

106TH CONGRESS
1ST SESSION

S. 357

To amend the Federal Crop Insurance Act to establish a pilot program in certain States to provide improved crop insurance options for producers.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 3, 1999

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

A BILL

To amend the Federal Crop Insurance Act to establish a pilot program in certain States to provide improved crop insurance options for producers.

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. PILOT PROGRAM TO PROVIDE IMPROVED CROP**
4 **INSURANCE OPTIONS FOR PRODUCERS.**

5 The Federal Crop Insurance Act (7 U.S.C. 1501 et
6 seq.) is amended by adding at the end the following:

7 **“SEC. 522. PILOT PROGRAM TO PROVIDE IMPROVED CROP**
8 **INSURANCE OPTIONS FOR PRODUCERS.**

9 “(a) DEFINITIONS.—In this section:

1 “(1) COMMODITY.—The term ‘commodity’
 2 means winter wheat, spring wheat, corn, grain sor-
 3 ghum, barley, and soybeans.

4 “(2) ELIGIBLE STATE.—The term ‘eligible
 5 State’ means each of the States of California, Illi-
 6 nois, Indiana, Iowa, Kansas, Louisiana, Minnesota,
 7 Nebraska, North Dakota, South Dakota, and Texas.

8 “(b) PILOT PROGRAM.—The Corporation shall estab-
 9 lish a pilot program under which the Corporation shall
 10 offer producers of a commodity in an eligible State the
 11 option to elect plans of insurance under this Act under
 12 which—

13 “(1) the Corporation will provide a premium
 14 subsidy of 31 percent for each level of coverage from
 15 65 percent to 85 percent, in increments of 1 percent,
 16 involving a 100 percent price election; and

17 “(2) insurance is provided, at the election of the
 18 insured producer, on the basis of a whole farm unit
 19 or 1 unit for each crop, with the option to obtain in-
 20 surance on combined acreage in eligible States, re-
 21 gardless of State or county boundaries within eligi-
 22 ble States, to achieve maximum enterprise unit dis-
 23 counts;

24 “(3) the insured price is based, at the election
 25 of the insured producer, on—

1 “(A) a market price, as determined by the
2 Risk Management Agency; or

3 “(B) a price determined on the appropriate
4 futures exchange;

5 “(4) a loss is indemnified by the Corporation
6 when the actual production of an insured commodity
7 for a crop year is less than the guarantee for the
8 commodity for the crop year established using actual
9 production history procedures; and

10 “(5) the yield for a crop shall be determined in
11 accordance with section 508(g), except that, if a
12 crop was produced on a farm during each of the 5
13 actual production history crop years immediately
14 preceding the crop year for which actual production
15 history is being established, a producer may elect to
16 have 1 crop year excluded from the production data
17 base.

18 “(c) REPORT.—Not later than 90 days after the ter-
19 mination of the pilot program under subsection (d)(2), the
20 Corporation shall submit to the Committee on Agriculture
21 of the House of Representatives and the Committee on
22 Agriculture, Nutrition, and Forestry of the Senate a re-
23 port that describes the results of the pilot program.

24 “(d) DURATION.—The pilot program established
25 under this section shall—

1 “(1) apply commencing with the 2000 crop of
2 each commodity of a State covered by the pilot pro-
3 gram; and

4 “(2) terminate 3 years after the date of com-
5 mencement of the program.”.

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