

106TH CONGRESS
1ST SESSION

H. R. 2704

To amend the Agricultural Act of 1949 to restore and improve the farmer owned reserve program, to extend the term of marketing assistance loans made under the Agricultural Market Transition Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 4, 1999

Mr. MINGE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Act of 1949 to restore and improve the farmer owned reserve program, to extend the term of marketing assistance loans made under the Agricultural Market Transition Act, and for other purposes.

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 “Farmer Owned Reserve Restoration Act of 1999”.

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

Sec. 1. Short title; table of contents.

TITLE I—FARMER OWNER RESERVE PROGRAM

- Sec. 101. Restoration of farmer owner reserve program.
- Sec. 102. Covered commodities.
- Sec. 103. Interest charges.
- Sec. 104. Storage payments.
- Sec. 105. Quantity of commodities in program.
- Sec. 106. Announcement of program.
- Sec. 107. Withdrawal of commodities.

TITLE II—OTHER PROVISIONS

- Sec. 201. Term of marketing assistance loans.
- Sec. 202. Farm storage facility loans.

1 **TITLE I—FARMER OWNER**
2 **RESERVE PROGRAM**
3 **SEC. 101. RESTORATION OF FARMER OWNER RESERVE**
4 **PROGRAM.**

5 (a) REPEAL OF CURRENT SUSPENSION OF PRO-
6 GRAM.—Section 171(b)(1) of the Agricultural Market
7 Transition Act (7 U.S.C. 7301(b)(1)) is amended—
8 (1) by striking subparagraph (E); and
9 (2) by redesignating subparagraphs (F)
10 through (L) as subparagraphs (E) through (K),
11 respectively.

12 (b) RESUMPTION OF PROGRAM.—Subsection (p) of
13 section 110 of the Agricultural Act of 1949 (7 U.S.C.
14 1445e) is amended to read as follows:

15 “(p) RESUMPTION OF PROGRAM.—This section shall
16 take effect on the date of the enactment of the Farmer
17 Owned Reserve Restoration Act of 1999.”.

1 (c) RELATION TO CURRENT COMMODITY LOAN PRO-
 2 GRAM.—Section 110(b) of the Agricultural Act of 1949
 3 (7 U.S.C. 1445e(b)) is amended—

4 (1) in paragraph (1), by striking “9-month
 5 price support”; and

6 (2) in paragraphs (1) and (2), by striking “this
 7 title” both places it appears and inserting “subtitle
 8 C of the Agricultural Market Transition Act (7
 9 U.S.C. 7231 et seq.)”.

10 **SEC. 102. COVERED COMMODITIES.**

11 (a) INCLUSION OF OILSEEDS.—Subsection (a) of sec-
 12 tion 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e)
 13 is amended—

14 (1) by striking “wheat and feed grains” both
 15 places it appears and inserting “covered commod-
 16 ities”; and

17 (2) by adding at the end the following new sen-
 18 tence: “In this section, the term ‘covered commodity’
 19 means wheat, a feed grain, or an oilseed (as defined
 20 in section 102 of the Agricultural Market Transition
 21 Act (7 U.S.C. 7202)).”.

22 (b) CONFORMING AMENDMENTS.—Such section is
 23 further amended—

24 (1) in subsection (b)—

1 (A) in paragraph (1), by striking “wheat
2 and feed grains” and inserting “covered com-
3 modities”; and

4 (B) in paragraph (2), by striking “under
5 the wheat and feed grain programs” and insert-
6 ing “for the covered commodity”;

7 (2) in subsection (c), by striking “wheat or feed
8 grains” both places it appears and inserting “the
9 covered commodity”;

10 (3) in subsection (d)(1), by striking “wheat or
11 feed grains” and inserting “a covered commodity”;

12 (4) in subsection (f), by striking “wheat and
13 feed grains” and inserting “covered commodities”;
14 and

15 (5) in subsection (g)—

16 (A) in paragraph (1), by striking “wheat
17 and feed grains” and inserting “a covered com-
18 modity”;

19 (B) in paragraph (2)—

20 (i) by striking “wheat or feed grains”
21 in the matter before the subparagraphs
22 and inserting “a covered commodity”; and

23 (ii) in subparagraph (A), by striking
24 “wheat or corn” both places it appears and
25 inserting “wheat, corn, or oilseeds”;

1 (C) in paragraph (3)—

2 (i) by striking “wheat or feed grains”
3 the first place it appears and inserting “a
4 covered commodity”; and

5 (ii) by striking “wheat or feed grains,
6 respectively” and inserting “that covered
7 commodity”; and

8 (D) in paragraph (4), by striking “wheat
9 or feed grains” and inserting “covered commod-
10 ities”.

11 **SEC. 103. INTEREST CHARGES.**

12 Section 110(c) of the Agricultural Act of 1949 (7
13 U.S.C. 1445e(c)) is amended—

14 (1) in paragraph (1), by striking “105 percent
15 of the then current established price for the com-
16modity” and inserting “150 percent of the loan rate
17 for the commodity under this section”; and

18 (2) in paragraph (2), by striking “105 percent
19 of the established price for the commodities” and in-
20serting “150 percent of the loan rate for the com-
21modity under this section”.

22 **SEC. 104. STORAGE PAYMENTS.**

23 Section 110(d) of the Agricultural Act of 1949 (7
24 U.S.C. 1445e(d)) is amended by striking paragraphs (2)
25 and (3) and inserting the following:

1 “(2) TIMING.—The Secretary shall make stor-
 2 age payments available to participants in this
 3 program—

4 “(A) at the end of each quarter; or

5 “(B) at the option of the Secretary, not
 6 more than 1 year in advance of the date the
 7 payments would otherwise be payable under
 8 subparagraph (A).

9 “(3) DURATION.—The Secretary shall cease
 10 making storage payments for a covered commodity
 11 whenever the price of the commodity is equal to or
 12 exceeds 140 percent of loan rate for the commodity
 13 under this section, and for any 90-day period imme-
 14 diately following the last day on which the price of
 15 the commodity was equal to or in excess of 140 per-
 16 cent of the loan rate for the commodity under this
 17 section.”.

18 **SEC. 105. QUANTITY OF COMMODITIES IN PROGRAM.**

19 Section 110(f) of the Agricultural Act of 1949 (7
 20 U.S.C. 1445e(f)) is amended—

21 (1) in paragraph (1), by striking “less than 300
 22 million bushels, nor more than 450 million bushels”
 23 and inserting “more than 500,000,000 bushels”;

24 (2) in paragraph (2), by striking “less than 600
 25 million bushels, nor more than 900 million bushels”

1 and inserting “more than 1,000,000,000 bushels”;
2 and

3 (3) by adding at the end the following new
4 paragraph:

5 “(3) The maximum quantities of all oilseeds
6 may not be established at more than 500,000,000
7 bushels.”.

8 **SEC. 106. ANNOUNCEMENT OF PROGRAM.**

9 Section 110(g) of the Agricultural Act of 1949 (7
10 U.S.C. 1445e(g)) is amended—

11 (1) in paragraph (1)—

12 (A) by striking “and” at the end of sub-
13 paragraph (A);

14 (B) by striking the period at the end of
15 subparagraph (B) and inserting “; and”; and

16 (C) by inserting at the end the following
17 new subparagraph:

18 “(C) in the case of oilseeds, such date as
19 the Secretary considers to be appropriate.”; and

20 (2) in paragraph (2)—

21 (A) in subparagraph (A), by inserting “or
22 established pursuant to” after “specified in”;
23 and

24 (B) in subparagraph (B)—

1 (i) in the matter before the clauses, by
 2 inserting “or established pursuant to”
 3 after “specified in”;

4 (ii) by striking “and” at the end of
 5 clause (i);

6 (iii) by striking the period at the end
 7 of clause (ii) and inserting “; and”; and

8 (iv) by inserting at the end the fol-
 9 lowing new clause:
 10 “(iii) in the case of oilseeds, more
 11 than 17.5 percent.”;

12 **SEC. 107. WITHDRAWAL OF COMMODITIES.**

13 Subsection (h) of section 110 of the Agricultural Act
 14 of 1949 (7 U.S.C. 1445e) is amended to read as follows:

15 “(h) WITHDRAWAL OF COVERED COMMODITIES.—In
 16 the case of a producer that has a covered commodity
 17 stored under this section, if the price of the covered com-
 18 modity is—

19 “(1) less than 140 percent of the loan rate for
 20 that covered commodity under this section, the pro-
 21 ducer may—

22 “(A) withdraw the commodity from storage
 23 and repay any loan made for the commodity
 24 under this section; or

1 “(B) continue to store the commodity
 2 under this section and receive storage payments
 3 for the commodity under subsection (d);

4 “(2) at least 140 percent, but less than 150
 5 percent, of the loan rate for that covered commodity
 6 under this section, the producer may continue to
 7 store the commodity under this section, but shall not
 8 be eligible for storage payments for the commodity
 9 under subsection (d); or

10 “(3) 150 percent or more of the loan rate for
 11 that covered commodity under this section, the pro-
 12 ducer shall withdraw the commodity from storage
 13 under this section and repay any loan made for the
 14 commodity under this section.”.

15 **TITLE II—OTHER PROVISIONS**

16 **SEC. 201. TERM OF MARKETING ASSISTANCE LOANS.**

17 Section 133(a) of the Agricultural Market Transition
 18 Act (7 U.S.C. 7233(a)) is amended by striking “9
 19 months” and inserting “21 months”.

20 **SEC. 202. FARM STORAGE FACILITY LOANS.**

21 (a) LOANS FOR CONSTRUCTION OR REMODELING.—
 22 To encourage the storage of dry or high moisture grain,
 23 soybeans, and rice, and high moisture forage and silage
 24 on farms, where the commodities can be stored at the low-
 25 est cost, the Commodity Credit Corporation shall make se-

1 cured storage facility loans not to exceed \$50,000 to grow-
2 ers of such commodities to cover not less than 75 percent
3 of the total construction cost of such a facility, including
4 the cost of structural and equipment foundations, elec-
5 trical systems, grain handling systems, drying equipment,
6 and site preparation. The Corporation may also make
7 loans in such amounts not to exceed \$50,000 to cover re-
8 modeling costs of existing storage facilities, as are set
9 forth in regulations issued by the Secretary of Agriculture.

10 (b) FACILITY SIZE.—The size of such a facility for
11 which a loan is obtained shall be based upon the amount
12 of space required to store the quantity of the commodity
13 estimated to be produced by the borrower during a two-
14 year period.

15 (c) LOAN PERIOD.—Loans under this section shall
16 be for a period not to exceed 10 years at an interest rate
17 based upon the rate of interest charged the Corporation
18 by the United States Treasury.

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