

106TH CONGRESS  
1ST SESSION

# H. R. 217

To authorize the provision of economic assistance to certain hog producers  
in response to current disastrously low prices for hogs.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1999

Mr. NUSSLE (for himself, Mr. LEACH, and Mr. LATHAM) introduced the  
following bill; which was referred to the Committee on Agriculture

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## A BILL

To authorize the provision of economic assistance to certain  
hog producers in response to current disastrously low  
prices for hogs.

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. NONRECOURSE MARKETING ASSISTANCE**  
4               **LOANS FOR CERTAIN HOG PRODUCERS.**

5       (a) NONRECOURSE LOANS AUTHORIZED.—

6               (1) IN GENERAL.—In order to assist hog pro-  
7       ducers described in paragraph (2) to market their  
8       hogs in an orderly manner during a period of disas-  
9       trously low prices, from October 1, 1998, to Septem-  
10      ber 30, 1999, the Secretary of Agriculture may

1        make available to such producers nonrecourse mar-  
2        keting assistance loans for hogs produced by such  
3        producers. The loans shall be made under terms and  
4        conditions prescribed by the Secretary and at the  
5        loan rate determined under subsection (b).

6            (2) ELIGIBLE HOG PRODUCERS.—To be eligible  
7        for a loan under this section, a producer shall mar-  
8        ket not more than 5,000 hogs during the period  
9        specified in paragraph (1).

10        (b) LOAN RATE.—The loan rate of a marketing as-  
11        sistance loan under this section shall be—

12            (1) 85 percent of the average price for live hogs  
13        during the preceding five-calendar years, excluding  
14        the year in which the average price was the highest  
15        and the year in which the average price was the low-  
16        est in the period; but

17            (2) not more than \$30 per hundredweight.

18        (c) TERM OF LOAN.—A marketing assistance loan  
19        under this section shall have a term of nine months begin-  
20        ning on the first day of the first month after the month  
21        in which the loan is made. The Secretary may not extend  
22        the term of the loan.

23        (d) REPAYMENT RATES.—The Secretary shall permit  
24        a producer to repay a marketing assistance loan under this  
25        section at a rate that is the lesser of—

1           (1) the loan rate established under subsection  
2           (b), plus interest (as determined by the Secretary);  
3           or

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

5                   (A) minimize potential loan forfeitures;

6                   (B) minimize the accumulation of stocks of  
7           the commodity by the Federal Government;

8                   (C) minimize the cost incurred by the Fed-  
9           eral Government in storing the commodity; and

10                  (D) allow the commodity produced in the  
11           United States to be marketed freely and com-  
12           petitively, both domestically and internationally.

13           (e) AVAILABILITY OF LOAN DEFICIENCY PAY-  
14   MENTS.—

15           (1) IN GENERAL.—The Secretary may make  
16           loan deficiency payments available to producers who,  
17           although eligible to obtain a marketing assistance  
18           loan under this section, agree to forgo obtaining the  
19           loan in return for payments under this subsection.

20           (2) COMPUTATION.—A loan deficiency payment  
21           under this subsection shall be computed by  
22           multiplying—

23                   (A) the loan payment rate determined  
24           under paragraph (3); by

1           (B) the quantity of the loan commodity  
2           that the producers on a farm are eligible to  
3           place under loan but for which the producers  
4           forgo obtaining the loan in return for payments  
5           under this subsection.

6           (3) LOAN PAYMENT RATE.—For purposes of  
7           this subsection, the loan payment rate shall be the  
8           amount by which—

9                   (A) the loan rate established under sub-  
10                  section (b) and in effect; exceeds

11                   (B) the rate at which a loan for the com-  
12                  modity may be repaid under subsection (d).

13           (f) PAYMENT LIMITATION.—The total gain that a  
14           person may receive under this section from the repayment  
15           of a marketing assistance loan under this section or the  
16           receipt of loan deficiency payments under subsection (e)  
17           may not exceed \$75,000.

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