

106TH CONGRESS  
1ST SESSION

# H. R. 2843

To provide emergency assistance to farmers and ranchers in the United States.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 1999

Mr. HAYES (for himself and Mr. FLETCHER) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committees on the Budget, and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide emergency assistance to farmers and ranchers  
in the United States.

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 Assistance for Farmers and Ranchers Act of  
6       1999”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Emergency requirement.

#### TITLE I—CROP LOSS ASSISTANCE

- Sec. 101. Crop loss assistance.

#### TITLE II—MARKET LOSS ASSISTANCE

- Sec. 201. Assistance for producers of contract commodities.
- Sec. 202. Assistance for producers of soybeans and other oilseeds.
- Sec. 203. Assistance for producers of specialty crops.
- Sec. 204. Assistance for producers of peanuts.
- Sec. 205. Assistance for producers of tobacco.

#### TITLE III—TEMPORARY REMOVAL OF LIMIT ON LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS

- Sec. 301. Removal of limit on authorized amount of marketing loan gains and loan deficiency payments.

#### TITLE IV—UPLAND COTTON PRICE COMPETITIVENESS

- Sec. 401. Upland cotton price competitiveness.

#### TITLE V—ASSISTANCE FOR LIVESTOCK AND DAIRY PRODUCERS

- Sec. 501. Assistance for livestock and dairy producers.

#### TITLE VI—CROP INSURANCE

- Sec. 601. Premium schedule for additional coverage.
- Sec. 602. Premium schedule for other plans of insurance.
- Sec. 603. Adjustment in actual production history to establish insurable yields.

#### TITLE VII—FREEDOM TO MARKET

- Sec. 701. GAO report.
- Sec. 702. Prohibition on unilateral agricultural or medical sanctions.
- Sec. 703. Annual reports by Secretary of Agriculture.
- Sec. 704. Actions by Department of Agriculture.
- Sec. 705. Definition.

#### TITLE VIII—EMERGENCY CONSERVATION PROGRAM

- Sec. 801. Funding for emergency conservation program.

### 1 **SEC. 2. EMERGENCY REQUIREMENT.**

2       Notwithstanding the last sentence of section 252(e)  
3 of the Balanced Budget and Emergency Deficit Control  
4 Act of 1985, amounts made available by this Act are des-  
5 ignated by the Congress as an emergency requirement

1 pursuant to section 252(e) of the Balanced Budget and  
 2 Emergency Deficit Control Act of 1985: *Provided*, That  
 3 such amounts shall be available only to the extent that  
 4 an official budget request that includes designation of the  
 5 entire amount of the request as an emergency requirement  
 6 as defined in the Balanced Budget and Emergency Deficit  
 7 Control Act of 1985, is transmitted by the President to  
 8 Congress.

## 9 **TITLE I—CROP LOSS** 10 **ASSISTANCE**

### 11 **SEC. 101. CROP LOSS ASSISTANCE.**

12 (a) IN GENERAL.—The Secretary of Agriculture shall  
 13 administer a program under which emergency financial as-  
 14 sistance is made available to producers on a farm who  
 15 have incurred losses associated with crops due to disasters  
 16 (as determined by the Secretary).

17 (b) LOSSES INCURRED FOR 1999 CROP.—Subject to  
 18 section 2, the Secretary shall use not more than  
 19 \$1,000,000,000 to make available assistance to producers  
 20 on a farm who have incurred losses in the 1999 crop due  
 21 to disasters.

22 (c) QUALIFYING LOSSES.—Assistance under this sec-  
 23 tion may be made for losses associated with crops that  
 24 are due to, as determined by the Secretary—

25 (1) quantity losses;

1           (2) quality (including, but not limited to,  
2       aflatoxin) losses; or

3           (3) severe economic losses due to damaging  
4       weather or related condition.

5       (d) CROPS COVERED.—Assistance under this section  
6       shall be applicable to losses for all crops (including losses  
7       of trees from which a crop is harvested), as determined  
8       by the Secretary, due to disasters.

9       (e) CROP INSURANCE.—

10           (1) ADMINISTRATION.—In carrying out this  
11       section, the Secretary shall not discriminate against  
12       or penalize producers on a farm who have purchased  
13       crop insurance under the Federal Crop Insurance  
14       Act (7 U.S.C. 1501 et seq.).

15           (2) ENCOURAGING FUTURE CROP INSURANCE  
16       PARTICIPATION.—Subject to section 2, the Sec-  
17       retary, acting through the Federal Crop Insurance  
18       Corporation, may use the funds made available  
19       under subsection (b), and only those funds, to pro-  
20       vide premium refunds or other assistance to pur-  
21       chasers of crop insurance for their 1999 insured  
22       crops, or their preceding (including 1999) insured  
23       crops.

24           (3) PRODUCERS WHO HAVE NOT PURCHASED  
25       CROP INSURANCE FOR 1999 CROP.—As a condition of

1 receiving assistance under this section, producers on  
2 a farm who have not purchased crop insurance for  
3 the 1999 crop under that Act shall agree by contract  
4 to purchase crop insurance for the 2000 and 2001  
5 crops produced by the producers.

6 (4) LIQUIDATED DAMAGES.—

7 (A) IN GENERAL.—The contract under  
8 paragraph (3) shall provide for liquidated dam-  
9 ages to be paid by the producers due to the fail-  
10 ure of the producers to purchase crop insurance  
11 as provided in paragraph (3).

12 (B) NOTICE OF DAMAGES.—The amount  
13 of the liquidated damages shall be established  
14 by the Secretary and specified in the contract  
15 agreed to by the producers.

16 (5) FUNDING FOR CROP INSURANCE PURCHASE  
17 REQUIREMENT.—Subject to section 2, such sums as  
18 may be necessary, to remain available until ex-  
19 pended, shall be available to the Federal Crop Insur-  
20 ance Corporation to cover costs incurred by the Cor-  
21 poration as a result of the crop insurance purchase  
22 requirement of paragraph (3). Funds made available  
23 under subsection (b) may not be used to cover such  
24 costs.

## **TITLE II—MARKET LOSS ASSISTANCE**

### **SEC. 201. ASSISTANCE FOR PRODUCERS OF CONTRACT COMMODITIES.**

(a) IN GENERAL.—The Secretary of Agriculture shall use not more than \$5,544,453,000 for assistance to owners and producers on a farm who are eligible for final payments for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) to partially compensate the owners and producers for the loss of markets for the 1999 crop of a commodity.

(b) AMOUNT.—The amount of assistance made available to owners and producers on a farm under this section shall be proportional to the amount of the contract payment received by the owners and producers for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act.

(c) TIME FOR PAYMENT.—The assistance made available under this section for an eligible owner or producer shall be made as soon as practicable after the date of enactment of this Act.

(d) USE OF COMMODITY CREDIT CORPORATION.—Subject to subsection (e), the Secretary shall use the

1 funds, facilities, and authorities of the Commodity Credit  
2 Corporation to carry out this section.

3 **SEC. 202. ASSISTANCE FOR PRODUCERS OF SOYBEANS AND**  
4 **OTHER OILSEEDS.**

5 (a) IN GENERAL.—Notwithstanding any other provi-  
6 sion of law, the Secretary of Agriculture shall use not less  
7 than \$475,000,000 of funds of the Commodity Credit Cor-  
8 poration to make payments to producers of the 1999 crop  
9 of oilseeds that are eligible to obtain a marketing assist-  
10 ance loan under section 131 of the Agricultural Market  
11 Transition Act (7 U.S.C. 7231).

12 (b) COMPUTATION.—A payment to producers on a  
13 farm under this section shall be computed by  
14 multiplying—

15 (1) a payment rate determined by the Sec-  
16 retary; by

17 (2) the quantity of oilseeds that the producers  
18 on the farm are eligible to place under loan under  
19 section 131 of that Act.

20 (c) LIMITATION.—Payments made under this section  
21 shall be considered to be contract payments for the pur-  
22 poses of section 1001(1) of the Food Security Act of 1985  
23 (7 U.S.C. 1308(1)).

1 **SEC. 203. ASSISTANCE FOR PRODUCERS OF SPECIALTY**  
2 **CROPS.**

3 The Secretary of Agriculture shall use not more than  
4 \$50,000,000 of funds of the Commodity Credit Corpora-  
5 tion to provide assistance to producers of fruits and vege-  
6 tables in a manner determined by the Secretary.

7 **SEC. 204. ASSISTANCE FOR PRODUCERS OF PEANUTS.**

8 (a) ASSISTANCE AVAILABLE.—The Secretary of Agri-  
9 culture shall use such amounts as are necessary to provide  
10 payments to producers of quota peanuts or additional pea-  
11 nuts to partially compensate the producers for continuing  
12 low commodity prices, and increasing costs of production,  
13 for the 1999 crop year.

14 (b) AMOUNT.—The amount of a payment made to  
15 producers on a farm of quota peanuts or additional pea-  
16 nuts under subsection (a) shall be equal to the product  
17 obtained by multiplying—

18 (1) the quantity of quota peanuts or additional  
19 peanuts produced or considered produced by the pro-  
20 ducers under section 155 of the Agricultural Market  
21 Transition Act (7 U.S.C. 7271); by

22 (2) an amount equal to 5 percent of the loan  
23 rate established for quota peanuts or additional pea-  
24 nuts, respectively, under section 155 of that Act.



1 **SEC. 205. ASSISTANCE FOR PRODUCERS OF TOBACCO.**

2       The Secretary of Agriculture shall use \$328,000,000  
3 of funds of the Commodity Credit Corporation to make  
4 distributions to tobacco growers in accordance with the  
5 formulas established under the National Tobacco Grower  
6 Settlement Trust.

7 **TITLE III—TEMPORARY RE-**  
8 **MOVAL OF LIMIT ON LOAN**  
9 **DEFICIENCY PAYMENTS AND**  
10 **MARKETING LOAN GAINS**

11 **SEC. 301. REMOVAL OF LIMIT ON AUTHORIZED AMOUNT OF**  
12 **MARKETING LOAN GAINS AND LOAN DEFI-**  
13 **CIENCY PAYMENTS.**

14       Section 1001(2) of the Food Security Act of 1985  
15 (7 U.S.C. 1308(2)) is amended by adding at the end the  
16 following new sentence: “However, this limitation shall not  
17 apply during the 1999 and 2000 crop years.”.

18 **TITLE IV—UPLAND COTTON**  
19 **PRICE COMPETITIVENESS**

20 **SEC. 401. UPLAND COTTON PRICE COMPETITIVENESS.**

21       (a) IN GENERAL.—Section 136(a) of the Agricultural  
22 Market Transition Act (7 U.S.C. 7236(a)) is amended—

23               (1) in paragraph (1), by striking “or cash pay-  
24               ments” and inserting “or cash payments, at the op-  
25               tion of the recipient,”;

1           (2) by striking “3 cents per pound” each place  
2           it appears and inserting “1.25 cents per pound”;

3           (3) in the first sentence of paragraph (3)(A), by  
4           striking “owned by the Commodity Credit Corpora-  
5           tion in such manner, and at such price levels, as the  
6           Secretary determines will best effectuate the pur-  
7           poses of cotton user marketing certificates” and in-  
8           serting “owned by the Commodity Credit Corpora-  
9           tion or pledged to the Commodity Credit Corpora-  
10          tion as collateral for a loan in such manner, and at  
11          such price levels, as the Secretary determines will  
12          best effectuate the purposes of cotton user mar-  
13          keting certificates, including enhancing the competi-  
14          tiveness and marketability of United States cotton”;  
15          and

16          (4) by striking paragraph (4).

17          (b) ENSURING THE AVAILABILITY OF UPLAND COT-  
18          TON.—Section 136(b) of the Agricultural Market Transi-  
19          tion Act (7 U.S.C. 7236(b)) is amended—

20               (1) by striking paragraph (1) and inserting the  
21               following:

22               “(1) ESTABLISHMENT.—

23                       “(A) IN GENERAL.—The President shall  
24                       carry out an import quota program during the

1 period ending July 31, 2003, as provided in this  
2 subsection.

3 “(B) PROGRAM REQUIREMENTS.—Except  
4 as provided in subparagraph (C), whenever the  
5 Secretary determines and announces that for  
6 any consecutive 4-week period, the Friday  
7 through Thursday average price quotation for  
8 the lowest-priced United States growth, as  
9 quoted for Middling (M) 1<sup>3</sup>/<sub>32</sub>-inch cotton, deliv-  
10 ered C.I.F. Northern Europe, adjusted for the  
11 value of any certificate issued under subsection  
12 (a), exceeds the Northern Europe price by more  
13 than 1.25 cents per pound, there shall imme-  
14 diately be in effect a special import quota.

15 “(C) TIGHT DOMESTIC SUPPLY.—During  
16 any month for which the Secretary estimates  
17 the season-ending United States upland cotton  
18 stocks-to-use ratio, as determined under sub-  
19 paragraph (D), to be below 16 percent, the Sec-  
20 retary, in making the determination under sub-  
21 paragraph (B), shall not adjust the Friday  
22 through Thursday average price quotation for  
23 the lowest-priced United States growth, as  
24 quoted for Middling (M) 1<sup>3</sup>/<sub>32</sub>-inch cotton, deliv-

1           ered C.I.F. Northern Europe, for the value of  
2           any certificates issued under subsection (a).

3           “(D) SEASON-ENDING UNITED STATES  
4           STOCKS-TO-USE RATIO.—For the purposes of  
5           making estimates under subparagraph (C), the  
6           Secretary shall, on a monthly basis, estimate  
7           and report the season-ending United States up-  
8           land cotton stocks-to-use ratio, excluding pro-  
9           jected raw cotton imports but including the  
10          quantity of raw cotton that has been imported  
11          into the United States during the marketing  
12          year.”; and

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

14          “(7) LIMITATION.—The quantity of cotton en-  
15          tered into the United States during any marketing  
16          year under the special import quota established  
17          under this subsection may not exceed the equivalent  
18          of 5 week’s consumption of upland cotton by domes-  
19          tic mills at the seasonally adjusted average rate of  
20          the 3 months immediately preceding the first special  
21          import quota established in any marketing year.”.

22          (c) REMOVAL OF SUSPENSION OF MARKETING CER-  
23          TIFICATE AUTHORITY.—Section 171(b)(1) of the Agricul-  
24          tural Market Transition Act (7 U.S.C. 7301(b)(1)) is  
25          amended—

1 (1) by striking subparagraph (G); and

2 (2) by redesignating subparagraphs (H)  
3 through (L) as subparagraphs (G) through (K), re-  
4 spectively.

5 (d) REDEMPTION OF MARKETING CERTIFICATES.—  
6 Section 115 of the Agricultural Act of 1949 (7 U.S.C.  
7 1445k) is amended—

8 (1) by redesignating subsections (a), (b), and  
9 (c) as subsections (b), (c), and (d), respectively;

10 (2) by inserting immediately before subsection  
11 (b) (as so redesignated) the following new sub-  
12 section:

13 “(a) In making payments or in-kind payments under  
14 any of the annual programs for wheat, feed grains, oil-  
15 seeds, upland cotton, or rice, the Secretary shall make  
16 such payments available, at the option of the producer,  
17 in marketing certificates which the Commodity Credit  
18 Corporation shall redeem for a commodity in accordance  
19 with regulations prescribed by the Secretary.”;

20 (3) in subsection (b) (as so redesignated)—

21 (A) by striking “in-kind payments under  
22 any of the annual programs for wheat, feed  
23 grains, upland cotton, or rice (other than nego-  
24 tiable marketing certificates for upland cotton

1 or rice)” and inserting “the payments and in-  
2 kind payments as provided in subsection (a)”;

3 (B) by striking “and” at the end of para-  
4 graph (1);

5 (C) by striking “Corporation.” at the end  
6 of paragraph (2) and inserting in lieu thereof  
7 “Corporation; and”; and

8 (D) by adding at the end the following new  
9 paragraph:

10 “(3) redeem marketing certificates for cash  
11 under such terms and conditions as are established  
12 by the Secretary.”;

13 (4) in subsection (c) (as so redesignated), by  
14 striking “negotiable certificates” and inserting  
15 “marketing certificates”;

16 (5) in subsection (d) (as so redesignated)—

17 (A) by striking “commodity certificate”  
18 and inserting “marketing certificate”; and

19 (B) by striking “marketing promotion pro-  
20 gram” and inserting “marketing assistance pro-  
21 gram”; and

22 (6) by adding at the end the following new sub-  
23 sections:

24 “(e) The Secretary shall establish procedures for re-  
25 deeming marketing certificates for cash or marketing or

1 exchange of the certificates for agricultural commodities  
2 owned by the Commodity Credit Corporation or pledged  
3 to the Commodity Credit Corporation as collateral for a  
4 marketing assistance loan in such manner, and at such  
5 price levels, as the Secretary determines will best effec-  
6 tuate the purposes of marketing certificates including en-  
7 hancing the competitiveness and marketability of the  
8 United States commodities.

9 “(f) Marketing certificates issued in accordance with  
10 this section may be transferred to other persons in accord-  
11 ance with regulations issued by the Secretary.”.

12 **TITLE V—ASSISTANCE FOR LIVE-**  
13 **STOCK AND DAIRY PRO-**  
14 **DUCERS**

15 **SEC. 501. ASSISTANCE FOR LIVESTOCK AND DAIRY PRO-**  
16 **DUCERS.**

17 The Secretary of Agriculture shall use \$350,000,000  
18 of funds of the Commodity Credit Corporation to provide  
19 assistance to livestock and dairy producers for losses of  
20 pasture and hay crops due to disasters (as determined by  
21 the Secretary). The funds may not be used to compensate  
22 the owners and producers for the loss of markets for live-  
23 stock products.

1       **TITLE VI—CROP INSURANCE**

2       **SEC. 601. PREMIUM SCHEDULE FOR ADDITIONAL COV-**  
3               **ERAGE.**

4           (a) PREMIUM AMOUNTS.—Section 508(d)(2) of the  
5 Federal Crop Insurance Act (7 U.S.C. 1508(d)(2)) is  
6 amended by striking subparagraphs (B) and (C) and in-  
7 serting the following new subparagraph:

8                       “(B) In the case of additional coverage  
9                       equal to or greater than 50 percent of the re-  
10                      corded or appraised average yield indemnified  
11                      at not greater than 100 percent of the expected  
12                      market price, or an equivalent coverage, the  
13                      amount of the premium shall—

14                      “(i) be sufficient to cover anticipated  
15                      losses and a reasonable reserve; and

16                      “(ii) include an amount for operating  
17                      and administrative expenses, as determined  
18                      by the Corporation, on an industry-wide  
19                      basis as a percentage of the amount of the  
20                      premium used to define loss ratio.”.

21           (b) PAYMENT SCHEDULE.—Section 508(e)(2) of the  
22 Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is  
23 amended by striking subparagraphs (B) and (C) and in-  
24 serting the following new subparagraphs:



1           “(B) In the case of additional coverage  
2           equal to or greater than 50 percent, but less  
3           than 55 percent, of the recorded or appraised  
4           average yield indemnified at not greater than  
5           100 percent of the expected market price, or an  
6           equivalent coverage, the amount shall be equal  
7           to the sum of—

8                   “(i) 67 percent of the amount of the  
9                   premium established under subsection  
10                  (d)(2)(B)(i) for the coverage level selected;  
11                  and

12                  “(ii) the amount determined under  
13                  subsection (d)(2)(B)(ii) for the coverage  
14                  level selected to cover operating and ad-  
15                  ministrative expenses.

16           “(C) In the case of additional coverage  
17           equal to or greater than 55 percent, but less  
18           than 65 percent, of the recorded or appraised  
19           average yield indemnified at not greater than  
20           100 percent of the expected market price, or an  
21           equivalent coverage, the amount shall be equal  
22           to the sum of—

23                   “(i) 64 percent of the amount of the  
24                   premium established under subsection

1 (d)(2)(B)(i) for the coverage level selected;  
2 and

3 “(ii) the amount determined under  
4 subsection (d)(2)(B)(ii) for the coverage  
5 level selected to cover operating and ad-  
6 ministrative expenses.

7 “(D) In the case of additional coverage  
8 equal to or greater than 65 percent, but less  
9 than 75 percent, of the recorded or appraised  
10 average yield indemnified at not greater than  
11 100 percent of the expected market price, or an  
12 equivalent coverage, the amount shall be equal  
13 to the sum of—

14 “(i) 59 percent of the amount of the  
15 premium established under subsection  
16 (d)(2)(B)(i) for the coverage level selected;  
17 and

18 “(ii) the amount determined under  
19 subsection (d)(2)(B)(ii) for the coverage  
20 level selected to cover operating and ad-  
21 ministrative expenses.

22 “(E) In the case of additional coverage  
23 equal to or greater than 75 percent, but less  
24 than 80 percent, of the recorded or appraised  
25 average yield indemnified at not greater than

1           100 percent of the expected market price, or an  
2           equivalent coverage, the amount shall be equal  
3           to the sum of—

4                   “(i) 54 percent of the amount of the  
5                   premium established under subsection  
6                   (d)(2)(B)(i) for the coverage level selected;  
7                   and

8                   “(ii) the amount determined under  
9                   subsection (d)(2)(B)(ii) for the coverage  
10                  level selected to cover operating and ad-  
11                  ministrative expenses.

12                  “(F) In the case of additional coverage  
13                  equal to or greater than 80 percent, but less  
14                  than 85 percent, of the recorded or appraised  
15                  average yield indemnified at not greater than  
16                  100 percent of the expected market price, or an  
17                  equivalent coverage, the amount shall be equal  
18                  to the sum of—

19                   “(i) 40.6 percent of the amount of the  
20                   premium established under subsection  
21                   (d)(2)(B)(i) for the coverage level selected;  
22                   and

23                   “(ii) the amount determined under  
24                   subsection (d)(2)(B)(ii) for the coverage

1 level selected to cover operating and ad-  
 2 ministrative expenses.

3 “(G) Subject to subsection (c)(4), in the  
 4 case of additional coverage equal to or greater  
 5 than 85 percent of the recorded or appraised  
 6 average yield indemnified at not greater than  
 7 100 percent of the expected market price, or an  
 8 equivalent coverage, the amount shall be equal  
 9 to the sum of—

10 “(i) 30.6 percent of the amount of the  
 11 premium established under subsection  
 12 (d)(2)(B)(i) for the coverage level selected;  
 13 and

14 “(ii) the amount determined under  
 15 subsection (d)(2)(B)(ii) for the coverage  
 16 level selected to cover operating and ad-  
 17 ministrative expenses.”.

18 (c) PREMIUM PAYMENT DISCLOSURE.—Section  
 19 508(e) of the Federal Crop Insurance Act (7 U.S.C.  
 20 1508(e)) is amended by adding at the end the following  
 21 new paragraph:

22 “(5) PREMIUM PAYMENT DISCLOSURE.—Each  
 23 policy or plan of insurance under this title shall  
 24 prominently indicate the dollar amount of the por-

1       tion of the premium paid by the Corporation under  
2       this subsection or subsection (h)(2).”.

3   **SEC. 602. PREMIUM SCHEDULE FOR OTHER PLANS OF IN-**  
4                   **SURANCE.**

5       Section 508(h)(2) of the Federal Crop Insurance Act  
6   (7 U.S.C. 1508(h)(2)) is amended—

7           (1) by striking “A policy” and inserting the fol-  
8       lowing:

9                   “(A) PREPARATION.—A policy”;

10          (2) by striking the second sentence; and

11          (3) by adding at the end the following new sub-  
12       paragraph:

13                   “(B) PREMIUM SCHEDULE.—In the case of  
14       a policy offered under this subsection (except  
15       paragraph (10)) or subsection (m)(4), the Cor-  
16       poration shall pay a portion of the premium of  
17       the policy that shall be equal to—

18                   “(i) the percentage, specified in sub-  
19       section (e) for a similar level of coverage,  
20       of the total amount of the premium used  
21       to define loss ratio; and

22                   “(ii) the dollar amount of the admin-  
23       istrative and operating expenses that would  
24       be paid by the Corporation under sub-  
25       section (e) for a similar level of coverage.”.

1 **SEC. 603. ADJUSTMENT IN ACTUAL PRODUCTION HISTORY**  
2 **TO ESTABLISH INSURABLE YIELDS.**

3 Section 508(g) of the Federal Crop Insurance Act (7  
4 U.S.C. 1508(g)) is amended by adding at the end the fol-  
5 lowing new paragraph:

6 “(4) ADJUSTMENT IN ACTUAL PRODUCTION  
7 HISTORY TO ESTABLISH INSURABLE YIELDS.—

8 “(A) APPLICATION.—This paragraph shall  
9 apply whenever the Corporation uses the actual  
10 production history of the producer to establish  
11 insurable yields for an agricultural commodity  
12 for the 2000 and subsequent crop years.

13 “(B) ELECTION TO USE PERCENTAGE OF  
14 TRANSITIONAL YIELD.—If, for one or more of  
15 the crop years used to establish the producer’s  
16 actual production history of an agricultural  
17 commodity, the producer’s recorded or ap-  
18 praised yield of the commodity was less than 60  
19 percent of the applicable transitional yield, as  
20 determined by the Corporation, the Corporation  
21 shall, at the election of the producer—

22 “(i) exclude any of such recorded or  
23 appraised yield; and

24 “(ii) replace each excluded yield with  
25 a yield equal to 60 percent of the applica-  
26 ble transitional yield.”.

# **TITLE VII—FREEDOM TO MARKET**

## **SEC. 701. GAO REPORT.**

Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall—

(1) conduct—

(A) a detailed examination of all economic sanctions affecting United States businesses, differentiating between unilateral and multilateral economic sanctions;

(B) an assessment of comparable measures undertaken by other countries in each instance;

(C) an evaluation of the effectiveness of both unilateral and multilateral economic sanctions in meeting stated policy goals;

(D) an assessment on humanitarian conditions within sanctioned countries, evaluating how sanctions have affected particular states;

(E) an assessment of the relationship with United States allies as a consequence of unilateral economic sanctions;

(F) an examination of the economic impact of sanctions on United States producers and exporters; and

1 (G) an assessment of potential countries  
2 that may be sanctioned under existing United  
3 States law or executive authority, but which are  
4 not now subject to sanctions (whether because  
5 of presidentially exercised waivers, or statutes  
6 or executive orders not being applied); and

7 (2) submit to the Committee on International  
8 Relations and the Committee on Agriculture of the  
9 House of Representatives and to the Committee on  
10 Foreign Relations and the Committee on Agri-  
11 culture, Nutrition, and Forestry of the Senate a re-  
12 port on the matters described in paragraph (1).

13 **SEC. 702. PROHIBITION ON UNILATERAL AGRICULTURAL**  
14 **OR MEDICAL SANCTIONS.**

15 (a) IN GENERAL.—Notwithstanding any other provi-  
16 sion of law, the President shall not restrict or otherwise  
17 prohibit any exports (including restricted commercial or  
18 Federal financing) of food, other agricultural products (in-  
19 cluding fertilizer), medicines, or medical supplies or equip-  
20 ment as part of any policy of existing or future unilateral  
21 economic sanctions imposed against a foreign government.  
22 For the purposes of this section, discrimination against  
23 a foreign government in eligibility for, or award of, credits  
24 or incentives of any kind under any other Federal program  
25 relating to exports shall be deemed a restriction of exports.



1 (b) NATIONAL SECURITY WAIVER.—The President  
2 may waive, for periods of not more than 1 year each, the  
3 applicability of any sanction under subsection (a) with re-  
4 spect to a foreign country or entity if the President, with  
5 respect to each such waiver—

6 (1) determines that the national security so re-  
7 quires; and

8 (2) transmits to the Congress that determina-  
9 tion, together with a detailed description of the rea-  
10 sons therefor, including an explanation of how the  
11 sanction will further the national security.

12 **SEC. 703. ANNUAL REPORTS BY SECRETARY OF AGRI-**  
13 **CULTURE.**

14 The Secretary of Agriculture shall submit to the Con-  
15 gress, by not later than May 1 of each year, a report con-  
16 taining the following:

17 (1) The Secretary's assessment of all markets  
18 where United States exports of agricultural commod-  
19 ities are limited because of multilateral or unilateral  
20 economic sanctions, including specific commodities  
21 affected.

22 (2) The economic impact on producers of the  
23 commodities specified under paragraph (1).

1           (3) An assessment of the extent to which dis-  
2           placed United States commodities are being supplied  
3           by foreign competitors.

4           (4) The expected longer-term consequences of  
5           interrupting United States exports.

6           (5) Any assistance provided by the Foreign Ag-  
7           ricultural Service to offset lost markets due to such  
8           sanctions.

9   **SEC. 704. ACTIONS BY DEPARTMENT OF AGRICULTURE.**

10       The Secretary of Agriculture shall expand agricul-  
11       tural export assistance under United States market devel-  
12       opment, food assistance, or export promotion programs to  
13       offset all projected losses of agricultural commodity mar-  
14       kets from unilateral or multilateral sanctions identified  
15       under section 703, to the maximum extent permitted by  
16       law and by the obligations of the United States under the  
17       Agreement on Agriculture referred to in section 101(d)(2)  
18       of the Uruguay Round Agreements Act (19 U.S.C.  
19       3511(d)(2)).

20   **SEC. 705. DEFINITION.**

21       As used in this title, the term “unilateral economic  
22       sanction” means any restriction or condition on economic  
23       activity with respect to a foreign country or foreign entity  
24       that is imposed by the United States for reasons of foreign  
25       policy or national security, except in a case in which the

1 United States imposes the measure pursuant to a multilat-  
2 eral regime and the other members of that regime have  
3 agreed to impose substantially equivalent measures.

4 **TITLE VIII—EMERGENCY**  
5 **CONSERVATION PROGRAM**

6 **SEC. 801. FUNDING FOR EMERGENCY CONSERVATION PRO-**  
7 **GRAM.**

8 The Secretary of Agriculture shall use \$28,000,000  
9 of funds of the Commodity Credit Corporation to carry  
10 out the emergency conservation program under title IV of  
11 the Agricultural Credit Act of 1978 (16 U.S.C. 2201 et  
12 seq.).

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