

105TH CONGRESS
2D SESSION

S. 2396

To amend the Agricultural Adjustment Act to require the Secretary of Agriculture to establish a pilot program under which milk producers and cooperatives will be permitted to enter into forward price contracts with milk handlers.

IN THE SENATE OF THE UNITED STATES

JULY 31, 1998

Mr. LUGAR introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Agricultural Adjustment Act to require the Secretary of Agriculture to establish a pilot program under which milk producers and cooperatives will be permitted to enter into forward price contracts with milk handlers.

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. DAIRY FORWARD PRICING PILOT PROGRAM.**

4 The Agricultural Adjustment Act (7 U.S.C. 601 et
5 seq.), reenacted with amendments by the Agricultural
6 Marketing Agreement Act of 1937, is amended by adding
7 at the end the following:

1 **“SEC. 23. DAIRY FORWARD PRICING PILOT PROGRAM.**

2 “(a) IN GENERAL.—Not later than 90 days after the
3 date of enactment of this section, the Secretary of Agri-
4 culture shall establish a pilot program under which milk
5 producers and cooperatives are authorized to voluntarily
6 enter into forward price contracts with milk handlers.

7 “(b) MINIMUM MILK PRICE REQUIREMENTS.—Pay-
8 ments made by milk handlers to milk producers and co-
9 operatives, and prices received by milk producers and co-
10 operatives, under the forward contracts shall be deemed
11 to satisfy all regulated minimum milk price requirements
12 of paragraphs (A), (B), (C), (D), (F), and (J) of sub-
13 section (5), and subsections (7)(B) and (18), of section
14 8c.

15 “(c) APPLICATION.—This section shall apply only
16 with respect to the marketing of federally regulated milk
17 (regardless of its use) that is in the current of interstate
18 or foreign commerce or that directly burdens, obstructs,
19 or affects interstate or foreign commerce in federally regu-
20 lated milk.

21 “(d) TERMINATION OF EFFECTIVENESS.—The au-
22 thority provided by this section terminates 3 years after
23 the date of the establishment of the pilot program under
24 subsection (a).”.

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