds
13 available to the agencies or corporations of the Depart-
14 ment of Agriculture an amount equal to not more than
15 25 percent of the operating budget for that fiscal year of
16 local and area offices of the Farm Service Agency.
17 Amounts transferred under this subsection may be used
18 only for activities at local and area offices of the Farm
19 Service Agency.

20 (b) SUBSEQUENT YEARS.—The Secretary of Agri-
21 culture shall include in the materials submitted to Con-
22 gress in support of the budget request for the Department
23 of Agriculture for each fiscal year a certification that the
24 amount requested for the operation of local and area of-

1 fices of the Farm Service Agency will be sufficient to meet
 2 the expected needs of agricultural producers for services.

3 **SEC. 8. TEMPORARY CONSERVATION RESERVE TO RE-**
 4 **SPOND TO DISEASE INFESTATIONS.**

5 Subtitle D of title XII of the Food Security Act of
 6 1985 (16 U.S.C. 3801 et seq.) is amended by inserting
 7 after section 1256 the following new section:

8 **“SEC. 1257. THREE-YEAR CONSERVATION RESERVE FOR**
 9 **DISEASED CROPLANDS.**

10 “(a) RESERVE REQUIRED.—Using the authority pro-
 11 vided in subchapter B, the Secretary shall formulate and
 12 carry out the enrollment of lands described in subsection
 13 (b) in a conservation reserve program through the use of
 14 contracts to assist owners and operators of such lands to
 15 combat plant diseases that have devastated the lands.

16 “(b) ELIGIBLE LANDS.—The Secretary shall include
 17 in the program only those croplands that have been dev-
 18 astated by a plant disease for which effective responses
 19 are reasonably anticipated within four years, but are oth-
 20 erwise suitable for the production of crops or livestock.

21 “(c) TERM OF CONTRACT.—A contract under this
 22 section shall have a term of three years.”.

1 **SEC. 9. SPECIAL CROP INSURANCE RULES FOR COUNTIES**

2 **SUBJECT TO DISASTER DECLARATION.**

3 (a) MULTI-PERIL CROP INSURANCE.—For purposes
4 of administering the Federal Crop Insurance Act (7
5 U.S.C. 1501 et seq.) for producers operating in a county
6 described in subsection (c), the Secretary of Agriculture
7 may not—

8 (1) include the producer in any nonstandard
9 classification list on account of the inclusion of the
10 county in a designated disaster area; or

11 (2) determine, without the consent of the pro-
12 ducer, the actual production history of the producer
13 using production records of any crop year during
14 which the county was included in a designated disas-
15 ter area.

16 (b) EXCEPTION.—Subsection (a) shall not apply to
17 a disaster that the Secretary of Agriculture determines is
18 a reoccurring, frequent, and well-known risk of farming
19 in the locale, and the risks cannot reasonably be expected
20 to be controlled or eliminated by crop protection efforts
21 within a 7-year period.

22 (c) COVERED COUNTIES.—This section applies with
23 respect to a county that is included in whole or in part
24 in a designated disaster area.

1 (d) DESIGNATED DISASTER AREA DEFINED.—In
2 this section, the term “designated disaster area” means
3 an area—

4 (1) covered by a Presidential declaration of
5 major disaster issued under section 401 of the Rob-
6 ert T. Stafford Disaster Relief and Emergency As-
7 sistance Act (42 U.S.C. 5170) on account of damag-
8 ing weather or a related condition in the area; or

9 (2) determined to be a disaster area by the Sec-
10 retary of Agriculture under subpart A of part 1945
11 of title 7, Code of Federal Regulations, on account
12 of damaging weather or a related condition in the
13 area.

14 (e) EFFECTIVE DATE.—This section shall apply be-
15 ginning with the 1999 crop year for each commodity that
16 is grown in a covered county and for which multi-peril
17 crop insurance is generally available in the United States.

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