

Public Law 88-26

AN ACT

To extend the feed grain program.

May 20, 1963
[H. R. 4997]Feed Grain Act
of 1963.72 Stat. 994;
75 Stat. 6, 301;
76 Stat. 612.
7 USC 1441
note.Feed grain pro-
grams.
Conditions of
eligibility.
Post, p. 45.76 Stat. 631.
7 USC 1334
note.Negotiable cer-
tificates.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Feed Grain Act of 1963."

SEC. 2. Section 105 of the Agricultural Act of 1949, as amended, is amended—

(1) by changing the period at the end of subsection (a) to a colon and adding the following: "*Provided, That in the case of any crop for which an acreage diversion program is in effect for feed grains, the level of price support for corn of such crop shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines necessary to achieve the acreage reduction goal established by him for the crop.*"

(2) by adding the following new subsection (d):

"(d) The provision of this subsection shall be applicable with respect to the 1964 crop and the 1965 crop of feed grains if an acreage diversion program is in effect under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary shall require as a condition of eligibility for price support on the crop of any feed grain which is included in the acreage diversion program that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for the 1964 crop or the 1965 crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: *Provided, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962.* Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreages of feed grains shall be made available to producers through payments in kind. Such payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage of such feed grain planted on the farm for harvest by the adjusted average yield per acre. The base period used in determining such adjusted average yield shall be the same as that used for purposes of the acreage diversion program formulated under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall

redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide."

SEC. 3. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

Acreage diversion programs.
49 Stat. 1151.
16 USC 590p.

"(h) Notwithstanding any other provision of law—

"(1) For the 1964 crop and the 1965 crop of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall not be made in amounts in excess of 50 per centum of the estimated basic county support rate, including that part of the support price made available through payments in kind, on the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre. Notwithstanding the foregoing provisions, the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses,

"Feed grains."

76 Stat. 631.
7 USC 1334
note.

71 Stat. 477.
7 USC 1335.

76 Stat. 621.

52 Stat. 31.
16 USC 590h.

Ante, p. 44.

and no price support shall be made available for the production of any such crop on such diverted acreage. The base period for the purpose of determining the adjusted average yield in the case of payments with respect to the 1964 crop shall be the four-year period 1959-1962, and in the case of payments with respect to the 1965 crop shall be the five-year period 1959-1963. The term 'feed grains' means corn, grain sorghums, barley, and, if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye: *Provided*, That acreages of corn, grain sorghums, and barley shall not be planted in lieu of acreages of oats and rye: *Provided further*, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The average acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, shall be considered as an acreage of feed grains produced in the crop years of 1959 and 1960 for purposes of establishing the feed grain base acreage for the farm, and the rate of payment for diverting such wheat shall be an amount determined by the Secretary to be fair and reasonable in relation to the rates of payment for diverting feed grains. The Secretary may make such adjustments in acreage and yields as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm, such acreages and yields shall be used in making determinations. Notwithstanding any other provision of this subsection (1) (1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance: *Provided*, That in no event shall the Secretary in the crop years 1964 or 1965 make payments to any producers under this section 16(h) and under section 105(d) of the Agricultural Act of 1949, as amended, in excess of 20 per centum of the fair market value of any acreage involved. Notwithstanding

any other provision of this subsection (h) (1), barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(d) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

Ante, p. 44.

“(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

“(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(h).

“(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

“(5) Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price, minus that part of the current support price made available through payments in kind, plus reasonable carrying charges.

“(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains.”

SEC. 4. Section 326 of the Food and Agriculture Act of 1962, as amended, is amended by deleting the word “and” immediately preceding “(g)” and inserting immediately after “(g)” the following: “and (h)”.

76 Stat. 631.
7 USC 1334
note.

Approved May 20, 1963, 12:40 p.m.