

104TH CONGRESS
2D Session

H. R. 2854

AN ACT

To modify the operation of certain agricultural programs.

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To modify the operation of certain agricultural programs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Agricultural Market Transition Act”.

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

Sec. 1. Short title; table of contents.

TITLE I—AGRICULTURAL MARKET TRANSITION PROGRAM

Sec. 101. Purpose.

Sec. 102. Definitions.

Sec. 103. Production flexibility contracts.

Sec. 104. Nonrecourse marketing assistance loans and loan deficiency
payments.

Sec. 105. Payment limitations.

Sec. 106. Peanut program.

Sec. 107. Sugar program.

Sec. 108. Administration.

Sec. 109. Elimination of permanent price support authority.

Sec. 110. Effect of amendments.

TITLE II—DAIRY

Sec. 201. Milk price support program.

Sec. 202. Consolidation and reform of federal milk marketing orders.

Sec. 203. Dairy export incentive program.

Sec. 204. Effect on fluid milk standards in the State of California.

Sec. 205. Repeal of milk manufacturing marketing adjustment.

Sec. 206. Promotion.

TITLE III—CONSERVATION

Sec. 301. Conservation.

Sec. 302. Wetlands reserve program.

Sec. 303. Elimination of consultation requirements with Secretary of the Interior.

Sec. 304. Environmental conservation acreage reserve program.

Sec. 305. Conservation reserve program.

**TITLE IV—AGRICULTURAL PROMOTION AND EXPORT
PROGRAMS**

**Subtitle A—Agricultural Promotion and Export Enhancement
Programs**

Sec. 401. Market promotion program.

Sec. 402. Export enhancement program.

**Subtitle B—Amendments to Agricultural Trade Development
and Assistance Act of 1954 and Related Statutes**

Sec. 411. Food aid to developing countries.

Sec. 412. Trade and development assistance.

- Sec. 413. Agreements regarding eligible countries and private entities.
- Sec. 414. Terms and conditions of sales.
- Sec. 415. Use of local currency payment.
- Sec. 416. Eligible organizations.
- Sec. 417. Generation and use of foreign currencies.
- Sec. 418. General levels of assistance under Public Law 480.
- Sec. 419. Food aid consultative group.
- Sec. 420. Support of nongovernmental organizations.
- Sec. 421. Commodity determinations.
- Sec. 422. General provisions.
- Sec. 423. Agreements.
- Sec. 424. Administrative provisions.
- Sec. 425. Expiration date.
- Sec. 426. Regulations.
- Sec. 427. Independent evaluation of programs.
- Sec. 428. Authorization of appropriations.
- Sec. 429. Coordination of foreign assistance programs.
- Sec. 430. Use of certain local currency.
- Sec. 431. Level of assistance to farmer to farmer program.
- Sec. 432. Food security commodity reserve.
- Sec. 433. Food for progress program.

Subtitle C—Amendments to Agricultural Trade Act of 1978

- Sec. 451. Agricultural export promotion strategy.
- Sec. 452. Export credits.
- Sec. 453. Export program and food assistance transfer authority.
- Sec. 454. Arrival certification.
- Sec. 455. Regulations.
- Sec. 456. Foreign agricultural service.
- Sec. 457. Reports.

Subtitle D—Miscellaneous

- Sec. 471. Reporting requirements relating to tobacco.
- Sec. 472. Triggered export enhancement.
- Sec. 473. Disposition of commodities to prevent waste.
- Sec. 474. Debt-for-health-and-protection swap.
- Sec. 475. Policy on expansion of international markets.
- Sec. 476. Policy on maintenance and development of export markets.
- Sec. 477. Policy on trade liberalization.
- Sec. 478. Agricultural trade negotiations.
- Sec. 479. Policy on unfair trade practices.
- Sec. 480. Agricultural aid and trade missions.
- Sec. 481. Annual reports by agricultural attaches.
- Sec. 482. World livestock market price information.
- Sec. 483. Orderly liquidation of stocks.
- Sec. 484. Sales of extra long staple cotton.
- Sec. 485. Regulations.
- Sec. 486. Emerging markets.
- Sec. 487. Implementation of commitments under Uruguay Round Agreements.
- Sec. 488. Sense of Congress concerning multilateral disciplines on credit guarantees.
- Sec. 489. Foreign market development cooperator program.

Subtitle E—Dairy Exports

- Sec. 491. Dairy export incentive program.
- Sec. 492. Authority to assist in establishment and maintenance of export trading company.
- Sec. 493. Standby authority to indicate entity best suited to provide international market development and export services.
- Sec. 494. Study and report regarding potential impact of Uruguay Round on prices, income and government purchases.
- Sec. 495. Promotion of United States dairy products in international markets through dairy promotion program.

TITLE V—MISCELLANEOUS

- Sec. 501. Crop insurance.
- Sec. 502. Collection and use of agricultural quarantine and inspection fees.
- Sec. 503. Commodity Credit Corporation interest rate.
- Sec. 504. Establishment of Office of Risk Management.
- Sec. 505. Business Interruption Insurance Program.
- Sec. 506. Continuation of options pilot program.
- Sec. 507. Everglades agricultural area.
- Sec. 508. Sense of Congress regarding purchase of American-made equipment and products; requirement regarding notice.

TITLE VI—COMMISSION ON 21ST CENTURY PRODUCTION AGRICULTURE

- Sec. 601. Establishment.
- Sec. 602. Composition.
- Sec. 603. Comprehensive review of past and future of production agriculture.
- Sec. 604. Reports.
- Sec. 605. Powers.
- Sec. 606. Commission procedures.
- Sec. 607. Personnel matters.
- Sec. 608. Termination of Commission.

TITLE VII—EXTENSION OF CERTAIN AUTHORITIES

- Sec. 701. Extension of authority under Public Law 480.
- Sec. 702. Extension of food for progress program.

TITLE I—AGRICULTURAL MARKET TRANSITION PROGRAM

SEC. 101. PURPOSE.

It is the purpose of this title—

- (1) to authorize the use of binding production flexibility contracts between the United States and agricultural producers to support farming certainty and flexibility while ensuring continued compliance

1 with farm conservation compliance plans and wet-
2 land protection requirements;

3 (2) to make nonrecourse marketing assistance
4 loans and loan deficiency available for certain crops;

5 (3) to improve the operation of farm programs
6 for peanuts and sugar; and

7 (4) to terminate price support authority under
8 the Agricultural Act of 1949.

9 **SEC. 102. DEFINITIONS.**

10 In this title:

11 (1) **CONSIDERED PLANTED.**—The term “con-
12 sidered planted” means acreage that is considered
13 planted under title V of the Agricultural Act of 1949
14 (7 U.S.C. 1461 et seq.) (as in effect prior to the
15 amendment made by section 109(b)(2)) and such
16 other acreage as the Secretary considers fair and eq-
17 uitable.

18 (2) **CONTRACT.**—The term “contract” means a
19 production flexibility contract entered into under
20 section 103.

21 (3) **CONTRACT ACREAGE.**—The term “contract
22 acreage” means 1 or more crop acreage bases estab-
23 lished for contract commodities under title V of the
24 Agricultural Act of 1949 (as in effect prior to the
25 amendment made by section 109(b)(2)) that would

1 have been in effect for the 1996 crop (but for the
2 amendment made by section 109(b)(2)).

3 (4) CONTRACT COMMODITY.—The term “con-
4 tract commodity” means wheat, corn, grain sor-
5 ghum, barley, oats, upland cotton, and rice.

6 (5) CONTRACT PAYMENT.—The term “contract
7 payment” means a payment made under section 103
8 pursuant to a contract.

9 (6) DEPARTMENT.—The term “Department”
10 means the United States Department of Agriculture.

11 (7) FARM PROGRAM PAYMENT YIELD.—The
12 term “farm program payment yield” means the farm
13 program payment yield established for the 1995 crop
14 of a contract commodity under section 505 of the
15 Agricultural Act of 1949 (as in effect prior to the
16 amendment made by section 109(b)(2)) The Sec-
17 retary shall adjust the farm program payment yield
18 for the 1995 crop of a contract commodity to ac-
19 count for any additional yield payments made with
20 respect to that crop under subsection (b)(2) of the
21 section.

22 (8) LOAN COMMODITY.—The term “loan com-
23 modity” means each contract commodity, extra long
24 staple cotton, and oilseeds.

1 (9) OILSEED.—The term “oilseed” means a
2 crop of soybeans, sunflower seed, rapeseed, canola,
3 safflower, flaxseed, mustard seed, or, if designated
4 by the Secretary, other oilseeds.

5 (10) PRODUCER.—The term “producer” means
6 an owner, landlord, tenant, or sharecropper who
7 shares in the risk of producing a crop and who is
8 entitled to share in the crop available for marketing
9 from the farm, or would have shared had the crop
10 been produced. In determining whether a grower of
11 hybrid seed is a producer, the Secretary shall not
12 take into consideration the existence of a hybrid seed
13 contract.

14 (11) SECRETARY.—The term “Secretary”
15 means the Secretary of Agriculture.

16 (12) STATE.—The term “State” means each of
17 the several States of the United States, the District
18 of Columbia, the Commonwealth of Puerto Rico, and
19 any other territory or possession of the United
20 States.

21 (13) UNITED STATES.—The term “United
22 States”, when used in a geographical sense, means
23 all of the States.

24 **SEC. 103. PRODUCTION FLEXIBILITY CONTRACTS.**

25 (a) CONTRACTS AUTHORIZED.—

1 (1) OFFER AND TERMS.—Beginning as soon as
2 practicable after the date of the enactment of this
3 title, the Secretary shall offer to enter into a con-
4 tract with an eligible owner or operator described in
5 paragraph (2) on a farm containing eligible farm-
6 land. Under the terms of a contract, the owner or
7 operator shall agree, in exchange for annual contract
8 payments, to—

9 (A) comply with the conservation plan for
10 the farm prepared in accordance with section
11 1212 of the Food Security Act of 1985 (16
12 U.S.C. 3812);

13 (B) comply with wetland protection re-
14 quirements applicable to the farm under sub-
15 title C of title XII of the Act (16 U.S.C. 3821
16 et seq.); and

17 (C) comply with the planting flexibility re-
18 quirements of subsection (j); and

19 (D) to use the land subject to the contract
20 for agricultural or related activities, but not for
21 nonagricultural commercial or industrial uses.

22 (2) ELIGIBLE OWNERS AND OPERATORS DE-
23 SCRIBED.—The producers and owners described in
24 this paragraph shall be eligible to enter into a con-
25 tract:

1 (A) An owner of eligible farmland who as-
2 sumes all of the risk of producing a crop.

3 (B) An owner of eligible farmland who
4 shares in the risk of producing a crop.

5 (C) An operator of eligible farmland with
6 a share-rent lease of the eligible farmland, re-
7 gardless of the length of the lease, if the owner
8 enters into the same contract.

9 (D) An operator of eligible farmland who
10 cash rents the eligible farmland under a lease
11 expiring on or after September 30, 2002, in
12 which case the consent of the owner is not re-
13 quired.

14 (E) An operator of eligible farmland who
15 cash rents the eligible farmland under a lease
16 expiring before September 30, 2002, if the
17 owner consents to the contract.

18 (F) An owner of eligible farmland who
19 cash rents the eligible farmland and the lease
20 term expires before September 30, 2002, but
21 only if the actual operator of the farm declines
22 to enter into a contract. In the case of an
23 owner covered by this subparagraph, contract
24 payments shall not begin under a contract until
25 the fiscal year following the fiscal year in which

1 the lease held by the nonparticipating operator
2 expires.

3 (G) An owner or operator described in any
4 preceding subparagraph of this paragraph re-
5 gardless of whether the owner or operator pur-
6 chased catastrophic risk protection for a fall-
7 planted 1996 crop under section 508(b) of the
8 Federal Crop Insurance Act (7 U.S.C.
9 1508(b)).

10 (3) TENANTS AND SHARECROPPERS.—In carry-
11 ing out this section, the Secretary shall provide ade-
12 quate safeguards to protect the interests of tenants
13 and sharecroppers.

14 (b) ELEMENTS.—

15 (1) TIME FOR CONTRACTING.—

16 (A) DEADLINE.—Except as provided in
17 subparagraph (B), the Secretary may not enter
18 into a contract after April 15, 1996.

19 (B) CONSERVATION RESERVE LANDS.—

20 (i) IN GENERAL.—At the beginning of
21 each fiscal year, the Secretary shall allow
22 an eligible owner or operator on a farm
23 covered by a conservation reserve contract
24 entered into under section 1231 of the
25 Food Security Act of 1985 (16 U.S.C.

1 3831) that terminates after the date speci-
2 fied in subparagraph (A) to enter into or
3 expand a production flexibility contract to
4 cover the contract acreage of the farm that
5 was subject to the former conservation re-
6 serve contract.

7 (ii) AMOUNT.—Contract payments
8 made for contract acreage under this sub-
9 paragraph shall be made at the rate and
10 amount applicable to the annual contract
11 payment level for the applicable crop.

12 (2) DURATION OF CONTRACT.—

13 (A) BEGINNING DATE.—A contract shall
14 begin with—

15 (i) the 1996 crop of a contract com-
16 modity; or

17 (ii) in the case of acreage that was
18 subject to a conservation reserve contract
19 described in paragraph (1)(B), the date
20 the production flexibility contract was en-
21 tered into or expanded to cover the acre-
22 age.

23 (B) ENDING DATE.—A contract shall ex-
24 tend through the 2002 crop.

1 (3) ESTIMATION OF CONTRACT PAYMENTS.—At
2 the time the Secretary enters into a contract, the
3 Secretary shall provide an estimate of the minimum
4 contract payments anticipated to be made during at
5 least the first fiscal year for which contract pay-
6 ments will be made.

7 (c) ELIGIBLE FARMLAND DESCRIBED.—Land shall
8 be considered to be farmland eligible for coverage under
9 a contract only if the land has contract acreage attrib-
10 utable to the land and—

11 (1) for at least 1 of the 1991 through 1995
12 crops, at least a portion of the land was enrolled in
13 the acreage reduction program authorized for a crop
14 of a contract commodity under section 101B, 103B,
15 105B, or 107B of the Agricultural Act of 1949 (as
16 in effect prior to the amendment made by section
17 109(b)(2)) or was considered planted;

18 (2) was subject to a conservation reserve con-
19 tract under section 1231 of the Food Security Act
20 of 1985 (16 U.S.C. 3831) whose term expired, or
21 was voluntarily terminated, on or after January 1,
22 1995; or

23 (3) is released from coverage under a conserva-
24 tion reserve contract by the Secretary during the pe-

1 riod beginning on January 1, 1995, and ending on
2 the date specified in subsection (b)(1)(A).

3 (d) TIME FOR PAYMENT.—

4 (1) IN GENERAL.—An annual contract payment
5 shall be made not later than September 30 of each
6 of fiscal years 1996 through 2002.

7 (2) ADVANCE PAYMENTS.—

8 (A) FISCAL YEAR 1996.—At the option of
9 the owner or operator, 50 percent of the con-
10 tract payment for fiscal year 1996 shall be
11 made not later than June 15, 1996.

12 (B) SUBSEQUENT FISCAL YEARS.—At the
13 option of the owner or operator for fiscal year
14 1997 and each subsequent fiscal year, 50 per-
15 cent of the annual contract payment shall be
16 made on December 15.

17 (e) AMOUNTS AVAILABLE FOR CONTRACT PAYMENTS
18 FOR EACH FISCAL YEAR.—

19 (1) IN GENERAL.—The Secretary shall, to the
20 maximum extent practicable, expend on a fiscal year
21 basis the following amounts to satisfy the obligations
22 of the Secretary under all contracts:

23 (A) For fiscal year 1996, \$5,570,000,000.

24 (B) For fiscal year 1997, \$5,385,000,000.

25 (C) For fiscal year 1998, \$5,800,000,000.

1 (D) For fiscal year 1999, \$5,603,000,000.

2 (E) For fiscal year 2000, \$5,130,000,000.

3 (F) For fiscal year 2001, \$4,130,000,000.

4 (G) For fiscal year 2002, \$4,008,000,000.

5 (2) ALLOCATION.—The amount made available
6 for a fiscal year under paragraph (1) shall be allo-
7 cated as follows:

8 (A) For wheat, 26.26 percent.

9 (B) For corn, 46.22 percent.

10 (C) For grain sorghum, 5.11 percent.

11 (D) For barley, 2.16 percent.

12 (E) For oats, 0.15 percent.

13 (F) For upland cotton, 11.63 percent.

14 (G) For rice, 8.47 percent.

15 (3) ADJUSTMENT.—The Secretary shall adjust
16 the amounts allocated for each contract commodity
17 under paragraph (2) for a particular fiscal year by—

18 (A) adding an amount equal to the sum of
19 all repayments of deficiency payments received
20 under section 114(a)(2) of the Agricultural Act
21 of 1949 (as in effect prior to the amendment
22 made by section 109(b)(2)) for the commodity;

23 (B) to the maximum extent practicable,
24 adding an amount equal to the sum of all con-
25 tract payments withheld by the Secretary, at

1 the request of an owner or operator subject to
2 a contract, as an offset against repayments of
3 deficiency payments otherwise required under
4 section 114(a)(2) of the Act (as so in effect) for
5 the commodity;

6 (C) adding an amount equal to the sum of
7 all refunds of contract payments received dur-
8 ing the preceding fiscal year under subsection
9 (h) of this section for the commodity; and

10 (D) subtracting an amount equal to the
11 amount, if any, necessary during that fiscal
12 year to satisfy payment requirements for the
13 commodity under sections 103B, 105B, or
14 107B of the Agricultural Act of 1949 (as in ef-
15 fect prior to the amendment made by section
16 109(b)(2)) for the 1994 and 1995 crop years.

17 (4) SPECIAL ADJUSTMENT TO COVER EXISTING
18 RICE PAYMENT REQUIREMENTS.—As soon as pos-
19 sible after the date of the enactment of this Act, the
20 Secretary shall determine the amount, if any, nec-
21 essary to satisfy remaining payment requirements
22 under section 101B of the Agricultural Act of 1949
23 (as in effect prior to the amendment made by sec-
24 tion 109(b)(2)) for the 1994 and 1995 crops of rice.
25 The total amount determined under this paragraph

1 shall be deducted, in equal amounts each fiscal year,
2 from the amount allocated for rice under paragraph
3 (2)(G) for fiscal years after the fiscal year in which
4 the final remaining payments are made for rice.

5 (f) DETERMINATION OF CONTRACT PAYMENTS.—

6 (1) INDIVIDUAL PAYMENT QUANTITY OF CON-
7 TRACT COMMODITIES.—For each contract, the pay-
8 ment quantity of a contract commodity for each fis-
9 cal year shall be equal to the product of—

10 (A) 85 percent of the contract acreage;

11 and

12 (B) the farm program payment yield.

13 (2) ANNUAL PAYMENT QUANTITY OF CONTRACT
14 COMMODITIES.—The payment quantity of each con-
15 tract commodity covered by all contracts for each
16 fiscal year shall equal the sum of the amounts cal-
17 culated under paragraph (1) for each individual con-
18 tract.

19 (3) ANNUAL PAYMENT RATE.—The payment
20 rate for a contract commodity for each fiscal year
21 shall be equal to—

22 (A) the amount made available under sub-
23 section (e) for the contract commodity for the
24 fiscal year; divided by

1 (B) the amount determined under para-
2 graph (2) for the fiscal year.

3 (4) ANNUAL PAYMENT AMOUNT.—The amount
4 to be paid under a contract in effect for each fiscal
5 year with respect to a contract commodity shall be
6 equal to the product of—

7 (A) the payment quantity determined
8 under paragraph (1) with respect to the con-
9 tract; and

10 (B) the payment rate in effect under para-
11 graph (3).

12 (5) ASSIGNMENT OF CONTRACT PAYMENTS.—
13 The provisions of section 8(g) of the Soil Conserva-
14 tion and Domestic Allotment Act (16 U.S.C.
15 590h(g)) (relating to assignment of payments) shall
16 apply to contract payments under this subsection.
17 The owner or operator making the assignment, or
18 the assignee, shall provide the Secretary with notice,
19 in such manner as the Secretary may require in the
20 contract, of any assignment made under this para-
21 graph.

22 (6) SHARING OF CONTRACT PAYMENTS.—The
23 Secretary shall provide for the sharing of contract
24 payments among the owners and operators subject
25 to the contract on a fair and equitable basis.

1 (g) PAYMENT LIMITATION.—Sections 1001 through
2 1001C of the Food Security Act of 1985 (7 U.S.C. 1308
3 through 1308–3), as amended by section 105, establish
4 payment limitations on the total amount of contract pay-
5 ments that may be made under contracts during any fis-
6 cal year.

7 (h) EFFECT OF VIOLATION.—

8 (1) TERMINATION OF CONTRACT.—Except as
9 provided in paragraph (2), if an owner or operator
10 subject to a contract violates a requirement of the
11 contract specified in subparagraphs (A), (B), (C), or
12 (D) of subsection (a)(1), the Secretary shall termi-
13 nate the contract with respect to the owner or opera-
14 tor on each farm in which the owner or operator has
15 an interest. On the termination, the owner or opera-
16 tor shall forfeit all rights to receive future contract
17 payments on each farm in which the owner or opera-
18 tor has an interest and shall refund to the Secretary
19 all contract payments received by the owner or opera-
20 tor during the period of the violation, together with
21 interest on the contract payments as determined by
22 the Secretary.

23 (2) REFUND OR ADJUSTMENT.—If the Sec-
24 retary determines that a violation does not warrant
25 termination of the contract under paragraph (1), the

1 Secretary may require the owner or operator subject
2 to the contract—

3 (A) to refund to the Secretary that part of
4 the contract payments received by the owner or
5 operator during the period of the violation, to-
6 gether with interest on the contract payments
7 as determined by the Secretary; or

8 (B) to accept a reduction in the amount of
9 future contract payments that is proportionate
10 to the severity of the violation, as determined
11 by the Secretary.

12 (3) FORECLOSURE.—An owner or operator sub-
13 ject to a contract may not be required to make re-
14 payments to the Secretary of amounts received
15 under the contract if the contract acreage has been
16 foreclosed on and the Secretary determines that for-
17 giving the repayments is appropriate in order to pro-
18 vide fair and equitable treatment. This paragraph
19 shall not void the responsibilities of such an owner
20 or operator under the contract if the owner or opera-
21 tor continues or resumes operation, or control, of the
22 contract acreage. On the resumption of operation or
23 control over the contract acreage by the owner or
24 operator, the provisions of the contract in effect on
25 the date of the foreclosure shall apply.

1 (4) REVIEW.—A determination of the Secretary
2 under this subsection shall be considered to be an
3 adverse decision for purposes of the availability of
4 administrative review of the determination.

5 (i) TRANSFER OF INTEREST IN LANDS SUBJECT TO
6 CONTRACT.—

7 (1) EFFECT OF TRANSFER.—Except as pro-
8 vided in paragraph (2), the transfer by an owner or
9 operator subject to a contract of the right and inter-
10 est of the owner or operator in the contract acreage
11 shall result in the termination of the contract with
12 respect to the acreage, effective on the date of the
13 transfer, unless the transferee of the acreage agrees
14 with the Secretary to assume all obligations of the
15 contract. At the request of the transferee, the Sec-
16 retary may modify the contract if the modifications
17 are consistent with the objectives of this section as
18 determined by the Secretary. The Secretary shall
19 carry out this paragraph in such a manner as to en-
20 sure that the reconstitution of a farm as part of the
21 transfer of contract acreage results in no additional
22 outlays under this section.

23 (2) EXCEPTION.—If an owner or operator who
24 is entitled to a contract payment dies, becomes in-
25 competent, or is otherwise unable to receive the con-

1 tract payment, the Secretary shall make the pay-
2 ment, in accordance with regulations prescribed by
3 the Secretary.

4 (j) PLANTING FLEXIBILITY.—

5 (1) PERMITTED CROPS.—Subject to paragraph
6 (2), any commodity or crop may be planted on con-
7 tract acreage on a farm.

8 (2) LIMITATIONS.—

9 (A) HAYING AND GRAZING.—

10 (i) TIME LIMITATIONS.—Haying and
11 grazing on land exceeding 15 percent of
12 the contract acreage on a farm as provided
13 in clause (iii) shall be permitted, except
14 during any consecutive 5-month period be-
15 tween April 1 and October 31 that is de-
16 termined by the State committee estab-
17 lished under section 8(b) of the Soil Con-
18 servation and Domestic Allotment Act (6
19 U.S.C. 590h(b)) for a State. In the case of
20 a natural disaster, the Secretary may per-
21 mit unlimited haying and grazing on the
22 contract acreage of a farm.

23 (ii) CONTRACT COMMODITIES.—Con-
24 tract acreage planted to a contract com-

1 modity for harvest may be hayed or grazed
2 at any time without limitation.

3 (iii) HAYING AND GRAZING LIMITA-
4 TION ON PORTION OR CONTRACT ACRE-
5 AGE.—Unlimited haying and grazing shall
6 be permitted on not more than 15 percent
7 of the contract acreage on a farm.

8 (B) ALFALFA.—Alfalfa may be grown on
9 contract acreage in excess of the acreage limita-
10 tion in subparagraph (A)(iii) and without re-
11 gard to the time limitation in subparagraph
12 (A)(i), except that each contract acre of alfalfa
13 on a farm that is harvested in excess of 15 per-
14 cent of the total contract acreage on the farm
15 shall be ineligible for contract payments.

16 (C) FRUITS AND VEGETABLES.—

17 (i) IN GENERAL.—The planting for
18 harvest of fruits and vegetables shall be
19 prohibited on contract acreage, except in
20 any region in which there is a history of
21 double-cropping, as determined by the Sec-
22 retary.

23 (ii) UNRESTRICTED VEGETABLES.—
24 Notwithstanding clause (i), lentils, mung
25 beans, and dry peas may be planted for

1 harvest without limitation on contract
2 acreage.

3 **SEC. 104. NONRECOURSE MARKETING ASSISTANCE LOANS**
4 **AND LOAN DEFICIENCY PAYMENTS.**

5 (a) AVAILABILITY OF MARKETING ASSISTANCE
6 LOANS.—

7 (1) NONRECOURSE LOANS AVAILABLE.—For
8 each of the 1996 through 2002 crops of each loan
9 commodity, the Secretary shall make available to
10 producers on a farm nonrecourse marketing assist-
11 ance loans for loan commodities produced on the
12 farm. The loans shall be made under terms and con-
13 ditions that are prescribed by the Secretary and at
14 the loan rate established under subsection (b) for
15 the loan commodity.

16 (2) ELIGIBLE PRODUCTION.—The following
17 production shall be eligible for a marketing assist-
18 ance loan under paragraph (1):

19 (A) In the case of a marketing assistance
20 loan for a contract commodity, any production
21 by a producer who has entered into a produc-
22 tion flexibility contract.

23 (B) In the case of a marketing assistance
24 loan for extra long staple cotton and oilseeds,
25 any production.

1 (3) RECOURSE LOANS FOR HIGH MOISTURE
2 FEED GRAINS.—

3 (A) RECOURSE LOANS AVAILABLE.—For
4 each of the 1996 through 2002 crops of corn
5 and grain sorghum, the Secretary shall make
6 available recourse loans, as determined by the
7 Secretary, to producers on a farm who—

8 (i) normally harvest all or a portion of
9 their crop of corn or grain sorghum in a
10 high moisture state;

11 (ii) present—

12 (I) certified scale tickets from an
13 inspected, certified commercial scale,
14 including licensed warehouses,
15 feedlots, feed mills, distilleries, or
16 other similar entities approved by the
17 Secretary, pursuant to regulations is-
18 sued by the Secretary; or

19 (II) present field or other phys-
20 ical measurements of the standing or
21 stored crop in regions of the country,
22 as determined by the Secretary, that
23 do not have certified commercial
24 scales from which certified scale tick-

1 ets may be obtained within reasonable
2 proximity of harvest operation;

3 (iii) certify that they were the owners
4 of the feed grain at the time of delivery to,
5 and that the quantity to be placed under
6 loan under this paragraph was in fact har-
7 vested on the farm and delivered to, a
8 feedlot, feed mill, or commercial or on-
9 farm high-moisture storage facility, or to
10 such facilities maintained by the users of
11 corn and grain sorghum in a high moisture
12 state; and

13 (iv) comply with deadlines established
14 by the Secretary for harvesting the corn or
15 grain sorghum and submit applications for
16 loans under this paragraph within dead-
17 lines established by the Secretary.

18 (B) ELIGIBILITY OF ACQUIRED FEED
19 GRAINS.—Loans under this paragraph shall be
20 made on a quantity of corn or grain sorghum
21 of the same crop acquired by the producer
22 equivalent to a quantity determined by mul-
23 tiplying—

1 (i) the acreage of the corn or grain
 2 sorghum in a high moisture state har-
 3 vested on the producer's farm; by

4 (ii) the lower of the farm program
 5 payment yield or the actual yield on a
 6 field, as determined by the Secretary, that
 7 is similar to the field from which the corn
 8 or grain sorghum was obtained.

9 (C) HIGH MOISTURE STATE DEFINED.—In
 10 this paragraph, the term “high moisture state”
 11 means corn or grain sorghum having a moisture
 12 content in excess of Commodity Credit Corpora-
 13 tion standards for marketing assistance loans
 14 made by the Secretary under paragraph (1).

15 (b) LOAN RATES.—

16 (1) WHEAT.—

17 (A) LOAN RATE.—Subject to subparagraph
 18 (B), the loan rate for a marketing assistance
 19 loan under subsection (a)(1) for wheat shall
 20 be—

21 (i) not less than 85 percent of the
 22 simple average price received by producers
 23 of wheat, as determined by the Secretary,
 24 during the marketing years for the imme-
 25 diately preceding 5 crops of wheat, exclud-

1 ing the year in which the average price was
2 the highest and the year in which the aver-
3 age price was the lowest in the period; but

4 (ii) not more than \$2.58 per bushel.

5 (B) STOCKS TO USE RATIO ADJUST-
6 MENT.—If the Secretary estimates for any mar-
7 keting year that the ratio of ending stocks of
8 wheat to total use for the marketing year will
9 be—

10 (i) equal to or greater than 30 per-
11 cent, the Secretary may reduce the loan
12 rate for wheat for the corresponding crop
13 by an amount not to exceed 10 percent in
14 any year;

15 (ii) less than 30 percent but not less
16 than 15 percent, the Secretary may reduce
17 the loan rate for wheat for the correspond-
18 ing crop by an amount not to exceed 5 per-
19 cent in any year; or

20 (iii) less than 15 percent, the Sec-
21 retary may not reduce the loan rate for
22 wheat for the corresponding crop.

23 (C) NO EFFECT ON FUTURE YEARS.—Any
24 reduction in the loan rate for wheat under sub-
25 paragraph (B) shall not be considered in deter-

1 mining the loan rate for wheat for subsequent
2 years.

3 (2) FEED GRAINS.—

4 (A) LOAN RATE FOR CORN.—Subject to
5 subparagraph (B), the loan rate for a market-
6 ing assistance loan under subsection (a)(1) for
7 corn shall be—

8 (i) not less than 85 percent of the
9 simple average price received by producers
10 of corn, as determined by the Secretary,
11 during the marketing years for the imme-
12 diately preceding 5 crops of corn, excluding
13 the year in which the average price was the
14 highest and the year in which the average
15 price was the lowest in the period; but

16 (ii) not more than \$1.89 per bushel.

17 (B) STOCKS TO USE RATIO ADJUST-
18 MENT.—If the Secretary estimates for any mar-
19 keting year that the ratio of ending stocks of
20 corn to total use for the marketing year will
21 be—

22 (i) equal to or greater than 25 per-
23 cent, the Secretary may reduce the loan
24 rate for corn for the corresponding crop by

1 an amount not to exceed 10 percent in any
2 year;

3 (ii) less than 25 percent but not less
4 than 12.5 percent, the Secretary may re-
5 duce the loan rate for corn for the cor-
6 responding crop by an amount not to ex-
7 ceed 5 percent in any year; or

8 (iii) less than 12.5 percent the Sec-
9 retary may not reduce the loan rate for
10 corn for the corresponding crop.

11 (C) NO EFFECT ON FUTURE YEARS.—Any
12 reduction in the loan rate for corn under sub-
13 paragraph (B) shall not be considered in deter-
14 mining the loan rate for corn for subsequent
15 years.

16 (D) OTHER FEED GRAINS.—The loan rate
17 for a marketing assistance loan under sub-
18 section (a)(1) for grain sorghum, barley, and
19 oats, respectively, shall be established at such
20 level as the Secretary determines is fair and
21 reasonable in relation to the rate that loans are
22 made available for corn, taking into consider-
23 ation the feeding value of the commodity in re-
24 lation to corn.

25 (3) UPLAND COTTON.—

1 (A) LOAN RATE.—Subject to subparagraph
2 (B), the loan rate for a marketing assistance
3 loan under subsection (a)(1) for upland cotton
4 shall be established by the Secretary at such
5 loan rate, per pound, as will reflect for the base
6 quality of upland cotton, as determined by the
7 Secretary, at average locations in the United
8 States a rate that is not less than the smaller
9 of—

10 (i) 85 percent of the average price
11 (weighted by market and month) of the
12 base quality of cotton as quoted in the des-
13 ignated United States spot markets during
14 3 years of the 5-year period ending July
15 31 in the year in which the loan rate is an-
16 nounced, excluding the year in which the
17 average price was the highest and the year
18 in which the average price was the lowest
19 in the period; or

20 (ii) 90 percent of the average, for the
21 15-week period beginning July 1 of the
22 year in which the loan rate is announced,
23 of the 5 lowest-priced growths of the
24 growths quoted for Middling $1\frac{3}{32}$ -inch cot-
25 ton C.I.F. Northern Europe (adjusted

1 downward by the average difference during
2 the period April 15 through October 15 of
3 the year in which the loan is announced
4 between the average Northern European
5 price quotation of such quality of cotton
6 and the market quotations in the des-
7 ignated United States spot markets for the
8 base quality of upland cotton), as deter-
9 mined by the Secretary.

10 (B) LIMITATIONS.—The loan rate for a
11 marketing assistance loan for upland cotton
12 shall not be less than \$0.50 per pound or more
13 than \$0.5192 per pound.

14 (4) EXTRA LONG STAPLE COTTON.—The loan
15 rate for a marketing assistance loan under sub-
16 section (a)(1) for extra long staple cotton shall be—

17 (A) not less than 85 percent of the simple
18 average price received by producers of extra
19 long staple cotton, as determined by the Sec-
20 retary, during 3 years of the 5 previous market-
21 ing years, excluding the year in which the aver-
22 age price was the highest and the year in which
23 the average price was the lowest in the period;
24 but

25 (B) not more than \$0.7965 per pound.

1 (5) RICE.—The loan rate for a marketing as-
 2 sistance loan under subsection (a)(1) for rice shall
 3 be \$6.50 per hundredweight.

4 (6) OILSEEDS.—

5 (A) SOYBEANS.—The loan rate for a mar-
 6 keting assistance loan under subsection (a)(1)
 7 for soybeans shall be \$4.92 per bushel.

8 (B) SUNFLOWER SEED, CANOLA,
 9 RAPESEED, SAFFLOWER, MUSTARD SEED, AND
 10 FLAXSEED.—The loan rates for a marketing as-
 11 sistance loan under subsection (a)(1) for sun-
 12 flower seed, canola, rapeseed, safflower, mus-
 13 tard seed, and flaxseed, individually, shall be
 14 \$0.087 per pound.

15 (C) OTHER OILSEEDS.—The loan rates for
 16 a marketing assistance loan under subsection
 17 (a)(1) for other oilseeds shall be established at
 18 such level as the Secretary determines is fair
 19 and reasonable in relation to the loan rate
 20 available for soybeans, except in no event shall
 21 the rate for the oilseeds (other than cottonseed)
 22 be less than the rate established for soybeans
 23 on a per-pound basis for the same crop.

24 (c) TERM OF LOAN.—In the case of each loan com-
 25 modity (other than upland cotton or extra long staple cot-

1 ton), a marketing assistance loan under subsection (a)(1)
 2 shall have a term of 9 months beginning on the first day
 3 of the first month after the month in which the loan is
 4 made. A marketing assistance loan for upland cotton or
 5 extra long staple cotton shall have a term of 10 months
 6 beginning on the first day of the first month after the
 7 month in which the loan is made. The Secretary may not
 8 extend the term of a marketing assistance loan for any
 9 loan commodity.

10 (d) REPAYMENT.—

11 (1) REPAYMENT RATES GENERALLY.—The Sec-
 12 retary shall permit producers to repay a marketing
 13 assistance loan under subsection (a)(1) for a loan
 14 commodity (other than extra long staple cotton) at
 15 a level that is the lesser of—

16 (A) the loan rate established for the com-
 17 modity under subsection (b); or

18 (B) the prevailing world market price for
 19 the commodity (adjusted to United States qual-
 20 ity and location), as determined by the Sec-
 21 retary.

22 (2) ADDITIONAL REPAYMENT RATES FOR
 23 WHEAT, FEED GRAINS, AND OILSEEDS.—In the case
 24 of a marketing assistance loan under subsection
 25 (a)(1) for wheat, corn, grain sorghum, barley, oats,

1 or oilseeds, the Secretary shall also permit a pro-
2 ducer to repay the loan at such level as the Sec-
3 retary determines will—

4 (A) minimize potential loan forfeitures;

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

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

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

12 (3) REPAYMENT RATES FOR EXTRA LONG STA-
13 PLE COTTON.—Repayment of a marketing assistance
14 loan for extra long staple cotton shall be at the loan
15 rate established for the commodity under subsection
16 (b), plus interest (as determined by the Secretary).

17 (4) PREVAILING WORLD MARKET PRICE.—For
18 purposes of paragraph (1) and subsection (f), the
19 Secretary shall prescribe by regulation—

20 (A) a formula to determine the prevailing
21 world market price for each loan commodity,
22 adjusted to United States quality and location;
23 and

1 (B) a mechanism by which the Secretary
2 shall announce periodically the prevailing world
3 market price for each loan commodity.

4 (5) ADJUSTMENT OF PREVAILING WORLD MAR-
5 KET PRICE FOR UPLAND COTTON.—

6 (A) IN GENERAL.—During the period end-
7 ing July 31, 2003, the prevailing world market
8 price for upland cotton (adjusted to United
9 States quality and location) established under
10 paragraph (4) shall be further adjusted if—

11 (i) the adjusted prevailing world mar-
12 ket price is less than 115 percent of the
13 loan rate for upland cotton established
14 under subsection (b), as determined by the
15 Secretary; and

16 (ii) the Friday through Thursday av-
17 erage price quotation for the lowest-priced
18 United States growth as quoted for Mid-
19 dling (M) $1\frac{3}{32}$ -inch cotton delivered C.I.F.
20 Northern Europe is greater than the Fri-
21 day through Thursday average price of the
22 5 lowest-priced growths of upland cotton,
23 as quoted for Middling (M) $1\frac{3}{32}$ -inch cot-
24 ton, delivered C.I.F. Northern Europe (re-

ferred to in this subsection as the “Northern Europe price”).

(B) FURTHER ADJUSTMENT.—Except as provided in subparagraph (C), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(i) The United States share of world exports.

(ii) The current level of cotton export sales and cotton export shipments.

(iii) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(C) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under subparagraph (B) may not exceed the difference between—

(i) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1³/₃₂-inch cotton delivered C.I.F. Northern Europe; and

(ii) the Northern Europe price.

1 (e) LOAN DEFICIENCY PAYMENTS.—

2 (1) AVAILABILITY.—Except as provided in
3 paragraph (4), the Secretary may make loan defi-
4 ciency payments available to producers who, al-
5 though eligible to obtain a marketing assistance loan
6 under subsection (a)(1) with respect to a loan com-
7 modity, agree to forgo obtaining the loan for the
8 commodity in return for payments under this sub-
9 section.

10 (2) COMPUTATION.—A loan deficiency payment
11 under this subsection shall be computed by multiply-
12 ing—

13 (A) the loan payment rate determined
14 under paragraph (3) for the loan commodity; by

15 (B) the quantity of the loan commodity
16 that the producers on a farm are eligible to
17 place under loan but for which the producers
18 forgo obtaining the loan in return for payments
19 under this subsection.

20 (3) LOAN PAYMENT RATE.—For purposes of
21 this subsection, the loan payment rate shall be the
22 amount by which—

23 (A) the loan rate established under sub-
24 section (b) for the loan commodity; exceeds

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

3 (4) EXCEPTION FOR EXTRA LONG STAPLE COT-
 4 TON.—This subsection shall not apply with respect
 5 to extra long staple cotton.

6 (f) SPECIAL MARKETING LOAN PROVISIONS FOR UP-
 7 LAND COTTON.—

8 (1) COTTON USER MARKETING CERTIFI-
 9 CATES.—

10 (A) ISSUANCE.—Subject to subparagraph
 11 (D), during the period ending July 31, 2003,
 12 the Secretary shall issue marketing certificates
 13 or cash payments to domestic users and export-
 14 ers for documented purchases by domestic users
 15 and sales for export by exporters made in the
 16 week following a consecutive 4-week period in
 17 which—

18 (i) the Friday through Thursday aver-
 19 age price quotation for the lowest-priced
 20 United States growth, as quoted for Mid-
 21 dling (M) 1³/₃₂-inch cotton, delivered
 22 C.I.F. Northern Europe exceeds the
 23 Northern Europe price by more than 1.25
 24 cents per pound; and

1 (ii) the prevailing world market price
2 for upland cotton (adjusted to United
3 States quality and location) does not ex-
4 ceed 130 percent of the loan rate for up-
5 land cotton established under subsection
6 (b).

7 (B) VALUE OF CERTIFICATES OR PAY-
8 MENTS.—The value of the marketing certifi-
9 cates or cash payments shall be based on the
10 amount of the difference (reduced by 1.25 cents
11 per pound) in the prices during the 4th week of
12 the consecutive 4-week period multiplied by the
13 quantity of upland cotton included in the docu-
14 mented sales.

15 (C) REDEMPTION, MARKETING, OR EX-
16 CHANGE.—The Secretary shall establish proce-
17 dures to assist persons receiving marketing cer-
18 tificates under this paragraph in the redemp-
19 tion of certificates for cash, or in the marketing
20 or exchange of certificates for agricultural com-
21 modities owned by the Commodity Credit Cor-
22 poration, in such manner and at such price lev-
23 els as the Secretary determines will best effec-
24 tuate the purposes of the marketing certificates.
25 Any price restrictions that may otherwise apply

1 to the disposition of agricultural commodities
2 by the Commodity Credit Corporation shall not
3 apply to the redemption of certificates under
4 this paragraph.

5 (D) EXCEPTION.—The Secretary shall not
6 issue marketing certificates or cash payments
7 under subparagraph (A) if, for the immediately
8 preceding consecutive 10-week period, the Fri-
9 day through Thursday average price quotation
10 for the lowest priced United States growth, as
11 quoted for Middling (M) 1³/₃₂-inch cotton, deliv-
12 ered C.I.F. Northern Europe, adjusted for the
13 value of any certificate issued under this para-
14 graph, exceeds the Northern Europe price by
15 more than 1.25 cents per pound.

16 (E) LIMITATION ON EXPENDITURES.—
17 Total expenditures under this paragraph shall
18 not exceed \$701,000,000 during fiscal years
19 1996 through 2002.

20 (2) SPECIAL IMPORT QUOTA.—

21 (A) ESTABLISHMENT.—The President
22 shall carry out an import quota program that
23 provides that, during the period ending July 31,
24 2003, whenever the Secretary determines and
25 announces that for any consecutive 10-week pe-

1 riod, the Friday through Thursday average
2 price quotation for the lowest-priced United
3 States growth, as quoted for Middling (M)
4 1³/₃₂-inch cotton, delivered C.I.F. Northern Eu-
5 rope, adjusted for the value of any certificates
6 issued under paragraph (1), exceeds the North-
7 ern Europe price by more than 1.25 cents per
8 pound, there shall immediately be in effect a
9 special import quota.

10 (B) QUANTITY.—The quota shall be equal
11 to 1 week's consumption of upland cotton by
12 domestic mills at the seasonally adjusted aver-
13 age rate of the most recent 3 months for which
14 data are available.

15 (C) APPLICATION.—The quota shall apply
16 to upland cotton purchased not later than 90
17 days after the date of the Secretary's announce-
18 ment under subparagraph (A) and entered into
19 the United States not later than 180 days after
20 the date.

21 (D) OVERLAP.—A special quota period
22 may be established that overlaps any existing
23 quota period if required by subparagraph (A),
24 except that a special quota period may not be

1 established under this paragraph if a quota pe-
 2 riod has been established under subsection (g).

3 (E) PREFERENTIAL TARIFF TREAT-
 4 MENT.—The quantity under a special import
 5 quota shall be considered to be an in-quota
 6 quantity for purposes of—

7 (i) section 213(d) of the Caribbean
 8 Basin Economic Recovery Act (19 U.S.C.
 9 2703(d));

10 (ii) section 204 of the Andean Trade
 11 Preference Act (19 U.S.C. 3203);

12 (iii) section 503(d) of the Trade Act
 13 of 1974 (19 U.S.C. 2463(d)); and

14 (iv) General Note 3(a)(iv) to the Har-
 15 monized Tariff Schedule.

16 (F) DEFINITION.—In this paragraph, the
 17 term “special import quota” means a quantity
 18 of imports that is not subject to the over-quota
 19 tariff rate of a tariff-rate quota.

20 (g) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND
 21 COTTON.—

22 (1) IN GENERAL.—The President shall carry
 23 out an import quota program that provides that
 24 whenever the Secretary determines and announces
 25 that the average price of the base quality of upland

1 cotton, as determined by the Secretary, in the des-
2 ignated spot markets for a month exceeded 130 per-
3 cent of the average price of such quality of cotton
4 in the markets for the preceding 36 months, not-
5 withstanding any other provision of law, there shall
6 immediately be in effect a limited global import
7 quota subject to the following conditions:

8 (A) QUANTITY.—The quantity of the quota
9 shall be equal to 21 days of domestic mill con-
10 sumption of upland cotton at the seasonally ad-
11 justed average rate of the most recent 3 months
12 for which data are available.

13 (B) QUANTITY IF PRIOR QUOTA.—If a
14 quota has been established under this sub-
15 section during the preceding 12 months, the
16 quantity of the quota next established under
17 this subsection shall be the smaller of 21 days
18 of domestic mill consumption calculated under
19 subparagraph (A) or the quantity required to
20 increase the supply to 130 percent of the de-
21 mand.

22 (C) PREFERENTIAL TARIFF TREAT-
23 MENT.—The quantity under a limited global
24 import quota shall be considered to be an in-
25 quota quantity for purposes of—

1 (i) section 213(d) of the Caribbean
2 Basin Economic Recovery Act (19 U.S.C.
3 2703(d));

4 (ii) section 204 of the Andean Trade
5 Preference Act (19 U.S.C. 3203);

6 (iii) section 503(d) of the Trade Act
7 of 1974 (19 U.S.C. 2463(d)); and

8 (iv) General Note 3(a)(iv) to the Har-
9 monized Tariff Schedule.

10 (D) DEFINITIONS.—In this subsection:

11 (i) SUPPLY.—The term “supply”
12 means, using the latest official data of the
13 Bureau of the Census, the Department of
14 Agriculture, and the Department of the
15 Treasury—

16 (I) the carry-over of upland cot-
17 ton at the beginning of the marketing
18 year (adjusted to 480-pound bales) in
19 which the quota is established;

20 (II) production of the current
21 crop; and

22 (III) imports to the latest date
23 available during the marketing year.

24 (ii) DEMAND.—The term “demand”
25 means—

1 (I) the average seasonally ad-
2 justed annual rate of domestic mill
3 consumption in the most recent 3
4 months for which data are available;
5 and

6 (II) the larger of—

7 (aa) average exports of up-
8 land cotton during the preceding
9 6 marketing years; or

10 (bb) cumulative exports of
11 upland cotton plus outstanding
12 export sales for the marketing
13 year in which the quota is estab-
14 lished.

15 (iii) LIMITED GLOBAL IMPORT
16 QUOTA.—The term “limited global import
17 quota” means a quantity of imports that is
18 not subject to the over-quota tariff rate of
19 a tariff-rate quota.

20 (E) QUOTA ENTRY PERIOD.—When a
21 quota is established under this subsection, cot-
22 ton may be entered under the quota during the
23 90-day period beginning on the date the quota
24 is established by the Secretary.

1 (2) NO OVERLAP.—Notwithstanding paragraph
2 (1), a quota period may not be established that over-
3 laps an existing quota period or a special quota pe-
4 riod established under subsection (f)(2).

5 (h) SOURCE OF LOANS.—

6 (1) IN GENERAL.—The Secretary shall provide
7 the loans authorized by this section and the Agricul-
8 tural Adjustment Act of 1938 (7 U.S.C. 1281 et
9 seq.) through the Commodity Credit Corporation
10 and other means available to the Secretary.

11 (2) PROCESSORS.—Whenever any loan or sur-
12 plus removal operation for any agricultural commod-
13 ity is carried out through purchases from or loans
14 or payments to processors, the Secretary shall, to
15 the extent practicable, obtain from the processors
16 such assurances as the Secretary considers adequate
17 that the producers of the commodity have received
18 or will receive maximum benefits from the loan or
19 surplus removal operation.

20 (i) ADJUSTMENTS OF LOANS.—

21 (1) IN GENERAL.—The Secretary may make
22 appropriate adjustments in the loan levels for any
23 commodity for differences in grade, type, quality, lo-
24 cation, and other factors.

1 (2) LOAN LEVEL.—The adjustments shall, to
 2 the maximum extent practicable, be made in such
 3 manner that the average loan level for the commod-
 4 ity will, on the basis of the anticipated incidence of
 5 the factors, be equal to the level of support deter-
 6 mined as provided in this section or the Agricultural
 7 Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

8 (j) PERSONAL LIABILITY OF PRODUCERS FOR DEFICI-
 9 CIENCIES.—

10 (1) IN GENERAL.—Except as provided in para-
 11 graph (2), no producer shall be personally liable for
 12 any deficiency arising from the sale of the collateral
 13 securing any nonrecourse loan made under this sec-
 14 tion or the Agricultural Adjustment Act of 1938 (7
 15 U.S.C. 1281 et seq.) unless the loan was obtained
 16 through a fraudulent representation by the producer.

17 (2) LIMITATIONS.—Paragraph (1) shall not
 18 prevent the Commodity Credit Corporation or the
 19 Secretary from requiring a producer to assume li-
 20 ability for—

21 (A) a deficiency in the grade, quality, or
 22 quantity of a commodity stored on a farm or
 23 delivered by the producer;

24 (B) a failure to properly care for and pre-
 25 serve a commodity; or

1 (C) a failure or refusal to deliver a com-
2 modity in accordance with a program estab-
3 lished under this section or the Agricultural Ad-
4 justment Act of 1938.

5 (3) ACQUISITION OF COLLATERAL.—The Sec-
6 retary may include in a contract for a nonrecourse
7 loan made under this section or the Agricultural Ad-
8 justment Act of 1938 a provision that permits the
9 Commodity Credit Corporation, on and after the ma-
10 turity of the loan, to acquire title to the unredeemed
11 collateral without obligation to pay for any market
12 value that the collateral may have in excess of the
13 loan indebtedness.

14 (4) SUGARCANE AND SUGAR BEETS.—A secu-
15 rity interest obtained by the Commodity Credit Cor-
16 poration as a result of the execution of a security
17 agreement by the processor of sugarcane or sugar
18 beets shall be superior to all statutory and common
19 law liens on raw cane sugar and refined beet sugar
20 in favor of the producers of sugarcane and sugar
21 beets and all prior recorded and unrecorded liens on
22 the crops of sugarcane and sugar beets from which
23 the sugar was derived.

24 (k) COMMODITY CREDIT CORPORATION SALES PRICE
25 RESTRICTIONS.—

1 (1) IN GENERAL.—The Commodity Credit Cor-
2 poration may sell any commodity owned or con-
3 trolled by the Corporation at any price that the Sec-
4 retary determines will maximize returns to the Cor-
5 poration.

6 (2) NONAPPLICATION OF SALES PRICE RE-
7 STRICTIONS.—Paragraph (1) shall not apply to—

8 (A) a sale for a new or byproduct use;

9 (B) a sale of peanuts or oilseeds for the ex-
10 traction of oil;

11 (C) a sale for seed or feed if the sale will
12 not substantially impair any loan program;

13 (D) a sale of a commodity that has sub-
14 stantially deteriorated in quality or as to which
15 there is a danger of loss or waste through dete-
16 rioration or spoilage;

17 (E) a sale for the purpose of establishing
18 a claim arising out of a contract or against a
19 person who has committed fraud, misrepresen-
20 tation, or other wrongful act with respect to the
21 commodity;

22 (F) a sale for export, as determined by the
23 Corporation; and

24 (G) a sale for other than a primary use.

25 (3) PRESIDENTIAL DISASTER AREAS.—

1 (A) IN GENERAL.—Notwithstanding para-
2 graph (1), on such terms and conditions as the
3 Secretary may consider in the public interest,
4 the Corporation may make available any com-
5 modity or product owned or controlled by the
6 Corporation for use in relieving distress—

7 (i) in any area in the United States
8 (including the Virgin Islands) declared by
9 the President to be an acute distress area
10 because of unemployment or other eco-
11 nomic cause, if the President finds that the
12 use will not displace or interfere with nor-
13 mal marketing of agricultural commodities;
14 and

15 (ii) in connection with any major dis-
16 aster determined by the President to war-
17 rant assistance by the Federal Government
18 under the Robert T. Stafford Disaster Re-
19 lief and Emergency Assistance Act (42
20 U.S.C. 5121 et seq.).

21 (B) COSTS.—Except on a reimbursable
22 basis, the Corporation shall not bear any costs
23 in connection with making a commodity avail-
24 able under subparagraph (A) beyond the cost of
25 the commodity to the Corporation incurred in—

- 1 (i) the storage of the commodity; and
2 (ii) the handling and transportation
3 costs in making delivery of the commodity
4 to designated agencies at 1 or more central
5 locations in each State or other area.

6 (4) EFFICIENT OPERATIONS.—Paragraph (1)
7 shall not apply to the sale of a commodity the dis-
8 position of which is desirable in the interest of the
9 effective and efficient conduct of the operations of
10 the Corporation because of the small quantity of the
11 commodity involved, or because of the age, location,
12 or questionable continued storability of the commod-
13 ity.

14 **SEC. 105. PAYMENT LIMITATIONS.**

15 (a) IN GENERAL.—Section 1001 of the Food Security
16 Act of 1985 (7 U.S.C. 1308) is amended by striking para-
17 graphs (1) through (4) and inserting the following:

18 “(1) LIMITATION ON PAYMENTS UNDER PRO-
19 Duction FLEXIBILITY CONTRACTS.—The total
20 amount of contract payments made under section
21 103 of the Agricultural Market Transition Act to a
22 person under 1 or more production flexibility con-
23 tracts entered into under the section during any fis-
24 cal year may not exceed \$40,000.

1 “(2) LIMITATION ON MARKETING LOAN GAINS
2 AND LOAN DEFICIENCY PAYMENTS.—For each of the
3 1996 through 2002 crops of loan commodities, the
4 total amount of payments specified in paragraph (3)
5 that a person shall be entitled to receive under sec-
6 tion 104 of the Agricultural Market Transition Act
7 for one or more loan commodities may not exceed
8 \$75,000.

9 “(3) DESCRIPTION OF PAYMENTS SUBJECT TO
10 LIMITATION.—The payments referred to in para-
11 graph (2) are the following:

12 “(A) Any gain realized by a producer from
13 repaying a marketing assistance loan for a crop
14 of any loan commodity at a lower level than the
15 original loan rate established for the loan com-
16 modity under section 104(b) of the Agricultural
17 Market Transition Act.

18 “(B) Any loan deficiency payment received
19 for a loan commodity under section 104(e) of
20 the Act.

21 “(4) DEFINITIONS.—In this title, the terms
22 ‘contract payment’ and ‘loan commodity’ have the
23 meaning given those terms in section 102 of the Ag-
24 ricultural Market Transition Act.”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) Section 1001A of the Food Security Act of
2 1985 (7 U.S.C. 1308–1) is amended—

3 (A) in subsection (a)(1), by striking
4 “under the Agricultural Act of 1949 (7 U.S.C.
5 1421 et seq.)”; and

6 (B) in subsection (b)(1), by striking
7 “under the Agricultural Act of 1949”.

8 (2) Section 1001C(a) of the Act (7 U.S.C.
9 1308–3(a)) is amended—

10 (A) by striking “For each of the 1991
11 through 1997 crops, any” and inserting “Any”;

12 (B) by striking “production adjustment
13 payments, price support program loans, pay-
14 ments, or benefits made available under the Ag-
15 ricultural Act of 1949 (7 U.S.C. 1421 et seq.),”
16 and inserting “loans or payments made avail-
17 able under title I of the Agricultural Market
18 Transition Act,”; and

19 (C) by striking “during the 1989 through
20 1997 crop years”.

21 **SEC. 106. PEANUT PROGRAM.**

22 (a) QUOTA PEANUTS.—

23 (1) AVAILABILITY OF LOANS.—The Secretary
24 shall make nonrecourse loans available to producers
25 of quota peanuts.

1 (2) LOAN RATE.—The national average quota
2 loan rate for quota peanuts shall be \$610 per ton.

3 (3) INSPECTION, HANDLING, OR STORAGE.—
4 The loan amount may not be reduced by the Sec-
5 retary by any deductions for inspection, handling, or
6 storage.

7 (4) LOCATION AND OTHER FACTORS.—The Sec-
8 retary may make adjustments in the loan rate for
9 quota peanuts for location of peanuts and such other
10 factors as are authorized by section 104(i)(1).

11 (5) OFFERS FROM HANDLERS.—In the case of
12 any producer who had an offer available from a han-
13 dler to purchase quota peanuts, for delivery within
14 the same county or a contiguous county, at a price
15 equal to or greater than the applicable quota sup-
16 port rate, the Secretary shall reduce the support
17 rate by 5 percent for the peanuts that were subject
18 to the offer.

19 (b) ADDITIONAL PEANUTS.—

20 (1) IN GENERAL.—The Secretary shall make
21 nonrecourse loans available to producers of addi-
22 tional peanuts at such rates as the Secretary finds
23 appropriate, taking into consideration the demand
24 for peanut oil and peanut meal, expected prices of

1 other vegetable oils and protein meals, and the de-
2 mand for peanuts in foreign markets.

3 (2) ANNOUNCEMENT.—The Secretary shall an-
4 nounce the loan rate for additional peanuts of each
5 crop not later than February 15 preceding the mar-
6 keting year for the crop for which the loan rate is
7 being determined.

8 (c) AREA MARKETING ASSOCIATIONS.—

9 (1) WAREHOUSE STORAGE LOANS.—

10 (A) IN GENERAL.—In carrying out sub-
11 sections (a) and (b), the Secretary shall make
12 warehouse storage loans available in each of the
13 producing areas (described in section 1446.95
14 of title 7 of the Code of Federal Regulations
15 (January 1, 1989)) to a designated area mar-
16 keting association of peanut producers that is
17 selected and approved by the Secretary and
18 that is operated primarily for the purpose of
19 conducting the loan activities. The Secretary
20 may not make warehouse storage loans avail-
21 able to any cooperative that is engaged in oper-
22 ations or activities concerning peanuts other
23 than those operations and activities specified in
24 this section and section 358e of the Agricultural
25 Adjustment Act of 1938 (7 U.S.C. 1359a).

1 (B) ADMINISTRATIVE AND SUPERVISORY
2 ACTIVITIES.—An area marketing association
3 shall be used in administrative and supervisory
4 activities relating to loans and marketing activi-
5 ties under this section and section 358e of the
6 Agricultural Adjustment Act of 1938 (7 U.S.C.
7 1359a).

8 (C) ASSOCIATION COSTS.—Loans made to
9 the association under this paragraph shall in-
10 clude such costs as the area marketing associa-
11 tion reasonably may incur in carrying out the
12 responsibilities, operations, and activities of the
13 association under this section and section 358e
14 of the Agricultural Adjustment Act of 1938 (7
15 U.S.C. 1359a).

16 (2) POOLS FOR QUOTA AND ADDITIONAL PEA-
17 NUTS.—

18 (A) IN GENERAL.—The Secretary shall re-
19 quire that each area marketing association es-
20 tablish pools and maintain complete and accu-
21 rate records by area and segregation for quota
22 peanuts handled under loan and for additional
23 peanuts placed under loan, except that separate
24 pools shall be established for Valencia peanuts
25 produced in New Mexico. Bright hull and dark

1 hull Valencia peanuts shall be considered as
 2 separate types for the purpose of establishing
 3 the pools.

4 (B) NET GAINS.—Net gains on peanuts in
 5 each pool, unless otherwise approved by the
 6 Secretary, shall be distributed only to producers
 7 who placed peanuts in the pool and shall be dis-
 8 tributed in proportion to the value of the pea-
 9 nuts placed in the pool by each producer. Net
 10 gains for peanuts in each pool shall consist of
 11 the following:

12 (i) QUOTA PEANUTS.—For quota pea-
 13 nuts, the net gains over and above the loan
 14 indebtedness and other costs or losses in-
 15 curred on peanuts placed in the pool.

16 (ii) ADDITIONAL PEANUTS.—For ad-
 17 ditional peanuts, the net gains over and
 18 above the loan indebtedness and other
 19 costs or losses incurred on peanuts placed
 20 in the pool for additional peanuts.

21 (d) LOSSES.—Losses in quota area pools shall be cov-
 22 ered using the following sources in the following order of
 23 priority:

24 (1) TRANSFERS FROM ADDITIONAL LOAN
 25 POOLS.—The proceeds due any producer from any

1 pool shall be reduced by the amount of any loss that
2 is incurred with respect to peanuts transferred from
3 an additional loan pool to a quota loan pool by the
4 producer under section 358–1(b)(8) of the Agricultural
5 Adjustment Act of 1938 (7 U.S.C. 1358–
6 1(b)(8)).

7 (2) OTHER PRODUCERS IN SAME POOL.—Further
8 losses in an area quota pool shall be offset by
9 reducing the gain of any producer in the pool by the
10 amount of pool gains attributed to the same pro-
11 ducer from the sale of additional peanuts for domes-
12 tic and export edible use.

13 (3) BUY-BACK GAINS WITHIN AREA.—Further
14 losses in an area quota pool shall be offset by gains
15 or profits attributable to sales of additional peanuts
16 in that area pursuant to the provisions of section
17 358e(g)(1)(A) of the Agricultural Adjustment Act of
18 1938 (7 U.S.C. 1359a(g)(1)(A)).

19 (4) USE OF MARKETING ASSESSMENTS.—The
20 Secretary shall use funds collected under subsection
21 (g) (except funds attributable to handlers) to offset
22 further losses in area quota pools. The Secretary
23 shall transfer to the Treasury those funds collected
24 under subsection (g) and available for use under this

1 subsection that the Secretary determines are not re-
2 quired to cover losses in area quota pools.

3 (5) CROSS COMPLIANCE.—Further losses in
4 area quota pools, other than losses incurred as a re-
5 sult of transfers from additional loan pools to quota
6 loan pools under section 358–1(b)(8) of the Agricul-
7 tural Adjustment Act of 1938 (7 U.S.C. 1358–
8 1(b)(8)), shall be offset by any gains or profits from
9 quota pools in other production areas (other than
10 separate type pools established under subsection
11 (c)(2)(A) for Valencia peanuts produced in New
12 Mexico) in such manner as the Secretary shall by
13 regulation prescribe. If losses in area quota pools
14 have not been entirely offset through use of the pre-
15 ceding sentence, then further losses shall be offset
16 by gains or profits attributable to sales of additional
17 peanuts in other areas pursuant to section
18 358e(g)(1)(A) of such Act (7 U.S.C.
19 1359a(g)(1)(A)).

20 (6) INCREASED ASSESSMENTS.—If use of the
21 authorities provided in the preceding paragraphs is
22 not sufficient to cover losses in an area quota pool,
23 the Secretary shall increase the marketing assess-
24 ment established under subsection (g) by such an
25 amount as the Secretary considers necessary to

1 cover the losses. The increased assessment shall
2 apply only to quota peanuts covered by that pool.
3 Amounts collected under subsection (g) as a result
4 of the increased assessment shall be retained by the
5 Secretary to cover losses in that pool.

6 (e) DISAPPROVAL OF QUOTAS.—Notwithstanding
7 any other provision of law, no loan for quota peanuts may
8 be made available by the Secretary for any crop of peanuts
9 with respect to which poundage quotas have been dis-
10 approved by producers, as provided for in section 358–
11 1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C.
12 1358–1(d)).

13 (f) QUALITY IMPROVEMENT.—

14 (1) IN GENERAL.—With respect to peanuts
15 under loan, the Secretary shall—

16 (A) promote the crushing of peanuts at a
17 greater risk of deterioration before peanuts of a
18 lesser risk of deterioration;

19 (B) ensure that all Commodity Credit Cor-
20 poration inventories of peanuts sold for domes-
21 tic edible use must be shown to have been offi-
22 cially inspected by licensed Department inspec-
23 tors both as farmer stock and shelled or cleaned
24 in-shell peanuts;

1 (C) continue to endeavor to operate the
2 peanut program so as to improve the quality of
3 domestic peanuts and ensure the coordination
4 of activities under the Peanut Administrative
5 Committee established under Marketing Agree-
6 ment No. 146, regulating the quality of domes-
7 tically produced peanuts (under the Agricul-
8 tural Adjustment Act (7 U.S.C. 601 et seq.),
9 reenacted with amendments by the Agricultural
10 Marketing Agreement Act of 1937); and

11 (D) ensure that any changes made in the
12 peanut program as a result of this subsection
13 requiring additional production or handling at
14 the farm level shall be reflected as an upward
15 adjustment in the Department loan schedule.

16 (2) EXPORTS AND OTHER PEANUTS.—The Sec-
17 retary shall require that all peanuts in the domestic
18 and export markets fully comply with all quality
19 standards under Marketing Agreement No. 146.

20 (g) MARKETING ASSESSMENT.—

21 (1) IN GENERAL.—The Secretary shall provide
22 for a nonrefundable marketing assessment. The as-
23 sessment shall be made on a per pound basis in an
24 amount equal to 1.1 percent for each of the 1994
25 and 1995 crops, 1.15 percent for the 1996 crop, and

1 1.2 percent for each of the 1997 through 2002
2 crops, of the national average quota or additional
3 peanut loan rate for the applicable crop.

4 (2) FIRST PURCHASERS.—

5 (A) IN GENERAL.—Except as provided
6 under paragraphs (3) and (4), the first pur-
7 chaser of peanuts shall—

8 (i) collect from the producer a mar-
9 keting assessment equal to the quantity of
10 peanuts acquired multiplied by—

11 (I) in the case of each of the
12 1994 and 1995 crops, .55 percent of
13 the applicable national average loan
14 rate;

15 (II) in the case of the 1996 crop,
16 .6 percent of the applicable national
17 average loan rate; and

18 (III) in the case of each of the
19 1997 through 2002 crops, .65 percent
20 of the applicable national average loan
21 rate;

22 (ii) pay, in addition to the amount col-
23 lected under clause (i), a marketing assess-
24 ment in an amount equal to the quantity
25 of peanuts acquired multiplied by .55 per-

1 cent of the applicable national average loan
2 rate; and

3 (iii) remit the amounts required under
4 clauses (i) and (ii) to the Commodity Credit
5 Corporation in a manner specified by the
6 Secretary.

7 (B) DEFINITION OF FIRST PURCHASER.—

8 In this subsection, the term “first purchaser”
9 means a person acquiring peanuts from a pro-
10 ducer except that in the case of peanuts for-
11 feited by a producer to the Commodity Credit
12 Corporation, the term means the person acquir-
13 ing the peanuts from the Commodity Credit
14 Corporation.

15 (3) OTHER PRIVATE MARKETINGS.—In the case
16 of a private marketing by a producer directly to a
17 consumer through a retail or wholesale outlet or in
18 the case of a marketing by the producer outside of
19 the continental United States, the producer shall be
20 responsible for the full amount of the assessment
21 and shall remit the assessment by such time as is
22 specified by the Secretary.

23 (4) LOAN PEANUTS.—In the case of peanuts
24 that are pledged as collateral for a loan made under
25 this section, the grower portion of the assessment

1 shall be deducted from the proceeds of the loan. The
2 remainder of the assessment shall be paid by the
3 first purchaser of the peanuts. For purposes of com-
4 puting net gains on peanuts under this section, the
5 reduction in loan proceeds shall be treated as having
6 been paid to the producer.

7 (5) PENALTIES.—If any person fails to collect
8 or remit the reduction required by this subsection or
9 fails to comply with the requirements for record-
10 keeping or otherwise as are required by the Sec-
11 retary to carry out this subsection, the person shall
12 be liable to the Secretary for a civil penalty up to
13 an amount determined by multiplying—

14 (A) the quantity of peanuts involved in the
15 violation; by

16 (B) the national average quota peanut rate
17 for the applicable crop year.

18 (6) ENFORCEMENT.—The Secretary may en-
19 force this subsection in the courts of the United
20 States.

21 (h) CROPS.—Subsections (a) through (f) shall be ef-
22 fective only for the 1996 through 2002 crops of peanuts.

23 (i) POUNDAGE QUOTAS.—

1 (1) IN GENERAL.—Part VI of subtitle B of title
2 III of the Agricultural Adjustment Act of 1938 is
3 amended—

4 (A) in section 358–1 (7 U.S.C. 1358–1)—

5 (i) in the section heading, by striking
6 **“1991 THROUGH 1997 CROPS OF”**;

7 (ii) in subsections (a)(1), (b)(1)(B),
8 (b)(2)(A), (b)(2)(C), and (b)(3)(A), by
9 striking “of the 1991 through 1997 mar-
10 keting years” each place it appears and in-
11 serting “marketing year”;

12 (iii) in subsection (a)(3), by striking
13 “1990” and inserting “1990, for the 1991
14 through 1995 marketing years, and 1995,
15 for the 1996 through 2002 marketing
16 years”;

17 (iv) in subsection (b)(1)(A)—

18 (I) by striking “each of the 1991
19 through 1997 marketing years” and
20 inserting “each marketing year”; and

21 (II) in clause (i), by inserting be-
22 fore the semicolon the following: “, in
23 the case of the 1991 through 1995
24 marketing years, and the 1995 mar-

1 keting year, in the case of the 1996
2 through 2002 marketing years”; and

3 (v) in subsection (f), by striking
4 “1997” and inserting “2002”;

5 (B) in section 358b (7 U.S.C. 1358b)—

6 (i) in the section heading, by striking
7 **“1991 THROUGH 1995 CROPS OF”**; and

8 (ii) in subsection (c), by striking
9 “1995” and inserting “2002”;

10 (C) in section 358c(d) (7 U.S.C.
11 1358c(d)), by striking “1995” and inserting
12 “2002”; and

13 (D) in section 358e (7 U.S.C. 1359a)—

14 (i) in the section heading, by striking
15 **“FOR 1991 THROUGH 1997 CROPS OF**

16 **PEANUTS”**; and

17 (ii) in subsection (i), by striking
18 “1997” and inserting “2002”.

19 (2) ELIGIBILITY FOR FARM POUNDAGE
20 QUOTA.—

21 (A) CERTAIN FARMS INELIGIBLE.—Section
22 358–1(b)(1) of the Act (7 U.S.C. 1358–1(b)(1))
23 is amended by adding at the end the following:

24 “(D) CERTAIN FARMS INELIGIBLE TO
25 HOLD QUOTA.—Effective beginning with the

1 1997 marketing year, the Secretary shall no
2 longer establish farm poundage quotas under
3 subparagraph (A) for farms—

4 “(i) owned or controlled by munici-
5 palities, airport authorities, schools, col-
6 leges, refuges, and other public entities
7 (not including universities for research
8 purposes); or

9 “(ii) owned or controlled by a person
10 who is not a producer and resides in an-
11 other State.”.

12 (B) ALLOCATION OF QUOTA TO OTHER
13 FARMS.—Section 358–1(b)(2) of the Act (7
14 U.S.C. 1358–1(b)(2)) is amended by adding at
15 the end the following:

16 “(E) TRANSFER OF QUOTA FROM INELI-
17 GIBLE FARMS.—Any farm poundage quota held
18 on or after January 1, 1997, by a farm de-
19 scribed in paragraph (1)(D) shall be allocated
20 to other farms in the same State on such basis
21 as the Secretary may by regulation prescribe.”.

22 (3) ELIMINATION OF QUOTA FLOOR.—Section
23 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is
24 amended by striking the second sentence.

1 (4) TEMPORARY QUOTA ALLOCATION.—Section
2 358–1 of the Act (7 U.S.C. 1358–1) is amended—

3 (A) in subsection (a)(1), by striking “do-
4 mestic edible, seed,” and inserting “domestic
5 edible use (except seed)”;

6 (B) in subsection (b)(2)—

7 (i) in subparagraph (A), by striking
8 “subparagraph (B) and subject to”; and

9 (ii) by striking subparagraph (B) and
10 inserting the following:

11 “(B) TEMPORARY QUOTA ALLOCATION.—

12 “(i) ALLOCATION RELATED TO SEED
13 PEANUTS.—Temporary allocation of quota
14 pounds for the marketing year only in
15 which the crop is planted shall be made to
16 producers for each of the 1996 through
17 2002 marketing years as provided in this
18 subparagraph.

19 “(ii) QUANTITY.—The temporary
20 quota allocation shall be equal to the
21 pounds of seed peanuts planted on the
22 farm, as may be adjusted under regula-
23 tions prescribed by the Secretary.

24 “(iii) ADDITIONAL QUOTA.—The tem-
25 porary allocation of quota pounds under

1 this paragraph shall be in addition to the
 2 farm poundage quota otherwise established
 3 under this subsection and shall be credited,
 4 for the applicable marketing year only, in
 5 total to the producer of the peanuts on the
 6 farm in a manner prescribed by the Sec-
 7 retary.

8 “(iv) EFFECT OF OTHER REQUIRE-
 9 MENTS.—Nothing in this section alters or
 10 changes the requirements regarding the
 11 use of quota and additional peanuts estab-
 12 lished by section 358e(b).”; and

13 (C) in subsection (e)(3), strike “and seed
 14 and use on a farm”.

15 (5) SPRING AND FALL TRANSFERS WITHIN A
 16 STATE.—Section 358b(a)(1) of the Act (7 U.S.C.
 17 1358b(a)(1)) is amended—

18 (A) by striking “, conditions, or limita-
 19 tions” in the matter preceding the subpara-
 20 graphs and inserting “and conditions”;

21 (B) by striking “any such lease” in the
 22 matter preceding the subparagraphs and insert-
 23 ing “any such sale or lease”; and

24 (C) by striking “in the fall or after the
 25 normal planting season—” and subparagraphs

1 (A) and (B) and inserting the following: “in the
 2 spring (or before the normal planting season)
 3 or in the fall (or after the normal planting sea-
 4 son) with the owner or operator of a farm lo-
 5 cated within any county in the same State. In
 6 the case of a fall transfer or a transfer after the
 7 normal planting season, the transfer may be
 8 made only if not less than 90 percent of the
 9 quota (the farm quota exclusive of temporary
 10 quota transfers), plus any poundage quota
 11 transferred to the farm under this subsection,
 12 has been planted or considered planted on the
 13 farm from which the quota is to be leased.”.

14 (6) UNDERMARKETINGS.—Part VI of subtitle B
 15 of title III of the Act is amended—

16 (A) in section 358–1(b) (7 U.S.C. 1358–
 17 1(b))—

18 (i) in paragraph (1)(B), by striking
 19 “including—” and clauses (i) and (ii) and
 20 inserting “including any increases resulting
 21 from the allocation of quotas voluntarily
 22 released for 1 year under paragraph (7).”;

23 (ii) in paragraph (3)(B), by striking
 24 “include—” and clauses (i) and (ii) and in-
 25 serting “include any increase resulting

1 from the allocation of quotas voluntarily
 2 released for 1 year under paragraph (7).”;
 3 and

4 (iii) by striking paragraphs (8) and
 5 (9); and

6 (B) in section 358b(a) (7 U.S.C.
 7 1358b(a))—

8 (i) in paragraph (1), by striking “(in-
 9 cluding any applicable under marketings)”
 10 both places it appears;

11 (ii) in paragraph (2), by striking “(in-
 12 cluding any applicable under marketings)”;
 13 and

14 (iii) in paragraph (3), by striking
 15 “(including any applicable
 16 undermarketings)”.

17 (7) DISASTER TRANSFERS.—Section 358–1(b)
 18 of the Act (7 U.S.C. 1358–1(b)), as amended by
 19 paragraph (6)(A)(iii), is further amended by adding
 20 at the end the following:

21 “(8) DISASTER TRANSFERS.—

22 “(A) IN GENERAL.—Except as provided in
 23 subparagraph (B), additional peanuts produced
 24 on a farm from which the quota poundage was
 25 not harvested and marketed because of drought,

1 flood, or any other natural disaster, or any
2 other condition beyond the control of the pro-
3 ducer, may be transferred to the quota loan
4 pool for pricing purposes on such basis as the
5 Secretary shall by regulation provide.

6 “(B) LIMITATION.—The poundage of pea-
7 nuts transferred under subparagraph (A) shall
8 not exceed the difference between—

9 “(i) the total quantity of peanuts
10 meeting quality requirements for domestic
11 edible use, as determined by the Secretary,
12 marketed from the farm; and

13 “(ii) the total farm poundage quota,
14 excluding quota pounds transferred to the
15 farm in the fall.

16 “(C) SUPPORT RATE.—Peanuts trans-
17 ferred under this paragraph shall be supported
18 at 70 percent of the quota support rate for the
19 marketing years in which the transfers occur.
20 The transfers for a farm shall not exceed 25
21 percent of the total farm quota pounds, exclud-
22 ing pounds transferred in the fall.”.

1 **SEC. 107. SUGAR PROGRAM.**

2 (a) SUGARCANE.—The Secretary shall make loans
3 available to processors of domestically grown sugarcane at
4 a rate equal to 18 cents per pound for raw cane sugar.

5 (b) SUGAR BEETS.—The Secretary shall make loans
6 available to processors of domestically grown sugar beets
7 at a rate equal to 22.9 cents per pound for refined beet
8 sugar.

9 (c) REDUCTION IN LOAN RATES.—

10 (1) REDUCTION REQUIRED.—The Secretary
11 shall reduce the loan rate specified in subsection (a)
12 for domestically grown sugarcane and subsection (b)
13 for domestically grown sugar beets if the Secretary
14 determines that negotiated reductions in export sub-
15 sidies and domestic subsidies provided for sugar of
16 the European Union and other major sugar growing,
17 producing, and exporting countries in the aggregate
18 exceed the commitments made as part of the Agree-
19 ment on Agriculture.

20 (2) EXTENT OF REDUCTION.—The Secretary
21 shall not reduce the loan rate under subsection (a)
22 or (b) below a rate that provides an equal measure
23 of support to that provided by the European Union
24 and other major sugar growing, producing, and ex-
25 porting countries, based on an examination of both

1 domestic and export subsidies subject to reduction
2 in the Agreement on Agriculture.

3 (3) ANNOUNCEMENT OF REDUCTION.—The
4 Secretary shall announce any loan rate reduction to
5 be made under this subsection as far in advance as
6 is practicable.

7 (4) MAJOR SUGAR COUNTRIES DEFINED.—For
8 purposes of this subsection, the term “major sugar
9 growing, producing, and exporting countries”
10 means—

11 (A) the countries of the European Union;
12 and

13 (B) the ten foreign countries not covered
14 by subparagraph (A) that the Secretary deter-
15 mines produce the greatest amount of sugar.

16 (5) AGREEMENT ON AGRICULTURE DEFINED.—
17 For purposes of this subsection, the term “Agree-
18 ment on Agriculture” means the Agreement on Agri-
19 culture referred to in section 101(d)(2) of the Uru-
20 guay Round Agreements Act (19 U.S.C.
21 3511(d)(2)).

22 (d) TERM OF LOANS.—

23 (1) IN GENERAL.—Loans under this section
24 during any fiscal year shall be made available not

1 earlier than the beginning of the fiscal year and
2 shall mature at the earlier of—

3 (A) the end of 9 months; or

4 (B) the end of the fiscal year.

5 (2) SUPPLEMENTAL LOANS.—In the case of
6 loans made under this section in the last 3 months
7 of a fiscal year, the processor may repledge the
8 sugar as collateral for a second loan in the subse-
9 quent fiscal year, except that the second loan shall—

10 (A) be made at the loan rate in effect at
11 the time the second loan is made; and

12 (B) mature in 9 months less the quantity
13 of time that the first loan was in effect.

14 (e) LOAN TYPE; PROCESSOR ASSURANCES.—

15 (1) RECOURSE LOANS.—Subject to paragraph
16 (2), the Secretary shall carry out this section
17 through the use of recourse loans.

18 (2) NONRECOURSE LOANS.—During any fiscal
19 year in which the tariff rate quota for imports of
20 sugar into the United States is established at, or is
21 increased to, a level in excess of 1,500,000 short
22 tons raw value, the Secretary shall carry out this
23 section by making available nonrecourse loans. Any
24 recourse loan previously made available by the Sec-

1 retary under this section during the fiscal year shall
2 be changed by the Secretary into a nonrecourse loan.

3 (3) PROCESSOR ASSURANCES.—If the Secretary
4 is required under paragraph (2) to make
5 nonrecourse loans available during a fiscal year or to
6 change recourse loans into nonrecourse loans, the
7 Secretary shall obtain from each processor that re-
8 ceives a loan under this section such assurances as
9 the Secretary considers adequate to ensure that the
10 processor will provide payments to producers that
11 are proportional to the value of the loan received by
12 the processor for sugar beets and sugarcane deliv-
13 ered by producers served by the processor. The Sec-
14 retary may establish appropriate minimum payments
15 for purposes of this paragraph.

16 (f) MARKETING ASSESSMENT.—

17 (1) SUGARCANE.—Effective for marketings of
18 raw cane sugar during the 1996 through 2003 fiscal
19 years, the first processor of sugarcane shall remit to
20 the Commodity Credit Corporation a nonrefundable
21 marketing assessment in an amount equal to—

22 (A) in the case of marketings during fiscal
23 year 1996, 1.1 percent of the loan rate estab-
24 lished under subsection (a) per pound of raw
25 cane sugar, processed by the processor from do-

1 mestically produced sugarcane or sugarcane
2 molasses, that has been marketed (including the
3 transfer or delivery of the sugar to a refinery
4 for further processing or marketing); and

5 (B) in the case of marketings during each
6 of fiscal years 1997 through 2003, 1.375 per-
7 cent of the loan rate established under sub-
8 section (a) per pound of raw cane sugar, proc-
9 essed by the processor from domestically pro-
10 duced sugarcane or sugarcane molasses, that
11 has been marketed (including the transfer or
12 delivery of the sugar to a refinery for further
13 processing or marketing).

14 (2) SUGAR BEETS.—Effective for marketings of
15 beet sugar during the 1996 through 2003 fiscal
16 years, the first processor of sugar beets shall remit
17 to the Commodity Credit Corporation a nonrefund-
18 able marketing assessment in an amount equal to—

19 (A) in the case of marketings during fiscal
20 year 1996, 1.1794 percent of the loan rate es-
21 tablished under subsection (a) per pound of
22 beet sugar, processed by the processor from do-
23 mestically produced sugar beets or sugar beet
24 molasses, that has been marketed; and

1 (B) in the case of marketings during each
2 of fiscal years 1997 through 2003, 1.47425
3 percent of the loan rate established under sub-
4 section (a) per pound of beet sugar, processed
5 by the processor from domestically produced
6 sugar beets or sugar beet molasses, that has
7 been marketed.

8 (3) COLLECTION.—

9 (A) TIMING.—A marketing assessment re-
10 quired under this subsection shall be collected
11 on a monthly basis and shall be remitted to the
12 Commodity Credit Corporation not later than
13 30 days after the end of each month. Any cane
14 sugar or beet sugar processed during a fiscal
15 year that has not been marketed by September
16 30 of the year shall be subject to assessment on
17 that date. The sugar shall not be subject to a
18 second assessment at the time that it is mar-
19 keted.

20 (B) MANNER.—Subject to subparagraph
21 (A), marketing assessments shall be collected
22 under this subsection in the manner prescribed
23 by the Secretary and shall be nonrefundable.

24 (4) PENALTIES.—If any person fails to remit
25 the assessment required by this subsection or fails to

1 comply with such requirements for recordkeeping or
2 otherwise as are required by the Secretary to carry
3 out this subsection, the person shall be liable to the
4 Secretary for a civil penalty up to an amount deter-
5 mined by multiplying—

6 (A) the quantity of cane sugar or beet
7 sugar involved in the violation; by

8 (B) the loan rate for the applicable crop of
9 sugarcane or sugar beets.

10 (5) ENFORCEMENT.—The Secretary may en-
11 force this subsection in a court of the United States.

12 (g) FORFEITURE PENALTY.—

13 (1) IN GENERAL.—A penalty shall be assessed
14 on the forfeiture of any sugar pledged as collateral
15 for a nonrecourse loan under this section.

16 (2) CANE SUGAR.—The penalty for cane sugar
17 shall be 1 cent per pound.

18 (3) BEET SUGAR.—The penalty for beet sugar
19 shall bear the same relation to the penalty for cane
20 sugar as the marketing assessment for sugar beets
21 bears to the marketing assessment for sugarcane.

22 (4) EFFECT OF FORFEITURE.—Any payments
23 owed producers by a processor that forfeits any
24 sugar pledged as collateral for a nonrecourse loan

1 shall be reduced in proportion to the loan forfeiture
2 penalty incurred by the processor.

3 (h) INFORMATION REPORTING.—

4 (1) DUTY OF PROCESSORS AND REFINERS TO
5 REPORT.—A sugarcane processor, cane sugar re-
6 finer, and sugar beet processor shall furnish the Sec-
7 retary, on a monthly basis, such information as the
8 Secretary may require to administer sugar pro-
9 grams, including the quantity of purchases of sugar-
10 cane, sugar beets, and sugar, and production, impor-
11 tation, distribution, and stock levels of sugar.

12 (2) PENALTY.—Any person willfully failing or
13 refusing to furnish the information, or furnishing
14 willfully any false information, shall be subject to a
15 civil penalty of not more than \$10,000 for each such
16 violation.

17 (3) MONTHLY REPORTS.—Taking into consider-
18 ation the information received under paragraph (1),
19 the Secretary shall publish on a monthly basis com-
20 posite data on production, imports, distribution, and
21 stock levels of sugar.

22 (i) MARKETING ALLOTMENTS.—Part VII of subtitle
23 B of title III of the Agricultural Adjustment Act of 1938
24 (7 U.S.C. 1359aa et seq.) is repealed.

1 (j) CROPS.—This section (other than subsection (i))
2 shall be effective only for the 1996 through 2002 crops
3 of sugar beets and sugarcane.

4 **SEC. 108. ADMINISTRATION.**

5 (a) COMMODITY CREDIT CORPORATION.—

6 (1) USE OF CORPORATION.—The Secretary
7 shall carry out this title through the Commodity
8 Credit Corporation.

9 (2) PROHIBITION ON SALARIES AND EX-
10 PENSES.—Notwithstanding any other provision of
11 law, no funds of the Corporation shall be used for
12 any salary or expense of any officer, employee, or
13 agency of the Department of Agriculture.

14 (b) DETERMINATIONS BY SECRETARY.—A deter-
15 mination made by the Secretary under this title or the
16 Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et
17 seq.) shall be final and conclusive.

18 (c) REGULATIONS.—The Secretary may issue such
19 regulations as the Secretary determines necessary to carry
20 out this title.

21 **SEC. 109. ELIMINATION OF PERMANENT PRICE SUPPORT**
22 **AUTHORITY.**

23 (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—
24 The Agricultural Adjustment Act of 1938 is amended—

25 (1) in title III—

1 (A) in subtitle B—

2 (i) by striking parts II through V (7
3 U.S.C. 1326–1351); and

4 (ii) in part VI—

5 (I) by moving subsection (c) of
6 section 358d (7 U.S.C. 1358d(c)) to
7 appear after section 301(b)(17) (7
8 U.S.C. 1301(b)(17)), redesignating
9 the subsection as paragraph (18), and
10 moving the margin of the paragraph 2
11 ems to the right; and

12 (II) by striking sections 358,
13 358a, and 358d (7 U.S.C. 1358,
14 1358a, and 1359); and

15 (B) by striking subtitle D (7 U.S.C.
16 1379a–1379j); and

17 (2) by striking title IV (7 U.S.C. 1401–1407).

18 (b) AGRICULTURAL ACT OF 1949.—

19 (1) TRANSFER OF CERTAIN SECTIONS.—The
20 Agricultural Act of 1949 is amended—

21 (A) by transferring sections 106, 106A,
22 and 106B (7 U.S.C. 1445, 1445–1, 1445–2) to
23 appear after section 314A of the Agricultural
24 Adjustment Act of 1938 (7 U.S.C. 1314–1) and

1 redesignating the transferred sections as sec-
 2 tions 315, 315A, and 315B, respectively;

3 (B) by transferring section 111 (7 U.S.C.
 4 1445f) to appear after section 304 of the Agri-
 5 cultural Adjustment Act of 1938 (7 U.S.C.
 6 1304) and redesignating the transferred section
 7 as section 305; and

8 (C) by transferring sections 404 and 416
 9 (7 U.S.C. 1424 and 1431) to appear after sec-
 10 tion 390 of the Agricultural Adjustment Act of
 11 1938 (7 U.S.C. 1390) and redesignating the
 12 transferred sections as sections 390A and
 13 390B, respectively.

14 (2) REPEAL.—The Agricultural Act of 1949 (7
 15 U.S.C. 1421 et seq.) (as amended by paragraph (1))
 16 is repealed.

17 (c) CONFORMING AMENDMENTS.—

18 (1) Section 361 of the Agricultural Adjustment
 19 Act of 1938 (7 U.S.C. 1361) is amended by striking
 20 “, corn, wheat, cotton, peanuts, and rice, estab-
 21 lished”.

22 (2) Section 371 of the Agricultural Adjustment
 23 Act of 1938 (7 U.S.C. 1371) is amended—

24 (A) in the first sentence of subsection (a),
 25 by striking “cotton, rice, peanuts, or”; and

1 (B) in the first sentence of subsection (b),
2 by striking “cotton, rice, peanuts or”.

3 **SEC. 110. EFFECT OF AMENDMENTS.**

4 (a) EFFECT ON PRIOR CROPS.—Except as otherwise
5 specifically provided and notwithstanding any other provi-
6 sion of law, this title and the amendments made by this
7 title shall not affect the authority of the Secretary to carry
8 out a price support or production adjustment program for
9 any of the 1991 through 1995 crops of an agricultural
10 commodity established under a provision of law in effect
11 immediately before the date of the enactment of this Act.

12 (b) LIABILITY.—A provision of this title or an
13 amendment made by this title shall not affect the liability
14 of any person under any provision of law as in effect be-
15 fore the date of the enactment of this Act.

16 **TITLE II—DAIRY**

17 **SEC. 201. MILK PRICE SUPPORT PROGRAM.**

18 (a) SUPPORT ACTIVITIES.—During the period begin-
19 ning on the date of the enactment of this Act and ending
20 December 31, 2000, the Secretary of Agriculture shall
21 support the price of milk produced in the 48 contiguous
22 States through the purchase of cheese, butter, and nonfat
23 dry milk produced from the milk.

1 (b) RATE.—The price of milk shall be supported at
 2 the following rates per hundredweight for milk containing
 3 3.67 percent butterfat:

4 (1) During calendar year 1996, \$10.15.

5 (2) During calendar year 1997, \$10.05.

6 (3) During calendar year 1998, \$9.95.

7 (4) During calendar year 1999, \$9.85.

8 (5) During calendar year 2000, \$9.75.

9 (c) BID PRICES.—The support purchase prices
 10 under this section for each of the products of milk (but-
 11 ter, cheese, and nonfat dry milk) announced by the Sec-
 12 retary shall be the same for all of that product sold by
 13 persons offering to sell the product to the Secretary. The
 14 purchase prices shall be sufficient to enable plants of av-
 15 erage efficiency to pay producers, on average, a price that
 16 is not less than the rate of price support for milk in ef-
 17 fect under subsection (b).

18 (d) SPECIAL RULE FOR BUTTER AND NONFAT DRY
 19 MILK—

20 (1) ALLOCATION OF PURCHASE PRICES.—The
 21 Secretary may allocate the rate of price support be-
 22 tween the purchase prices for nonfat dry milk and
 23 butter in a manner that will result in the lowest level
 24 of expenditures by the Commodity Credit Corpora-
 25 tion or achieve such other objectives as the Secretary

1 considers appropriate. The Secretary shall notify the
2 Committee on Agriculture of the House of Rep-
3 resentatives and the Committee on Agriculture, Nu-
4 trition, and Forestry of the Senate of the allocation.

5 (2) TIMING OF PURCHASE PRICE ADJUST-
6 MENTS.—The Secretary may make any such adjust-
7 ments in the purchase prices for nonfat dry milk
8 and butter the Secretary considers to be necessary
9 not more than twice in each calendar year.

10 (e) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—

11 (1) REFUND REQUIRED.—The Secretary shall
12 provide for a refund of the entire reduction required
13 under section 204(h)(2) of the Agricultural Act of
14 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day
15 before the date of the enactment of this Act, in the
16 price of milk received by a producer during calendar
17 year 1995 or 1996, if the producer provides evidence
18 that the producer did not increase marketings in cal-
19 endar year 1995 or 1996 when compared to cal-
20 endar year 1994 or 1995, respectively.

21 (2) EXCEPTION.—This subsection shall not apply
22 with respect to a producer for a particular calendar
23 year if the producer has already received a refund
24 under section 204(h) of the Agricultural Act of 1949

1 for the same fiscal year before the date of the enact-
 2 ment of this Act.

3 (3) TREATMENT OF REFUND.—A refund under
 4 this subsection shall not be considered as any type
 5 of price support or payment for purposes of sections
 6 1211 and 1221 of the Food Security Act of 1985
 7 (16 U.S.C. 3811 and 3821).

8 (f) COMMODITY CREDIT CORPORATION.—The Sec-
 9 retary shall carry out the program authorized by this sec-
 10 tion through the Commodity Credit Corporation.

11 (g) PERIOD OF EFFECTIVENESS.—This section shall
 12 be effective only during the period beginning on the date
 13 of the enactment of this Act and ending on December 31,
 14 2000. The program authorized by this section shall ter-
 15 minate on December 31, 2000, and shall be considered
 16 to have expired notwithstanding section 257 of the Bal-
 17 anced Budget and Emergency Deficit Control Act of
 18 1985 (2 U.S.C. 907).

19 **SEC. 202. CONSOLIDATION AND REFORM OF FEDERAL MILK**
 20 **MARKETING ORDERS.**

21 (a) AMENDMENT OF ORDERS.—As soon as prac-
 22 ticable after the date of the enactment of this Act, the
 23 Secretary shall amend Federal milk marketing orders is-
 24 sued under section 8c of the Agricultural Adjustment Act

1 (7 U.S.C. 608c), reenacted with amendments by the Ag-
2 ricultural Marketing Agreement Act of 1937, to—

3 (1) limit the number of Federal milk marketing
4 orders to between 10 and 14 orders; and

5 (2) provide for multiple basing points for the pric-
6 ing of milk.

7 (b) EXPEDITED PROCESS.—Using the rulemaking
8 procedures provided in section 553 of title 5, United
9 States Code, the Secretary shall—

10 (1) announce the amendments required under
11 subsection (a) not later than December 31, 1998;
12 and

13 (2) implement the amendments not later than De-
14 cember 31, 2000.

15 (c) FUNDING.—Effective beginning January 1,
16 2001, the Secretary shall not use any funds to administer
17 more than 14 Federal milk marketing orders.

18 (d) STUDY REGARDING FURTHER REFORMS.—Not
19 later than January 1, 1998, the Secretary of Agriculture
20 shall submit to Congress a report—

21 (1) reviewing the Federal milk marketing order
22 system established pursuant to section 8c of the Ag-
23 ricultural Adjustment Act (7 U.S.C. 608c), reen-
24 acted with amendments by the Agricultural Market-

1 ing Agreement Act of 1937, in light of the reforms
2 required by subsection (a); and

3 (2) containing such recommendations as the Sec-
4 retary considers appropriate for further improve-
5 ments and reforms to the Federal milk marketing
6 order system.

7 **SEC. 203. DAIRY EXPORT INCENTIVE PROGRAM.**

8 (a) DURATION.—Section 153(a) of the Food Secu-
9 rity Act of 1985 (15 U.S.C. 713a–14) is amended by
10 striking “2001” and inserting “2002”.

11 (b) SOLE DISCRETION.—Section 153(b) of the Food
12 Security Act of 1985 is amended by inserting “sole” be-
13 fore “discretion”.

14 (c) ELEMENTS OF PROGRAM.—Section 153(c) of the
15 Food Security Act of 1985 is amended—

16 (1) by striking “and” at the end of paragraph (1);

17 (2) by striking the period at the end of paragraph

18 (2) and inserting “; and”; and

19 (3) by adding at the end the following:

20 “(3) the maximum volume of dairy product ex-
21 ports allowable consistent with the obligations of the
22 United States as a member of the World Trade Or-
23 ganization is exported under the program each year
24 (minus the volume sold under section 1163 of the
25 Food Security Act of 1985 (Public Law 99–198; 7

1 U.S.C. 1731 note) during that year), except to the
2 extent that the export of such a volume under the
3 program would, in the judgment of the Secretary,
4 exceed the limitations on the value set forth in sub-
5 section (f); and

6 “(4) payments may be made under the program
7 for exports to any destination in the world for the
8 purpose of market development, except a destination
9 in a country with respect to which shipments from
10 the United States are otherwise restricted by law.”.

11 (d) MARKET DEVELOPMENT.—Section 153(e)(1) of
12 the Food Security Act of 1985 is amended—

13 (1) by striking “and” and inserting “the”; and

14 (2) by inserting before the period the following: “,
15 and any additional amount that may be required to
16 assist in the development of world markets for Unit-
17 ed States dairy products”.

18 (e) MAXIMUM ALLOWABLE AMOUNTS.—Section 153
19 of the Food Security Act of 1985 is amended by adding
20 at the end the following:

21 “(f) REQUIRED FUNDING.—

22 “(1) IN GENERAL.—Except as provided in para-
23 graph (2), the Commodity Credit Corporation shall
24 in each year use money and commodities for the pro-
25 gram under this section in the maximum amount

1 consistent with the obligations of the United States
2 as a member of the World Trade Organization,
3 minus the amount expended under section 1163 of
4 the Food Security Act of 1985 (Public Law 99–198;
5 7 U.S.C. 1731 note) during that year.

6 “(2) VOLUME LIMITATIONS.—The Commodity
7 Credit Corporation may not exceed the limitations
8 specified in subsection (c)(3) on the volume of allow-
9 able dairy product exports.”.

10 **SEC. 204. EFFECT ON FLUID MILK STANDARDS IN THE**
11 **STATE OF CALIFORNIA.**

12 Nothing in this Act or any other provision of law
13 shall be construed to preempt, prohibit or otherwise limit
14 the authority of the State of California, directly or indi-
15 rectly, to establish or continue to effect any law, regula-
16 tion or requirement regarding—

17 (1) the percentage of milk solids or solids not fat
18 in fluid milk products sold at retail or marketed in
19 the State of California; or

20 (2) the labeling of such fluid milk products with
21 regard to milk solids or solids not fat.

22 **SEC. 205. REPEAL OF MILK MANUFACTURING MARKETING**
23 **ADJUSTMENT.**

24 Section 102 of the Food, Agriculture, Conservation,
25 and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

1 **SEC. 206. PROMOTION.**

2 (a) CONGRESSIONAL PURPOSE.—Section 1999B(a)
3 of the Fluid Milk Promotion Act of 1990 (7 U.S.C.
4 6401(a)) is amended—

5 (1) by redesignating paragraphs (6), (7) and (8)
6 as paragraphs (7), (8) and (9), respectively; and

7 (2) by inserting after paragraph (5) the following
8 new paragraph:

9 “(6) the congressional purpose underlying this
10 subtitle is to maintain and expand markets for fluid
11 milk products, not to maintain or expand any proc-
12 essor’s share of those markets and that the subtitle
13 does not prohibit or restrict individual advertising or
14 promotion of fluid milk products since the programs
15 created and funded by this subtitle are not extended
16 to replace individual advertising and promotion ef-
17 forts;”.

18 (b) CONGRESSIONAL POLICY.—Section 1999B(b) of
19 the Fluid Milk Promotion Act of 1990 (7 U.S.C.
20 6401(b)) is amended to read as follows:

21 “(b) POLICY.—It is declared to be the policy of Con-
22 gress that it is in the public interest to authorize the es-
23 tablishment, through the exercise of powers provided in
24 this subtitle, of an orderly procedure for developing, fi-
25 nancing, through adequate assessments on fluid milk
26 products produced in the United States and carrying out

1 an effective, continuous, and coordinated program of pro-
2 motion, research, and consumer information designed to
3 strengthen the position of the dairy industry in the mar-
4 ketplace and maintain and expand domestic and foreign
5 markets and uses for fluid milk products, the purpose of
6 which is not to compete with or replace individual adver-
7 tising or promotion efforts designed to promote individual
8 brand name or trade name fluid milk products, but rath-
9 er to maintain and expand the markets for all fluid milk
10 products, with the goal and purpose of this subtitle being
11 a national governmental goal that authorizes and funds
12 programs that result in government speech promoting
13 government objectives.”.

14 (c) RESEARCH.—Section 1999C(6) of the Fluid Milk
15 Promotion Act of 1990 (7 U.S.C. 6402(6)) is amended
16 to read as follows:

17 “(6) RESEARCH.—The term ‘research’ means
18 market research to support advertising and pro-
19 motion efforts, including educational activities, re-
20 search directed to product characteristics, product
21 development, including new products or improved
22 technology in production, manufacturing or process-
23 ing of milk and the products of milk.”.

24 (d) VOTING.—(1) Section 1999N(b)(2) of the Fluid
25 Milk Promotion Act of 1990 (7 U.S.C. 6413(b)(2)) is

1 amended by striking “all processors” and inserting “fluid
2 milk processors voting in the referendum”.

3 (2) Section 1999O(c) of such Act (7 U.S.C. 6414(c))
4 is amended by striking “all processors” each place it ap-
5 pears and inserting “fluid milk processors voting in the
6 referendum”.

7 (e) DURATION.—Section 1999O(a) of the Fluid Milk
8 Promotion Act of 1990 (7 U.S.C. 6414(a)) is amended
9 by striking “1996” and inserting “2002”.

10 **TITLE III—CONSERVATION**

11 **SEC. 301. CONSERVATION.**

12 (a) FUNDING.—Subtitle E of title XII of the Food
13 Security Act of 1985 (16 U.S.C. 3841 et seq.) is amend-
14 ed to read as follows:

15 **“Subtitle E—Funding**

16 **“SEC. 1241. FUNDING.**

17 “(a) MANDATORY EXPENSES.—For each of fiscal
18 years 1996 through 2002, the Secretary shall use the
19 funds of the Commodity Credit Corporation to carry out
20 the programs authorized by—

21 “(1) subchapter B of chapter 1 of subtitle D (in-
22 cluding contracts extended by the Secretary pursu-
23 ant to section 1437 of the Food, Agriculture, Con-
24 servation, and Trade Act of 1990 (Public Law 101–
25 624; 16 U.S.C. 3831 note));

1 “(2) subchapter C of chapter 1 of subtitle D; and

2 “(3) chapter 4 of subtitle D.

3 “(b) ENVIRONMENTAL QUALITY INCENTIVE PRO-
 4 GRAM.—For each of fiscal years 1996 through 2002,
 5 \$200,000,000 of the funds of the Commodity Credit Cor-
 6 poration shall be available for providing technical assist-
 7 ance, cost-sharing payments, and incentive payments for
 8 practices authorized under the environmental quality in-
 9 centive program under chapter 4 of subtitle D. At least
 10 50 percent of the funds made available under this sub-
 11 section for a fiscal year shall be used to provide technical
 12 assistance, cost-sharing payments, and incentive pay-
 13 ments under such chapter relating to livestock produc-
 14 tion.”.

15 (b) ENVIRONMENTAL QUALITY INCENTIVE PRO-
 16 GRAM.—Subtitle D of title XII of the Food Security Act
 17 of 1985 (16 U.S.C. 3830 et seq.) is amended by adding
 18 at the end the following:

19 **“CHAPTER 4—ENVIRONMENTAL QUALITY**
 20 **INCENTIVE PROGRAM**

21 **“SEC. 1240. DEFINITIONS.**

22 “In this chapter and section 1241:

23 “(1) LAND MANAGEMENT PRACTICE.—The term
 24 ‘land management practice’ means a site-specific nu-
 25 trient or manure management, integrated pest man-

1 agement, irrigation management, tillage or residue
2 management, grazing management, or other land
3 management practice that the Secretary determines
4 is needed to protect, in the most cost effective man-
5 ner, water, soil, or related resources from degrada-
6 tion.

7 “(2) LIVESTOCK.—The term ‘livestock’ means
8 mature livestock, dairy cows, beef cattle, laying hens,
9 turkeys, swine, sheep, and such other animals as de-
10 termined by the Secretary.

11 “(3) PRODUCER.—The term ‘producer’ means a
12 person who is engaged in livestock or agricultural
13 production (as defined by the Secretary).

14 “(4) STRUCTURAL PRACTICE.—The term ‘struc-
15 tural practice’ means—

16 “(A) the establishment of an animal waste
17 management facility, terrace, grassed waterway,
18 contour grass strip, filterstrip, tailwater pit, or
19 other structural practice that the Secretary de-
20 termines is needed to protect, in the most cost
21 effective manner, water, soil, or related re-
22 sources from degradation; and

23 “(B) the capping of abandoned wells.

1 **“SEC. 1240A. ESTABLISHMENT AND ADMINISTRATION OF**
2 **ENVIRONMENTAL QUALITY INCENTIVE PRO-**
3 **GRAM.**

4 “(a) ESTABLISHMENT.—

5 “(1) IN GENERAL.—During the 1996 through
6 2002 fiscal years, the Secretary shall provide tech-
7 nical assistance, cost-sharing payments, and incen-
8 tive payments to producers who enter into contracts
9 with the Secretary, through a environmental quality
10 incentive program.

11 “(2) ELIGIBLE PRACTICES.—

12 “(A) STRUCTURAL PRACTICES.—A producer
13 who implements a structural practice shall be
14 eligible for technical assistance or cost-sharing
15 payments, or both.

16 “(B) LAND MANAGEMENT PRACTICES.—A
17 producer who performs a land management
18 practice shall be eligible for technical assistance
19 or incentive payments, or both.

20 “(3) ELIGIBLE LAND.—Assistance under this
21 chapter may be provided with respect to land that
22 is used for livestock or agricultural production and
23 on which a serious threat to water, soil, or related
24 resources exists, as determined by the Secretary, by
25 reason of the soil types, terrain, climatic, soil, topo-

1 graphic, flood, or saline characteristics, or other fac-
2 tors or natural hazards.

3 “(4) SELECTION CRITERIA.—In providing tech-
4 nical assistance, cost-sharing payments, and incen-
5 tive payments to producers in a region or watershed,
6 the Secretary shall consider—

7 “(A) the significance of the water, soil, and
8 related natural resource problems; and

9 “(B) the maximization of environmental ben-
10 efits per dollar expended.

11 “(b) APPLICATION AND TERM.—

12 “(1) IN GENERAL.—A contract between a pro-
13 ducer and the Secretary under this chapter may—

14 “(A) apply to 1 or more structural practices
15 or 1 or more land management practices, or
16 both; and

17 “(B) have a term of not less than 5, nor
18 more than 10, years, as determined appropriate
19 by the Secretary, depending on the practice or
20 practices that are the basis of the contract.

21 “(2) DUTIES OF PRODUCERS AND SECRETARY.—

22 To receive cost-sharing or incentive payments, or
23 technical assistance, participating producers shall
24 comply with all terms and conditions of the contract
25 and a plan, as established by the Secretary.

1 “(c) STRUCTURAL PRACTICES.—

2 “(1) COMPETITIVE OFFER.—The Secretary shall
3 administer a competitive offer system for producers
4 proposing to receive cost-sharing payments in ex-
5 change for the implementation of 1 or more struc-
6 tural practices by the producer. The competitive
7 offer system shall consist of—

8 “(A) the submission of a competitive offer by
9 the producer in such manner as the Secretary
10 may prescribe; and

11 “(B) evaluation of the offer in light of the se-
12 lection criteria established under subsection
13 (a)(4) and the projected cost of the proposal, as
14 determined by the Secretary.

15 “(C) CONCURRENCE OF OWNER.—If the producer
16 making an offer to implement a structural practice
17 is a tenant of the land involved in agricultural pro-
18 duction, for the offer to be acceptable, the producer
19 shall obtain the concurrence of the owner of the land
20 with respect to the offer.

21 “(d) LAND MANAGEMENT PRACTICES.—The Sec-
22 retary shall establish an application and evaluation proc-
23 ess for awarding technical assistance or incentive pay-
24 ments, or both, to a producer in exchange for the per-

1 formance of 1 or more land management practices by the
2 producer.

3 “(e) COST-SHARING, INCENTIVE PAYMENTS, AND
4 TECHNICAL ASSISTANCE.—

5 “(1) COST-SHARING PAYMENTS.—

6 “(A) IN GENERAL.—The Federal share of
7 cost-sharing payments to a producer proposing
8 to implement 1 or more structural practices
9 shall not be greater than 75 percent of the pro-
10 jected cost of each practice, as determined by
11 the Secretary, taking into consideration any
12 payment received by the producer from a State
13 or local government.

14 “(B) OTHER PAYMENTS.—A producer shall
15 not be eligible for cost-sharing payments for
16 structural practices on eligible land under this
17 chapter if the producer receives cost-sharing
18 payments or other benefits for the same land
19 under chapter 1, 2, or 3.

20 “(2) INCENTIVE PAYMENTS.—The Secretary shall
21 make incentive payments in an amount and at a rate
22 determined by the Secretary to be necessary to en-
23 courage a producer to perform 1 or more land man-
24 agement practices.

25 “(3) TECHNICAL ASSISTANCE.—

1 “(A) FUNDING.—The Secretary shall allocate
2 funding under this chapter for the provision of
3 technical assistance with respect to non-Federal
4 lands according to the purpose and projected
5 cost for which the technical assistance is pro-
6 vided for a fiscal year. The allocated amount
7 may vary according to the type of expertise re-
8 quired, quantity of time involved, and other fac-
9 tors as determined appropriate by the Sec-
10 retary. Funding shall not exceed the projected
11 cost to the Secretary of the technical assistance
12 provided for a fiscal year.

13 “(B) OTHER AUTHORITIES.—The receipt of
14 technical assistance under this chapter shall not
15 affect the eligibility of the producer to receive
16 technical assistance under other authorities of
17 law available to the Secretary.

18 “(C) PRIVATE SOURCES.—The Secretary
19 shall ensure that the process of writing and de-
20 veloping proposals and plans for contracts
21 under this chapter, and of assisting in the im-
22 plementation of structural practices and land
23 management practices covered by the contracts,
24 are open to individuals in agribusiness, includ-
25 ing agricultural producers, representatives from

1 agricultural cooperatives, agricultural input re-
2 tail dealers, and certified crop advisers. The re-
3 quirements of this subparagraph shall also
4 apply to any other Department program using
5 incentive payments, technical assistance, or
6 cost-share payments and to pilot project pro-
7 grams of the Department that require plans.

8 “(f) LIMITATION ON PAYMENTS.—

9 “(1) IN GENERAL.—The total amount of cost-
10 sharing and incentive payments paid to a person
11 under this chapter may not exceed—

12 “(A) \$10,000 for any fiscal year; or

13 “(B) \$50,000 for any multiyear contract.

14 “(2) EXCEPTION TO ANNUAL LIMIT.—The Sec-
15 retary may exceed the limitation on the annual
16 amount of a payment under paragraph (1)(A) on a
17 case-by-case basis if the Secretary determines that a
18 larger payment is essential to accomplish the land
19 management practice or structural practice for
20 which the payment is made.

21 “(3) REGULATIONS.—The Secretary shall issue
22 regulations that are consistent with section 1001 for
23 the purpose of—

24 “(A) defining the term ‘person’ as used in
25 paragraph (1); and

1 “(B) prescribing such rules as the Secretary
2 determines necessary to ensure a fair and rea-
3 sonable application of the limitations estab-
4 lished under this subsection.

5 “(g) REGULATIONS.—Not later than 180 days after
6 the effective date of this subsection, the Secretary shall
7 issue regulations to implement the environmental quality
8 incentive program established under this chapter.”.

9 **SEC. 302. WETLANDS RESERVE PROGRAM.**

10 (a) ENROLLMENT.—Section 1237 of the Food Secu-
11 rity Act of 1985 (16 U.S.C. 3837) is amended by strik-
12 ing subsection (b) and inserting the following:

13 “(b) ENROLLMENT CONDITIONS.—

14 “(1) MAXIMUM ENROLLMENT.—The total number
15 of acres enrolled in the wetlands reserve program
16 shall not exceed 975,000 acres.

17 “(2) METHODS OF ENROLLMENT.—The Secretary
18 shall ensure, to the maximum extent practicable,
19 that of the total number of acres enrolled in the wet-
20 lands reserve program—

21 “(A) one-third of the acres are enrolled
22 through the use of permanent easements;

23 “(B) one-third of the acres are enrolled
24 through the use of 30-year easements (or ease-

1 ments of a shorter period if required under ap-
2 plicable State laws); and

3 “(C) one-third of the acres are enrolled
4 through the use of restoration cost-share agree-
5 ments authorized under section 1237A(h).”.

6 “(3) TEMPORARY EMPHASIS ON CERTAIN ENROLL-
7 MENT METHODS.—To achieve the enrollment rations
8 specified in paragraph (2), the Secretary shall en-
9 deavor, to the maximum extent practicable, to rely
10 on the enrollment methods described in subpara-
11 graphs (B) and (C) of paragraph (2) to enroll lands
12 in the wetlands reserve program until such time as
13 enrollments under each such subparagraph accounts
14 for approximately one-third of all lands enrolled in
15 the wetlands reserve.”

16 (b) ELIGIBILITY.—Section 1237(c) of the Food Se-
17 curity Act of 1985 (16 U.S.C. 3837(c)) is amended by
18 striking “2000” and inserting “2002”.

19 (c) EASEMENTS AND RESTORATION COST-SHARE
20 AGREEMENTS.—Section 1237A of the Food Security Act
21 of 1985 (16 U.S.C. 3837a) is amended—

22 (1) in the section heading, by inserting before the
23 period at the end the following: “**AND RES-**
24 **TORATION COST-SHARE AGREE-**
25 **MENTS**”;

1 (2) by striking subsection (c) and inserting the
2 following:

3 “(c) RESTORATION PLANS.—The development of a
4 restoration plan, including any compatible use, under this
5 section shall be made through the local Natural Re-
6 sources Conservation Service representative.”;

7 (3) in subsection (f), by striking the third sen-
8 tence and inserting the following: “Compensation
9 may be provided in not less than 5, nor more than
10 30, annual payments of equal or unequal size, as
11 agreed to by the owner and the Secretary.”; and

12 (4) by adding at the end the following:

13 “(h) RESTORATION COST-SHARE AGREEMENTS.—
14 The Secretary may enroll land in the wetland reserve
15 program through agreements that require the landowner
16 to restore wetlands on the land, if the agreement does
17 not provide the Secretary with an easement. Other than
18 cost share and technical assistance provided under sec-
19 tion 1237C(b), the Secretary may not provide compensa-
20 tion for an agreement under this subsection.”.

21 (d) SHARE AND TECHNICAL ASSISTANCE.—Section
22 1237C of the Food Security Act of 1985 (16 U.S.C.
23 3837c) is amended by striking subsection (b) and insert-
24 ing the following:

25 “(b) COST SHARE AND TECHNICAL ASSISTANCE.—

1 “(1) EASEMENTS.—In the case of an easement
2 entered into during the 1996 through 2002 calendar
3 years, in making cost share payments under sub-
4 section (a)(1), the Secretary shall—

5 “(A) in the case of a permanent easement,
6 pay the owner an amount that is not less than
7 75 percent, but not more than 100 percent, of
8 the eligible costs; and

9 “(B) in the case of a 30-year easement, pay
10 the owner an amount that is not less than 50
11 percent, but not more than 75 percent, of the
12 eligible costs.

13 “(2) RESTORATION COST-SHARE AGREEMENTS.—
14 In making cost share payments in connection with a
15 restoration cost-share agreement entered into under
16 section 1237(A)(h), the Secretary shall pay the
17 owner an amount that is not less than 50 percent,
18 but not more than 75 percent, of the eligible costs.

19 “(3) TECHNICAL ASSISTANCE.—The Secretary
20 shall provide owners with technical assistance to as-
21 sist owners in complying with the terms of ease-
22 ments and restoration cost-share agreements.”.

23 “(e) EFFECT ON EXISTING EASEMENTS.—The
24 amendments made by this section shall not affect the va-
25 lidity or terms of any easements acquired by the Sec-

1 retary of Agriculture under subchapter C of chapter 1 of
 2 subtitle D of title XII of the Food Security Act of 1985
 3 (16 U.S.C. 3837 et seq.) before the date of the enact-
 4 ment of this Act or any payments required to be made
 5 in connection with such easements.

6 **SEC. 303. ELIMINATION OF CONSULTATION REQUIRE-**
 7 **MENTS WITH SECRETARY OF THE INTERIOR.**

8 Section 1242 of the Food Security Act of 1985 (16
 9 U.S.C. 3842) is amended—

10 (1) by striking “(a)” before “In carrying out”;

11 and

12 (2) by striking subsection (b).

13 **SEC. 304. ENVIRONMENTAL CONSERVATION ACREAGE RE-**
 14 **SERVE PROGRAM.**

15 (a) PROGRAM EXTENSIONS.—Section 1230(a) of the
 16 Food Security Act of 1985 (16 U.S.C. 3830(a)) is
 17 amended by striking “1995” and inserting “2002”.

18 (b) CONSERVATION AND IMPROVEMENT OF WILD-
 19 LIFE HABITAT.—Such section is further amended by in-
 20 serting “and wildlife habitat” after “soil and water re-
 21 sources”.

22 **SEC. 305. CONSERVATION RESERVE PROGRAM.**

23 (a) PROGRAM EXTENSIONS.—

24 (1) CONSERVATION RESERVE PROGRAM.—Section
 25 1231 of the Act (16 U.S.C. 3831) is amended in

1 subsections (a) and (b)(3), by striking “1995” each
2 place it appears and inserting “2002”.

3 (3) DUTIES OF OWNERS AND OPERATORS.—Sec-
4 tion 1232(c) of the Act (16 U.S.C. 3832(c)) is
5 amended by striking “1995” and inserting “2002”.

6 (b) MAXIMUM ENROLLMENT.—Section 1231(d) of
7 the Food Security Act of 1985 (16 U.S.C. 3831(d)) is
8 amended by striking “total of” and all that follows
9 through the period at the end of the subsection and in-
10 serting “total of 36,400,000 acres during the 1986
11 through 2002 calendar years (including contracts ex-
12 tended by the Secretary pursuant to section 1437(c) of
13 the Food, Agriculture, Conservation, and Trade Act of
14 1990 (Public Law 101–624; 16 U.S.C. 3831 note).”.

15 (c) OPTIONAL CONTRACT TERMINATION BY PRO-
16 DUCERS.—Section 1235 of the Food Security Act of
17 1985 (16 U.S.C. 3835) is amended by adding at the end
18 the following new subsection:

19 “(e) TERMINATIONAL BY OWNER OR OPERATOR.—

20 (1) EARLY TERMINATION AUTHORIZED.—The
21 Secretary shall allow an owner or operator of land
22 that, on the date of the enactment of the Agricul-
23 tural Market Transition Act, is covered by a con-
24 tract that was entered into under this subchapter at
25 least five years before that date to terminate the

1 contract with respect to all or a portion of the cov-
2 ered land. The owner or operator shall provide the
3 Secretary with reasonable notice of the termination
4 request.

5 “(2) CERTAIN LANDS EXCEPTED.—Notwithstand-
6 ing paragraph (1), the following lands shall not be
7 subject to an early termination of contract under
8 this subsection:

9 “(A) Filterstrips, waterways, strips adjacent
10 to riparian areas, windbreaks, and shelterbelts.

11 “(B) Land with an erodibility index of more
12 than 15.

13 “(C) Other lands of high environmental
14 value, as determined by the Secretary.

15 “(3) EFFECTIVE DATE.—The contract termi-
16 nation shall take effect 60 days after the date on
17 which the owner or operator submits the notice
18 under paragraph (1).

19 “(4) PRORATED RENTAL PAYMENT.—If a contract
20 entered into under this subchapter is terminated
21 under this subsection before the end of the fiscal
22 year for which a rental payment is due, the Sec-
23 retary shall provide a prorated rental payment cover-
24 ing the portion of the fiscal year during which the
25 contract was in effect.

1 “(5) RENEWED ENROLLMENT.—The termination
2 of a contract entered into under this subchapter
3 shall not affect the ability of the owner or operator
4 who requested the termination to submit a subse-
5 quent bid to enroll the land that was subject to the
6 contract into the conservation reserve.

7 “(6) CONSERVATION REQUIREMENTS.—If land
8 that was subject to a contract is returned to produc-
9 tion of an agricultural commodity, the conservation
10 requirements under subtitles B and C shall apply to
11 the use of the land to the extent that the require-
12 ments are similar to those requirements imposed on
13 other similar lands in the area, except than the re-
14 quirements may not be more onerous than the re-
15 quirements imposed on other lands.”.

16 (d) USE OF UNEXPENDED FUNDS.—Section 1231
17 of the Food Security Act of 1985 (16 U.S.C. 3831) is
18 amended by adding at the end the following:

19 “(h) USE OF UNEXPENDED FUNDS FROM CON-
20 TRACT TERMINATIONS.—If a contract entered into under
21 this section is terminated, voluntarily or otherwise, before
22 the expiration date specified in the contract, the Sec-
23 retary may use funds, already available to the Secretary
24 to cover payments under the contract, but unexpended as
25 a result of the contract termination, to enroll other eligi-

1 ble lands in the conservation reserve established under
2 this subchapter.”.

3 (e) FAIR MARKET VALUE RENTAL RATES.—

4 (1) IN GENERAL.—Section 1234(c) of the Food
5 Security Act of 1985 (16 U.S.C. 3834(c)) is amend-
6 ed by adding at the end the following new para-
7 graph:

8 “(5) In the case of a contract covering land which
9 has not been previously enrolled in the conservation re-
10 serve, annual rental payments under the contract may
11 not exceed the average fair market rental rate for com-
12 parable lands in the county in which the lands are lo-
13 cated. This paragraph shall not apply to the extension of
14 an existing contract.”

15 (2) APPLICATION OF AMENDMENT.—The amend-
16 ment made by paragraph (1) shall apply with re-
17 spect to contracts for the enrollment of lands in the
18 conservation reserve program under section 1231 of
19 the Food Security Act of 1985 (16 U.S.C. 3831))
20 entered into after the date of the enactment of this
21 Act.

22 (f) ENROLLMENTS IN 1997.—Section 725 of the Ag-
23 riculture, Rural Development, Food and Drug Adminis-
24 tration, and Related Agencies Appropriations Act, 1996
25 (Public Law 104–37; 109 Stat. 332), is amended by

1 striking the proviso relating to enrollment of new acres
2 in 1997.

3 **TITLE IV—AGRICULTURAL PRO-**
4 **MOTION AND EXPORT PRO-**
5 **GRAMS**

6 **Subtitle A—Agricultural Promotion**
7 **and Export Enhancement Pro-**
8 **grams**

9 **SEC. 401. MARKET PROMOTION PROGRAM.**

10 Effective as of October 1, 1995, section 211(c)(1) of
11 the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1))
12 is amended—

13 (1) by striking “and” after “1991 through
14 1993,”; and

15 (2) by striking “through 1997,” and inserting
16 “through 1995, and not more than \$100,000,000
17 for each of fiscal years 1996 through 2002,”.

18 **SEC. 402. EXPORT ENHANCEMENT PROGRAM.**

19 (a) GENERALLY.—Effective as of October 1, 1995,
20 section 301(e)(1) of the Agricultural Trade Act of 1978
21 (7 U.S.C. 5651(e)(1)) is amended to read as follows:

22 “(1) IN GENERAL.—The Commodity Credit
23 Corporation shall make available to carry out the
24 program established under this section not more
25 than—

1 “(A) \$350,000,000 for fiscal year 1996;
2 “(B) \$350,000,000 for fiscal year 1997;
3 “(C) \$500,000,000 for fiscal year 1998;
4 “(D) \$550,000,000 for fiscal year 1999;
5 “(E) \$579,000,000 for fiscal year 2000;
6 “(F) \$478,000,000 for fiscal year 2001;
7 and
8 “(G) \$478,000,000 for fiscal year 2002.”.

9 (b) PRIORITY FUNDING FOR WHEAT FLOUR.—Sec-
10 tion 301 of the Agricultural Trade Act of 1978 (7 U.S.C.
11 5651) is amended by adding at the end the following:

12 “(h) PRIORITY FUNDING FOR WHEAT FLOUR.—
13 Consistent, as determined by the Secretary, with the obli-
14 gations and reduction commitments undertaken by the
15 United States set forth in the Uruguay Round Agree-
16 ments, the Secretary shall announce awards under this
17 section on an annual basis for the sale of wheat flour in
18 sufficient amount to maintain the percentage of market
19 share of world commercial flour markets achieved by the
20 United States wheat flour industry during the Uruguay
21 Round base period years of 1986 through 1990.”.

1 **Subtitle B—Amendments to Agri-**
2 **cultural Trade Development and**
3 **Assistance Act of 1954 and Re-**
4 **lated Statutes**

5 **SEC. 411. FOOD AID TO DEVELOPING COUNTRIES.**

6 (a) IN GENERAL.—Section 3 of the Agricultural
7 Trade Development and Assistance Act of 1954 (7
8 U.S.C. 1691a) is amended to read as follows:

9 **“SEC. 3. FOOD AID TO DEVELOPING COUNTRIES.**

10 “(a) POLICY.—In light of the Uruguay Round
11 Agreement on Agriculture and the Ministerial Decision
12 on Measures Concerning the Possible Negative Effects of
13 the Reform Program on Least-Developed and Net-Food
14 Importing Developing Countries, the United States reaf-
15 firms the commitment of the United States to providing
16 food aid to developing countries.

17 “(b) SENSE OF CONGRESS.—It is the sense of Con-
18 gress that—

19 “(1) the President should initiate consultations
20 with other donor nations to consider appropriate lev-
21 els of food aid commitments to meet the legitimate
22 needs of developing countries;

23 “(2) the United States should increase its con-
24 tribution of bona fide food assistance to developing

1 countries consistent with the Agreement on Agri-
2 culture.”.

3 (b) CONFORMING AMENDMENT.—Section 411 of the
4 Uruguay Round Agreements Act (19 U.S.C. 3611) is
5 amended by striking subsection (e).

6 **SEC. 412. TRADE AND DEVELOPMENT ASSISTANCE.**

7 Section 101 of the Agricultural Trade Development
8 and Assistance Act of 1954 (7 U.S.C. 1701) is amend-
9 ed—

10 (1) by striking “developing countries” each place
11 it appears and inserting “developing countries and
12 private entities”; and

13 (2) in subsection (b), by inserting “and entities”
14 before the period at the end.

15 **SEC. 413. AGREEMENTS REGARDING ELIGIBLE COUNTRIES**
16 **AND PRIVATE ENTITIES.**

17 Section 102 of the Agricultural Trade Development
18 and Assistance Act of 1954 (7 U.S.C. 1702) is amended
19 to read as follows:

20 **“SEC. 102. AGREEMENTS REGARDING ELIGIBLE COUNTRIES**
21 **AND PRIVATE ENTITIES.**

22 “(a) PRIORITY.—In selecting agreements to be en-
23 tered into under this title, the Secretary shall give prior-
24 ity to agreements providing for the export of agricultural
25 commodities to developing countries that—

1 “(1) have the demonstrated potential to become
2 commercial markets for competitively priced United
3 States agricultural commodities;

4 “(2) are undertaking measures for economic de-
5 velopment purposes to improve food security and ag-
6 ricultural development, alleviate poverty, and pro-
7 mote broad-based equitable and sustainable develop-
8 ment; and

9 “(3) demonstrate the greatest need for food.

10 “(b) PRIVATE ENTITIES.—An agreement entered
11 into under this title with a private entity shall require
12 such security, or such other provisions as the Secretary
13 determines necessary, to provide reasonable and adequate
14 assurance of repayment of the financing extended to the
15 private entity.

16 “(c) AGRICULTURAL MARKET DEVELOPMENT
17 PLAN.—

18 “(1) DEFINITION OF AGRICULTURAL TRADE OR-
19 GANIZATION.—In this subsection, the term ‘agricul-
20 tural trade organization’ means a United States ag-
21 ricultural trade organization that promotes the ex-
22 port and sale of a United States agricultural com-
23 modity and that does not stand to profit directly
24 from the specific sale of the commodity.

1 “(2) AN.—The Secretary shall consider a develop-
2 ing country for which an agricultural market devel-
3 opment plan has been approved under this sub-
4 section to have the demonstrated potential to become
5 a commercial market for competitively priced United
6 States agricultural commodities for the purpose of
7 granting a priority under subsection (a).

8 “(3) REQUIREMENTS.—

9 “(A) IN GENERAL.—To be approved by the
10 Secretary, an agricultural market development
11 plan shall—

12 “(i) be submitted by a developing coun-
13 try or private entity, in conjunction with
14 an agricultural trade organization;

15 “(ii) describe a project or program for
16 the development and expansion of a United
17 States agricultural commodity market in a
18 developing country, and the economic de-
19 velopment of the country, using funds de-
20 rived from the sale of agricultural com-
21 modities received under an agreement de-
22 scribed in section 101;

23 “(iii) provide for any matching funds
24 that are required by the Secretary for the
25 project or program;

1 “(iv) provide for a results-oriented
2 means of measuring the success of the
3 project or program; and

4 “(v) provide for graduation to the use of
5 non-Federal funds to carry out the project
6 or program, consistent with requirements
7 established by the Secretary.

8 “(B) AGRICULTURAL TRADE ORGANIZA-
9 TION.—The project or program shall be de-
10 signed and carried out by the agricultural trade
11 organization.

12 “(C) ADDITIONAL REQUIREMENTS.—An agri-
13 cultural market development plan shall contain
14 such additional requirements as are determined
15 necessary by the Secretary.

16 “(4) ADMINISTRATIVE COSTS.—

17 “(A) IN GENERAL.—The Secretary shall
18 make funds made available to carry out this
19 title available for the reimbursement of admin-
20 istrative expenses incurred by agricultural trade
21 organizations in developing, implementing, and
22 administering agricultural market development
23 plans, subject to such requirements and in such
24 amounts as the Secretary considers appropriate.

1 “(B) DURATION.—The funds shall be made
2 available to agricultural trade organizations for
3 the duration of the applicable agricultural mar-
4 ket development plan.

5 “(C) TERMINATION.—The Secretary may ter-
6 minate assistance made available under this
7 subsection if the agricultural trade organization
8 is not carrying out the approved agricultural
9 market development plan.”.

10 **SEC. 414. TERMS AND CONDITIONS OF SALES.**

11 Section 103 of the Agricultural Trade Development
12 and Assistance Act of 1954 (7 U.S.C. 1703) is amend-
13 ed—

14 “(1) in subsection (a)(2)(A)—

15 (A) by striking “a recipient country to
16 make”; and

17 (B) by striking “such country” and inserting
18 “the appropriate country”;

19 (2) in subsection (c), by striking “less than
20 10 nor”; and

21 (3) in subsection (d)—

22 (A) by striking “recipient country” and in-
23 serting “developing country or private entity”;
24 and

25 (B) by striking “7” and inserting “5”.

1 **SEC. 415. USE OF LOCAL CURRENCY PAYMENT.**

2 Section 104 of the Agricultural Trade Development
3 and Assistance Act of 1954 (7 U.S.C. 1704) is amend-
4 ed—

5 (1) in subsection (a), by striking “recipient coun-
6 try” and inserting “developing country or private en-
7 tity”; and

8 (2) in subsection (c)—

9 (A) by striking “recipient country” each
10 place it appears and inserting “appropriate de-
11 veloping country”; and

12 (B) in paragraph (3), by striking “recipient
13 countries” and inserting “appropriate develop-
14 ing countries”.

15 **SEC. 416. ELIGIBLE ORGANIZATIONS.**

16 Section 202 of the Agricultural Trade Development
17 and Assistance Act of 1954 (7 U.S.C. 1722) is amend-
18 ed—

19 (1) by striking subsection (b) and inserting the
20 following:

21 “(b) NONEMERGENCY ASSISTANCE.—

22 “(1) IN GENERAL.—The Administrator may pro-
23 vide agricultural commodities for nonemergency as-
24 sistance under this title through eligible organiza-
25 tions (as described in subsection (d)) that have en-

1 tered into an agreement with the Administrator to
2 use the commodities in accordance with this title.

3 “(2) LIMITATION.—The Administrator may not
4 deny a request for funds or commodities submitted
5 under this subsection because the program for which
6 the funds or commodities are requested—

7 “(A) would be carried out by the eligible or-
8 ganization in a foreign country in which the
9 Agency for International Development does not
10 have a mission, office, or other presence; or

11 “(B) is not part of a development plan for
12 the country prepared by the Agency.”; and

13 (2) in subsection (e)—

14 (A) in the subsection heading, by striking
15 “PRIVATE VOLUNTARY ORGANIZATIONS AND
16 COOPERATIVES” and inserting “ELIGIBLE OR-
17 GANIZATIONS”;

18 (B) in paragraph (1)—

19 (i) by striking “\$13,500,000” and in-
20 serting “\$28,000,000”; and

21 (ii) by striking “private voluntary orga-
22 nizations and cooperatives to assist such
23 organizations and cooperatives” and insert-
24 ing “eligible organizations described in
25 subsection (d), to assist the organizations”;

(C) in paragraph (3), by striking “a private voluntary organization or cooperative, the Administrator may provide assistance to that organization or cooperative” and inserting “an eligible organization, the Administrator may provide assistance to the eligible organization”.

SEC. 417. GENERATION AND USE OF FOREIGN CURRENCIES.

Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) is amended—

(1) in subsection (a), by inserting “, or in a country in the same region,” after “in the recipient country”;

(2) in subsection (b)—

(A) by inserting “or in countries in the same region,” after “in recipient countries,”; and

(B) by striking “10 percent” and inserting “15 percent”;

(3) in subsection (c), by inserting “or in a country in the same region,” after “in the recipient country,”; and

(4) in subsection (d)(2), by inserting “or within a country in the same region” after “within the recipient country”.

1 **SEC. 418. GENERAL LEVELS OF ASSISTANCE UNDER PUB-**
2 **LIC LAW 480.**

3 Section 204(a) of the Agricultural Trade Develop-
4 ment and Assistance Act of 1954 (7 U.S.C. 1724(a)) is
5 amended—

6 (1) in paragraph (1), by striking “amount that”
7 and all that follows through the period at the end
8 and inserting “amount that for each of fiscal years
9 1996 through 2002 is not less than 2,025,000 met-
10 ric tons.”;

11 (2) in paragraph (2), by striking “amount that”
12 and all that follows through the period at the end
13 and inserting “amount that for each of fiscal years
14 1996 through 2002 is not less than 1,550,000 met-
15 ric tons.”; and

16 (3) in paragraph (3), by adding at the end the fol-
17 lowing: “No waiver shall be made before the begin-
18 ning of the applicable fiscal year.”.

19 **SEC. 419. FOOD AND CONSULTATIVE GROUP.**

20 Section 205 of the Agricultural Trade Development
21 and Assistance Act of 1954 (7 U.S.C. 1725) is amend-
22 ed—

23 (1) in subsection (a), by striking “private vol-
24 untary organizations, cooperatives and indigenous
25 non-governmental organizations” and inserting “eli-
26 gible organizations described in section 202(d)(1)”;

1 (2) in subsection (b)—

2 (A) in paragraph (2), by striking “for Inter-
3 national Affairs and Commodity Programs”
4 and inserting “of Agriculture for Farm and
5 Foreign Agricultural Services”;

6 (B) in paragraph (4), by striking “and” at
7 the end;

8 (C) in paragraph (5), by striking the period
9 at the end and inserting “; and”; and

10 (D) by adding at the end the following:

11 “(6) representatives from agricultural producer
12 groups in the United States.”;

13 (3) in the second sentence of subsection (d), by in-
14 serting “(but at least twice per year)” after “when
15 appropriate”; and

16 (4) in subsection (f), by striking “1995” and in-
17 serting “2002”.

18 **SEC. 420. SUPPORT OF NONGOVERNMENTAL ORGANIZA-**
19 **TIONS.**

20 (a) IN GENERAL.—Section 306(b) of the Agricul-
21 tural Trade Development and Assistance Act of 1954 (7
22 U.S.C. 1727e(b)) is amended—

23 (1) in the subsection heading, by striking “INDIG-
24 ENOUS NON-GOVERNMENTAL” and inserting “NON-
25 GOVERNMENTAL”; and

1 (2) by striking “utilization of indigenous” and in-
2 serting “utilization of”.

3 (b) CONFORMING AMENDMENT.—Section 402 of the
4 Agricultural Trade Development and Assistance Act of
5 1954 (7 U.S.C. 1732) is amended by striking paragraph
6 (6) and inserting the following:

7 “(6) NONGOVERNMENTAL ORGANIZATION.—The
8 term ‘nongovernmental organization’ means an orga-
9 nization that works at the local level to solve devel-
10 opment problems in a foreign country in which the
11 organization is located, except that the term does
12 not include an organization that is primarily an
13 agency or instrumentality of the government of the
14 foreign country.”.

15 **SEC. 421. COMMODITY DETERMINATIONS.**

16 Section 401 of the Agricultural Trade Development
17 and Assistance Act of 1954 (7 U.S.C. 1731) is amend-
18 ed—

19 (1) by striking subsections (a) through (d) and in-
20 serting the following:

21 “(a) AVAILABILITY OF COMMODITIES.—No agricul-
22 tural commodity shall be available for disposition under
23 this Act if the Secretary determines that the disposition
24 would reduce the domestic supply of the commodity below
25 the supply needed to meet domestic requirements and

1 provide adequate carryover (as determined by the Sec-
 2 retary), unless the Secretary determines that some part
 3 of the supply should be used to carry out urgent humani-
 4 tarian purposes under this Act.”;

5 (2) by redesignating subsections (e) and (f) as
 6 subsections (b) and (c), respectively; and

7 (3) in subsection (c) (as so redesignated), by
 8 striking “(e)(1)” and inserting “(b)(1)”.

9 **SEC. 422. GENERAL PROVISIONS.**

10 Section 403 of the Agricultural Trade Development
 11 and Assistance Act of 1954 (7 U.S.C. 1733) is amend-
 12 ed—

13 (1) in subsection (b)—

14 (A) in the subsection heading, by striking
 15 “CONSULTATIONS” and inserting “IMPACT ON
 16 LOCAL FARMERS AND ECONOMY”; and

17 (B) by striking “consult with” and all that
 18 follows through “other donor organizations to”;

19 (2) in subsection (c)—

20 (A) by striking “from countries”; and

21 (B) by striking “for use” and inserting “or
 22 use”;

23 (3) in subsection (f)—

24 (A) by inserting “or private entities, as ap-
 25 propriate,” after “from countries”; and

1 (B) by inserting “or private entities” after
 2 “such countries”; and
 3 (4) in subsection (i)(2), by striking subparagraph
 4 (C).

5 **SEC. 423. AGREEMENTS.**

6 Section 404 of the Agricultural Trade Development
 7 and Assistance Act of 1954 (7 U.S.C. 1734) is amend-
 8 ed—

9 (1) in subsection (a), by inserting “with foreign
 10 countries” after “Before entering into agreements”;
 11 (2) in subsection (b)(2)—

12 (A) by inserting “with foreign countries”
 13 after “with respect to agreements entered into”;
 14 and

15 (B) by inserting before the semicolon at the
 16 end the following: “and broad-based economic
 17 growth”; and

18 (3) in subsection (c), by striking paragraph (1)
 19 and inserting the following:

20 “(1) IN GENERAL.—Agreements to provide assist-
 21 ance on a multi-year basis to recipient countries or
 22 to eligible organizations—

23 “(A) may be made available under titles I
 24 and III; and

25 “(B) shall be made available under title II.”.

1 **SEC. 424. ADMINISTRATIVE PROVISIONS.**

2 Section 407 of the Agricultural Trade Development
3 and Assistance Act of 1954 (7 U.S.C. 1736a) is amend-
4 ed—

5 (1) in subsection (a)—

6 (A) in paragraph (1), by inserting “or private
7 entity that enters into an agreement under title
8 I” after “importing country”; and

9 (B) in paragraph (2), by adding at the end
10 the following: “Resulting contracts may contain
11 such terms and conditions as the Secretary de-
12 termines are necessary and appropriate.”;

13 (2) in subsection (c)—

14 (A) in paragraph (1)(A), by inserting “im-
15 porter or” before “importing country”; and

16 (B) in paragraph (2)(A), by inserting “im-
17 porter or” before “importing country”;

18 (3) in subsection (d)—

19 (A) by striking paragraph (2) and inserting
20 the following:

21 “(2) FREIGHT PROCUREMENT.—

22 Notwithstanding the Federal Property and Admin-
23 istrative Services Act of 1949 (40 U.S.C. 471 et
24 seq.) or other similar provisions of law relating to
25 the making or performance of Federal Government
26 contracts, ocean transportation under titles II and

1 III may be procured on the basis of such full and
 2 open competitive procedures. Resulting contracts
 3 may contain such terms and conditions, as the Ad-
 4 ministrator determines are necessary and appro-
 5 priate.”; and

6 (B) by striking paragraph (4);

7 (4) in subsection (g)(2)—

8 (A) in subparagraph (B), by striking “and”
 9 at the end;

10 (B) in subparagraph (C), by striking the pe-
 11 riod at the end and inserting “; and”; and

12 (C) by adding at the end the following:

13 “(D) an assessment of the progress towards
 14 achieving food security in each country receiv-
 15 ing food assistance from the United States Gov-
 16 ernment, with special emphasis on the nutri-
 17 tional status of the poorest populations in each
 18 country.”; and

19 (5) by striking subsection (h).

20 **SEC. 425. EXPIRATION DATE.**

21 Section 408 of the Agricultural Trade Development
 22 and Assistance Act of 1954 (7 U.S.C. 1736b) is amended
 23 by striking “1995” and inserting “2002”.

1 **SEC. 426. REGULATIONS.**

2 Section 409 of the Agricultural Trade Development
3 and Assistance Act of 1954 (7 U.S.C. 1736c) is repealed.

4 **SEC. 427. INDEPENDENT EVALUATION OF PROGRAMS.**

5 Section 410 of the Agricultural Trade Development
6 and Assistance Act of 1954 (7 U.S.C. 1736d) is repealed.

7 **SEC. 428. AUTHORIZATION OF APPROPRIATIONS.**

8 (a) IN GENERAL.—Section 412 of the Agricultural
9 Trade Development and Assistance Act of 1954 (7
10 U.S.C. 1736f) is amended—

11 (1) by striking subsections (b) and (c) and insert-
12 ing the following:

13 “(b) TRANSFER OF FUNDS.—Notwithstanding any
14 other provision of law, the President may direct that—

15 “(1) up to 15 percent of the funds available for
16 any fiscal year for carrying out title I or III of this
17 Act be used to carry out any other title of this Act;
18 and

19 “(2) up to 100 percent of funds available for title
20 III be used to carry out title II.”; and

21 (2) by redesignating subsections (d) and (e) as
22 subsections (c) and (d), respectively.

23 (b) RELATION TO OTHER WAIVER.—Section
24 204(a)(3) of the Agricultural Trade Development and As-
25 sistance Act of 1954 (7 U.S.C. 1724(a)(3)) is amended
26 by inserting “all authority to transfer from title I under

1 section 412 has been exercised with respect to that fiscal
2 year and” after “any fiscal year if”.

3 **SEC. 429. COORDINATION OF FOREIGN ASSISTANCE PRO-**
4 **GRAMS.**

5 Section 413 of the Agricultural Trade Development
6 and Assistance Act of 1954 (7 U.S.C. 1736g) is amended
7 by inserting “title III of” before “this Act” each place it
8 appears.

9 **SEC. 430. USE OF CERTAIN LOCAL CURRENCY.**

10 Title IV of the Agricultural Trade Development and
11 Assistance Act of 1954 (7 U.S.C. 1731 et seq.) (as
12 amended by section 222) is further amended by adding
13 at the end the following:

14 **“SEC. 416. USE OF CERTAIN LOCAL CURRENCY.**

15 “Local currency payments received by the United
16 States pursuant to agreements entered into under title I
17 (as in effect on November 27, 1990) may be utilized by
18 the Secretary in accordance with section 108 (as in effect
19 on November 27, 1990).”.

20 **SEC. 431. LEVEL OF ASSISTANCE TO FARMER TO FARMER**
21 **PROGRAM.**

22 Section 501(c) of the Agricultural Trade Develop-
23 ment and Assistance Act of 1954 (7 U.S.C. 1737(c)) is
24 amended—

25 (1) by striking “0.2” and inserting “0.4”;

1 (2) by striking “0.1” and inserting “0.2”; and
 2 (3) by striking “1991 through 1955” and insert-
 3 ing “1996 through 2002”.

4 **SEC. 432. FOOD SECURITY COMMODITY RESERVE.**

5 (a) FOOD SECURITY COMMODITY RESERVE ACT OF
 6 1995.—The title heading of title III of the Agricultural
 7 Act of 1980 (7 U.S.C. 1736f–1 note) is amended by
 8 striking “**FOOD SECURITY WHEAT RESERVE**
 9 **ACT OF 1980**” and inserting “**FOOD SECURITY**
 10 **COMMODITY RESERVE ACT OF 1995**”.

11 (b) SHORT TITLE.—Section 301 of the Act (7
 12 U.S.C. 1736f–1 note) is amended by striking “Food Se-
 13 curity Wheat Reserve Act of 1980” and inserting “Food
 14 Security Commodity Reserve Act of 1995”.

15 (c) IN GENERAL.—Section 302 of the Act (7 U.S.C.
 16 1736f–1) is amended—

17 (1) in the section heading, by striking “**FOOD**
 18 **SECURITY WHEAT RESERVE**” and insert-
 19 ing “**FOOD SECURITY COMMODITY RE-**
 20 **SERVE**”;

21 (2) so that subsection (a) reads as follows:

22 “(a) IN GENERAL.—To provide for a reserve solely
 23 to meet emergency humanitarian food needs in developing
 24 countries, the Secretary shall establish a reserve stock of
 25 wheat, rice, corn, or sorghum, or any combination of the

1 commodities, totaling not more than 4,000,000 metric
2 tons for use as described in subsection (c).”;

3 (3) so that subsection (b)(1) reads as follows:

4 “(b) COMMODITIES IN RESERVE.—

5 “(1) IN GENERAL.—The reserve established under
6 this section shall consist of—

7 “(A) wheat in the reserve established under
8 the Food Security Commodity Reserve Act of
9 1980 as of the date of enactment of the Food
10 For Peace Reauthorization Act of 1995;

11 “(B) wheat, rice, corn, and sorghum (re-
12 ferred to in this section as ‘eligible commod-
13 ities’) acquired in accordance with paragraph
14 (2) to replenish eligible commodities released
15 from the reserve, including wheat to replenish
16 wheat released from the reserve established
17 under the Food Security Wheat Reserve Act of
18 1980 but not replenished as of the date of en-
19 actment of the Food For Peace Reauthorization
20 Act of 1995; and

21 “(C) such rice, corn, and sorghum as the
22 Secretary of Agriculture (referred to in this sec-
23 tion as the ‘Secretary’) may, at such time and
24 in such manner as the Secretary determines ap-
25 propriate, acquire as a result of exchanging an

1 equivalent value of wheat in the reserve estab-
 2 lished under this section.”;

3 (4) in subsection (b)(2)—

4 (A) by striking “(2)(A) Subject to” and in-
 5 serting the following:

6 “(2) REPLENISHMENT OF RESERVE.—

7 “(A) IN GENERAL.—Subject to;

8 (B) in subparagraph (A)—

9 (i) by striking “(i) of this section stocks
 10 of wheat” and inserting “(i) stocks of eligi-
 11 ble commodities”;

12 (ii) in clause (ii), by striking “stocks of
 13 wheat” and inserting “stocks of eligible
 14 commodities”; and

15 (iii) in the second sentence, by striking
 16 “wheat” and inserting “eligible commod-
 17 ities”; and

18 (C) in subparagraph (B)—

19 (i) by striking “(B) Not later” and in-
 20 serting “(B) TIME FOR REPLENISHMENT
 21 OF RESERVE.—Not later”; and

22 (ii) in clause (ii), by striking “wheat”
 23 and inserting “eligible commodities”;

24 (5) so that subsections (c) through (f) read as fol-
 25 lows:

1 “(c) RELEASE OF ELIGIBLE COMMODITIES.—

2 “(1) DETERMINATION.—If the Secretary deter-
3 mines that the amount of commodities allocated for
4 minimum assistance under section 204(a)(1) of the
5 Agricultural Trade Development and Assistance Act
6 of 1954 (7 U.S.C. 1724(a)(1)) less the amount of
7 commodities allocated for minimum non-emergency
8 assistance under section 204(a)(2) of the Act (7
9 U.S.C. 1724(a)(2)) will be insufficient to meet the
10 need for commodities for emergency assistance
11 under section 202(a) of the Act (7 U.S.C. 1722(a)),
12 the Secretary in any fiscal year may release from the
13 reserve—

14 “(A) up to 500,000 metric tons of wheat or
15 the equivalent value of eligible commodities
16 other than wheat; and

17 “(B) any eligible commodities which under
18 subparagraph (A) could have been released but
19 were not released in prior fiscal years.

20 “(2) AVAILABILITY OF COMMODITIES.—Commod-
21 ities released under paragraph (1) shall be made
22 available under title II of the Agricultural Trade De-
23 velopment and Assistance Act of 1954 (7 U.S.C.
24 1721 et seq.) for emergency assistance.

1 “(3) EXCHANGE.—The Secretary may exchange
2 an eligible commodity for another United States
3 commodity of equal value, including powdered milk,
4 pulses, and vegetable oil.

5 “(4) USE OF NORMAL COMMERCIAL PRACTICES.—
6 To the maximum extent practicable consistent with
7 the fulfillment of the purposes of this section and
8 the effective and efficient administration of this sec-
9 tion, the Secretary shall use the usual and cus-
10 tomary channels, facilities, arrangements, and prac-
11 tices of the trade and commerce.

12 “(5) WAIVER OF MINIMUM TONNAGE REQUIRE-
13 MENTS.—Nothing in this subsection shall require
14 the exercise of the waiver under section 204(a)(3) of
15 the Agricultural Trade Development and Assistance
16 Act of 1954 (7 U.S.C. 1724(a)(3)) as a prerequisite
17 for the release of eligible commodities under this
18 subsection.

19 “(d) TRANSPORTATION AND HANDLING COSTS.—

20 “(1) IN GENERAL.—The cost of transportation
21 and handling of eligible commodities released from
22 the reserve established under this section shall be
23 paid by the Commodity Credit Corporation in ac-
24 cordance with section 406 of the Agricultural Trade

1 Development and Assistance Act of 1954 (7 U.S.C.
2 1736).

3 “(2) REIMBURSEMENT.—

4 “(A) IN GENERAL.—The Commodity Credit
5 Corporation shall be reimbursed for the costs
6 incurred under paragraph (1) from the funds
7 made available to carry out the Agricultural
8 Trade Development and Assistance Act of 1954
9 (7 U.S.C. 1691 et seq.)

10 “(B) BASIS FOR REIMBURSEMENT.—The re-
11 imbursement shall be made on the basis of the
12 lesser of the actual cost incurred by the Com-
13 modity Credit Corporation less any savings
14 achieved as a result of decreased storage and
15 handling costs for the reserve.

16 “(C) DECREASED STORAGE AND HANDLING
17 COSTS.—For purposes of this subsection, ‘de-
18 creased storage and handling costs’ shall mean
19 the total actual costs for storage and handling
20 incurred by the Commodity Credit Corporation
21 for the reserve established under title III of the
22 Agricultural Act of 1980 in fiscal year 1995
23 less the total actual costs for storage and han-
24 dling incurred by the Corporation for the re-

1 serve established under this Act in the fiscal
2 year for which the savings are calculated.

3 “(e) MANAGEMENT OF RESERVE.—The Secretary
4 shall provide for—

5 “(1) the management of eligible commodities in
6 the reserve as to location and quality of commodities
7 needed to meet emergency situations; and

8 “(2) the periodic rotation of eligible commodities
9 in the reserve to avoid spoilage and deterioration of
10 such stocks.

11 “(f) TREATMENT OF RESERVE UNDER OTHER
12 LAW.—Eligible commodities in the reserve established
13 under this section shall not be—

14 “(1) considered a part of the total domestic sup-
15 ply (including carryover) for the purpose of admin-
16 istering the Agricultural Trade Development and As-
17 sistance Act of 1954 (7 U.S.C. 1691 et seq.); and

18 “(2) subject to any quantitative limitation on ex-
19 ports that may be imposed under section 7 of the
20 Export Administration Act of 1979 (50 U.S.C. App.
21 2406).”;

22 (6) in subsection (g)—

23 (A) by striking “(g)(1) The” and inserting
24 the following:

1 “(g) USE OF COMMODITY CREDIT CORPORATION.—
2 The”;

3 (B) by striking “wheat” and inserting “an el-
4 igible commodity”; and

5 (C) by striking paragraph (2);

6 (7) in subsection (h)—

7 (A) by striking “(h) Any” and inserting:

8 “(h) FINALITY OF DETERMINATION.—Any”; and

9 (B) by striking “President or the Secretary
10 of Agriculture” and inserting “Secretary”; and

11 (8) in subsection (i)—

12 (A) by striking “(i) The” and inserting:

13 “(i) TERMINATION OF AUTHORITY.—The”;

14 (B) by striking “wheat” each place it appears
15 and inserting “eligible commodities”; and

16 (C) by striking “1995” each place it appears
17 and inserting “2002”.

18 (d) EFFECTIVE DATE.—Section 303 of the Act (7
19 U.S.C. 1736–1 note) is amended by striking “October 1,
20 1980” and all that follows through the end of the section
21 and inserting “on the date of enactment of this Act.”.

22 (e) CONFORMING AMENDMENT.—Section 208(d)(2)
23 of the Agriculture Trade Suspension Adjustment Act of
24 1980 (7 U.S.C. 4001(d)(2)) is amended to read as fol-
25 lows:

1 “(2) APPLICABILITY OF CERTAIN PROVISIONS.—
2 Subsections (b)(2), (c), (e), and (f) of section 302 of
3 the Food Security Commodity Reserve Act of 1995
4 shall apply to commodities in any reserve established
5 under paragraph (1), except that the references to
6 ‘eligible commodities’ in the subsections shall be
7 deemed to be references to ‘agricultural commod-
8 ities’.”.

9 **SEC. 423. FOOD FOR PROGRESS PROGRAM.**

10 The Food for Progress Act of 1985 (7 U.S.C.
11 1736o) is amended—

12 (1) in subsection (b)—

13 (A) in paragraph (1)—

14 (i) by striking “(b)(1)” and inserting

15 “(b)”; and

16 (ii) in the first sentence, by inserting

17 “intergovernmental organizations” after

18 “cooperatives”; and

19 (B) by striking paragraph (2);

20 (2) in subsection (e)(4), by striking “203” and in-

21 serting “406”;

22 (3) in subsection (f)—

23 (A) in paragraph (1), by striking “in the case

24 of the independent states of the former Soviet

25 Union,”;

1 (B) by striking paragraph (2);

2 (C) in paragraph (4), by inserting “in each
3 of fiscal years 1996 through 2002” after “may
4 be used”; and

5 (D) by redesignating paragraphs (3) through
6 (5) as paragraphs (2) through (4), respectively;
7 (4) in subsection (g), by striking “1995” and in-
8 serting “2002”;

9 (5) in subsection (j), by striking “shall” and in-
10 serting “may”;

11 (6) in subsection (k), by striking “1995” and in-
12 serting “2002”;

13 (7) in subsection (l)(1)—

14 (A) by striking “1991 through 1995” and in-
15 serting “1996 through 2002”; and

16 (B) by inserting “, and to provide technical
17 assistance for monetization programs,” after
18 “monitoring of food assistance programs”; and

19 (8) in subsection (m)—

20 (A) by striking “with respect to the inde-
21 pendent states of the former Soviet Union”;

22 (B) by striking “private voluntary organiza-
23 tions and cooperatives” each place it appears
24 and inserting “agricultural trade organizations,

1 intergovernmental organizations, private vol-
 2 untary organizations, and cooperatives”; and
 3 (C) in paragraph (2), by striking “in the
 4 independent states”.

5 **Subtitle C—Amendments to Agricultural Trade Act**
 6 **of 1978**

7 **SEC. 451. AGRICULTURAL EXPORT PROMOTION STRATEGY.**

8 (a) IN GENERAL.—Section 103 of the Agricul-
 9 tural Trade Act of 1978 (7 U.S.C. 5603) is amended to
 10 read as follows:

11 **“SEC. 103. AGRICULTURAL EXPORT PROMOTION STRATEGY.**

12 “(a) IN GENERAL.—The Secretary shall develop a
 13 strategy for implementing Federal agricultural export
 14 promotion programs that takes into account the new
 15 market opportunities for agricultural products, including
 16 opportunities that result from—

17 “(1) the North American Free Trade Agreement
 18 and the Uruguay Round Agreements;

19 “(2) any accession to membership in the World
 20 Trade Organization;

21 “(3) the continued economic growth in the Pacific
 22 Rim; and

23 “(4) other developments.

24 “(b) PURPOSE OF STRATEGY.—The strategy devel-
 25 oped under subsection (a) shall encourage the mainte-

1 nance, development, and expansion of export markets for
2 United States agricultural commodities and related prod-
3 ucts, including high-value and value-added products.

4 “(c) GOALS OF STRATEGY.—The strategy developed
5 under subsection (a) shall have the following goals:

6 “(1) By September 30, 2002, increasing the value
7 of annual United States agricultural exports to
8 \$60,000,000,000.

9 “(2) By September 30, 2002, increasing the Unit-
10 ed States share of world export trade in agricultural
11 products significantly above the average United
12 States share from 1993 through 1995.

13 “(3) By September 30, 2002, increasing the Unit-
14 ed States share of world trade in high-value agricul-
15 tural products to 20 percent.

16 “(4) Ensuring that the value of United States ex-
17 ports of agricultural products increases at a faster
18 rate than the rate of increase in the value of overall
19 world export trade in agricultural products.

20 “(5) Ensuring that the value of United States ex-
21 ports of high-value agricultural products increases at
22 a faster rate than the rate of increase in overall
23 world export trade in high-value agricultural prod-
24 ucts.

25 “(6) Ensuring to the extent practicable that—

1 “(A) substantially all obligations undertaken
2 in the Uruguay Round Agreement on Agri-
3 culture that provide significantly increased ac-
4 cess for United States agricultural commodities
5 are implemented to the extent required by the
6 Uruguay Round Agreements; or

7 “(B) applicable United States trade laws are
8 used to secure United States rights under the
9 Uruguay Round Agreement on Agriculture.

10 “(d) PRIORITY MARKETS.—

11 “(1) IDENTIFICATION OF MARKETS.—In develop-
12 ing the strategy required under subsection (a), the
13 Secretary shall identify as priority markets—

14 “(A) those markets in which imports of agri-
15 cultural products show the greatest potential
16 for increase by September 30, 2002; and

17 “(B) those markets in which, with the assist-
18 ance of Federal export promotion programs, ex-
19 ports of United States agricultural products
20 show the greatest potential for increase by Sep-
21 tember 30, 2002.

22 “(2) IDENTIFICATION OF SUPPORTING OFFICES.—
23 The President shall identify annually in the budget
24 of the United States Government submitted under
25 section 1105 of title 31, United States Code, each

1 overseas office of the Foreign Agricultural Service
2 that provides assistance to United States exporters
3 in each of the priority markets identified under
4 paragraph (1).

5 “(e) REPORT.—Not later than December 31, 2001,
6 the Secretary shall prepare and submit a report to Con-
7 gress assessing progress in meeting the goals established
8 by subsection (c).

9 “(f) FAILURE TO MEET GOALS.—Notwithstanding
10 any other law, if the Secretary determines that more than
11 2 of the goals established by subsection (c) are not met
12 by September 30, 2002, the Secretary may not carry out
13 agricultural trade programs under the Agricultural Trade
14 Act of 1978 (7 U.S.C. 5601 et seq.) as of that date.

15 “(g) NO PRIVATE RIGHT OF ACTION.—This section
16 shall not create any private right of action.”.

17 (b) CONTINUATION OF FUNDING.—

18 (1) IN GENERAL.—If the Secretary of Agriculture
19 makes a determination under section 103(f) of the
20 Agricultural Trade Act of 1978 (as amended by sub-
21 section (a)), the Secretary shall utilize funds of the
22 Commodity Credit Corporation to promote United
23 States agricultural exports in a manner consistent
24 with the Commodity Credit Corporation Chapter Act

1 (15 U.S.C. 714 et seq.) and obligations pursuant to
 2 the Uruguay Round Agreements.

3 (2) FUNDING.—The amount of Commodity Credit
 4 Corporation funds used to carry out paragraph (1)
 5 during a fiscal year shall not exceed the total outlays
 6 for agricultural trade programs under the Agricul-
 7 tural Trade Act of 1978 (7 U.S.C. 5601 et seq.)
 8 during fiscal year 2002.

9 (c) ELIMINATION OF REPORT.—

10 (1) IN GENERAL.—Section 601 of the Agricultural
 11 Trade Act of 1978 (7 U.S.C. 5711) is repealed.

12 (2) CONFORMING AMENDMENT.—The last sen-
 13 tence of section 603 of the Agricultural Trade Act
 14 of 1978 (7 U.S.C. 5713) is amendment by striking
 15 “, in a consolidated report,” and all that follows
 16 through “section 601” and inserting “ or in a con-
 17 solidated report”.

18 **SEC. 452. EXPORT CREDITS.**

19 (a) EXPORT CREDIT GUARANTEE PROGRAM.—Sec-
 20 tion 202 of the Agricultural Trade Act of 1978 (7
 21 U.S.C. 5622) is amended—

22 (1) in subsection (a)—

23 (A) by striking “GUARANTEES.—The” and
 24 inserting the following “GUARANTEES.—

25 “(1) IN GENERAL.—The”; and

1 (B) by adding at the end the following:

2 “(2) SUPPLIER CREDITS.—In carrying out this
3 section, the Commodity credit Corporation may issue
4 guarantees for the repayment of credit made avail-
5 able for a period of not more than 180 days by a
6 United States exporter to a buyer in a foreign coun-
7 try.”;

8 (2) in subsection (f)—

9 (A) by striking “(f) RESTRICTIONS.—The”
10 and inserting the following:

11 “(f) Restrictions.—

12 “(1) IN GENERAL.—The”; and

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

14 “(2) CRITERIA FOR DETERMINATION.—In mak-
15 ing the determination required under paragraph (1)
16 with respect to credit guarantees under subsection
17 (b) for a country, the Secretary may consider, in ad-
18 dition to financial, macroeconomic, and monetary in-
19 dicators—

20 “(A) whether an International Monetary
21 Fund standby agreement, Paris Club reschedul-
22 ing plan, or other economic restructuring plan
23 is in place with respect to the country;

24 “(B) the convertibility of the currency of
25 the country;

1 “(C) whether the country provides ade-
2 quate legal protection for foreign investments;

3 “(D) whether the country has viable finan-
4 cial markets;

5 “(E) whether the country provides ade-
6 quate legal protection for the private property
7 rights of citizens of the country; and

8 “(F) any other factors that are relevant to
9 the ability of the country to service the debt of
10 the country.”;

11 (3) by striking subsection (h) and inserting the
12 following:

13 “(h) UNITED STATES AGRICULTURAL COMPO-
14 NENTS.—The Commodity Credit Corporation shall fi-
15 nance or guarantee under this section only United States
16 agricultural commodities.”;

17 (4) in subsection (i)—

18 (A) by striking “INSTITUTIONS.—A finan-
19 cial” and inserting the following: “INSTITU-
20 TIONS.—

21 “(1) IN GENERAL.—A financial”;

22 (B) by striking paragraph (1);

23 (C) by striking “(2) is” and inserting the
24 following:

25 “(A) is”;

1 (D) by striking “(3) is” and inserting the
2 following:

3 “(B) is”; and

4 (E) by adding at the end the following:

5 “(2) THIRD COUNTRY BANKS.—The Commodity
6 Credit Corporation may guarantee under subsections
7 (a) and (b) the repayment of credit made available
8 to finance an export sale irrespective of whether the
9 obligor is located in the country to which the export
10 sale is destined.”; and

11 (5) by striking subsection (k) and inserting the
12 following:

13 “(k) PROCESSED AND HIGH-VALUE PRODUCTS.—

14 “(1) IN GENERAL.—In issuing export credit
15 guarantees under this section, the Commodity Credit
16 Corporation shall, subject to paragraph (2), ensure
17 that not less than 25 percent for each of fiscal years
18 1996 and 1997, 30 percent for each of fiscal years
19 1998 and 1999, and 35 percent of each of fiscal
20 years 2000, 2001, and 2002, of the total amount of
21 credit guarantees issued for a fiscal year is issued to
22 promote the export of processed or high-value agri-
23 cultural products and that the balance is issued to
24 promote the export of bulk or raw agricultural com-
25 modities.

1 “(2) LIMITATION.—The percentage requirement
2 of paragraph (1) shall apply for a fiscal year to the
3 extent that a reduction in the total amount of credit
4 guarantees issued for the fiscal year is not required
5 to meet the percentage requirement.”.

6 (b) FUNDING LEVELS.—Section 211(b) of the Ag-
7 ricultural Trade Act of 1978 (7 U.S.C. 5641(b)) is
8 amended—

9 (1) by striking paragraph (2);

10 (2) by redesignating subparagraph (B) of para-
11 graph (1) as paragraph (2) and indenting the mar-
12 gin of paragraph (2) (as so redesignated) so as to
13 align with the margin of paragraph (1); and

14 (3) by striking paragraph (1) and inserting the
15 following:

16 “(1) EXPORT CREDIT GUARANTEES.—The
17 Commodity Credit Corporation shall make available
18 for each of fiscal years 1996 through 2002 not less
19 than \$5,500,000,000 in credit guarantees under
20 subsections (a) and (b) of section 202.”.

21 (c) DEFINITIONS.—Section 102(7) of the Agricul-
22 tural Trade Act of 1978 (7 U.S.C. 5602(7)) is amended
23 by striking subparagraphs (A) and (B) and inserting the
24 following:

1 “(A) an agricultural commodity or product
2 entirely produced in the United States; or

3 “(B) a product of an agricultural commod-
4 ity—

5 “(i) 90 percent or more of the agricul-
6 tural components of which by weight, ex-
7 cluding packaging and added water, is en-
8 tirely produced in the United States; and

9 “(ii) that the Secretary determines to
10 be a United States high value agricultural
11 product.”.

12 (d) REGULATIONS.—Not later than 180 days
13 after the effective date of this title, the Secretary of agri-
14 culture shall issue regulations to carry out the amend-
15 ments made by this section.

16 **SEC. 453. EXPORT PROGRAM AND FOOD ASSISTANCE**
17 **TRANSFER AUTHORITY.**

18 The Secretary of Agriculture shall fully utilize and
19 aggressively implement the full range of agricultural ex-
20 port programs authorized in this Act and any other Act,
21 in any combination, to help United States agriculture
22 maintain and expand export markets, promote United
23 States agricultural commodity and product exports,
24 counter subsidized foreign competition, and capitalize on
25 potential new market opportunities. Consistent with Unit-

1 ed States obligations under GATT, if the Secretary de-
2 termines that funds available under 1 or more export
3 subsidy programs cannot be fully or effectively utilized
4 for such programs, the Secretary may utilize such funds
5 for other authorized agricultural export and food assist-
6 ance programs to achieve the above objectives and to fur-
7 ther enhance the overall global competitiveness of United
8 States agriculture. Funds so utilized shall be in addition
9 to funds which may otherwise be authorized or appro-
10 priated for such other agricultural export programs.

11 **SEC. 454. ARRIVAL CERTIFICATION.**

12 Section 401 of the Agricultural Trade Act of 1978
13 (7 U.S.C. 5662(a)) is amended by striking subsection (a)
14 and inserting the following:

15 “(a) ARRIVAL CERTIFICATION.—With respect to a
16 commodity provided, or for which financing or a credit
17 guarantee or other assistance is made available, under a
18 program authorized in section 201, 202, or 301, the
19 Commodity Credit Corporation shall require the exporter
20 of the commodity to maintain records of an official or
21 customary commercial nature or other documents as the
22 Secretary may require, and shall allow representatives of
23 the Commodity Credit Corporation access to the records
24 or documents as needed, to verify the arrival of the com-

1 modity in the country that was the intended destination
2 of the commodity.”.

3 **SEC. 455. REGULATIONS.**

4 Section 404 of the Agricultural Trade Act of 1978
5 (7 U.S.C. 5664) is repealed.

6 **SEC. 456. FOREIGN AGRICULTURAL SERVICE.**

7 Section 503 of the Agricultural Trade Act of 1978
8 (7 U.S.C. 5693) is amended to read as follows:

9 **“SEC. 503. ESTABLISHMENT OF THE FOREIGN AGRICUL-**
10 **TURAL SERVICE.**

11 “The Service shall assist the Secretary in carrying
12 out the agricultural trade policy and international co-
13 operation policy of the United States by—

14 “(1) acquiring information pertaining to agricul-
15 tural trade;

16 “(2) carrying out market promotion and develop-
17 ment activities;

18 “(3) providing agricultural technical assistance
19 and training; and

20 “(4) carrying out the programs authorized under
21 this Act, the Agricultural Trade Development and
22 Assistance Act of 1954 (7 U.S.C. 1691 et seq.), and
23 other Acts.”.

1 **SEC. 457. REPORTS.**

2 The first sentence of section 603 of the Agricultural
3 Trade Act of 1978 (7 U.S.C. 5713) is amended by strik-
4 ing “The” and inserting “Subject to section 217 of the
5 Department of Agriculture Reorganization Act of 1994
6 (7 U.S.C. 6917), the”.

7 **Subtitle D—Miscellaneous**

8 **SEC. 471. REPORTING REQUIREMENTS RELATING TO TO-**
9 **BACCO.**

10 Section 214 of the Tobacco Adjustment Act of 1983
11 (7 U.S.C. 509) is repealed.

12 **SEC. 472. TRIGGERED EXPORT ENHANCEMENT.**

13 (a) READJUSTMENT OF SUPPORT LEVELS.—Section
14 1302 of the Omnibus Budget Reconciliation Act of 1990
15 (Public Law 101–508; 7 U.S.C. 1421 note) is repealed.

16 (b) TRIGGERED MARKETING LOANS AND EXPORT
17 ENHANCEMENT.—Section 4301 of the Omnibus Trade
18 and Competitiveness Act of 1988 (Public Law 100–418;
19 7 U.S.C. 1446 note) is repealed.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall be effective beginning with the 1996
22 crops of wheat, feed grains, upland cotton, and rice.

23 **SEC. 473. DISPOSITION OF COMMODITIES TO PREVENT**
24 **WASTE.**

25 Section 416 of the Agricultural Act of 1949 (7
26 U.S.C. 1431) is amended—

1 (1) in subsection (b)—

2 (A) in paragraph (1), by inserting after the
3 first sentence the following: “The Secretary
4 may use funds of the Commodity Credit Cor-
5 poration to cover administrative expenses of the
6 programs.”;

7 (B) in paragraph (7)(D)(iv), by striking “one
8 year of acquisition” and all that follows and in-
9 serting the following: “a reasonable length of
10 time, as determined by the Secretary, except
11 that the Secretary may permit the use of pro-
12 ceeds in a country other than the country of or-
13 igin—

14 “(I) as necessary to expedite the transpor-
15 tation of commodities and products furnished
16 under this subsection; or

17 “(II) if the proceeds are generated in a cur-
18 rency generally accepted in the other country.”;

19 (C) in paragraph (8), by striking subpara-
20 graph (C); and

21 (D) by striking paragraphs (10), (11), and
22 (12); and

23 (2) by striking subsection (c).

1 **SEC. 474. DEBT-FOR-HEALTH-AND-PROTECTION SWAP.**

2 (a) IN GENERAL.—Section 1517 of the Food, Agri-
3 culture, Conservation, and Trade Act of 1990 (7 U.S.C.
4 1706) is repealed.

5 (b) CONFORMING AMENDMENT.—Subsection (e)(3)
6 of the Food for Progress Act of 1985 (7 U.S.C.
7 1736o(e)(3)) is amended by striking “section 106” and
8 inserting “section 103”.

9 **SEC. 475. POLICY ON EXPANSION OF INTERNATIONAL MAR-**
10 **KETS.**

11 Section 1207 of the Agriculture and Food Act of
12 1981 (7 U.S.C. 1736m) is repealed.

13 **SEC. 476. POLICY ON MAINTENANCE AND DEVELOPMENT**
14 **OF EXPORT MARKETS.**

15 Section 1121 of the Food Security Act of 1985 (7
16 U.S.C. 1736p) is amended—

17 (1) by striking subsection (a); and

18 (2) in subsection (b)—

19 (A) by striking “(b)”;

20 (B) by striking paragraphs (1) through (4)

21 and inserting the following:

22 “(1) be the premier supplier of agricultural and
23 food products to world markets and expand exports
24 of high value products;

1 “(2) support the principle of free trade and the
2 promotion of fair trade in agricultural commodities
3 and products;

4 “(3) cooperate fully in all efforts to negotiate with
5 foreign countries further reductions in tariff and
6 nontariff barriers to trade, including sanitary and
7 phytosanitary measures and trade-distorting sub-
8 sidies;

9 “(4) aggressively counter unfair foreign trade
10 practices as a means of encouraging fairer trade;”.

11 **SEC. 477. POLICY ON TRADE LIBERALIZATION.**

12 Section 1122 of the Food Security Act of 1985 (7
13 U.S.C. 1736q) is repealed.

14 **SEC. 478. AGRICULTURAL TRADE NEGOTIATIONS.**

15 Section 1123 of the Food Security Act of 1985 (7
16 U.S.C. 1736r) is amended to read as follows:

17 **“SEC. 1123. TRADE NEGOTIATIONS POLICY.**

18 “(a) FINDINGS.—Congress finds that—

19 “(1) on a level playing field, United States pro-
20 ducers are the most competitive suppliers of agricul-
21 tural products in the world;

22 “(2) exports of United States agricultural prod-
23 ucts will account for \$54,000,000,000 in 1995, con-
24 tributing a net \$24,000,000,000 to the merchandise

1 trade balance of the United States and supporting
2 approximately 1,000,000 jobs;

3 “(3) increased agricultural exports are critical to
4 the future of the farm, rural, and overall United
5 States economy, but the opportunities for increased
6 agricultural exports are limited by the unfair sub-
7 sidies of the competitors of the United States, and
8 a variety of tariff and nontariff barriers to highly
9 competitive United States agricultural products;

10 “(4) international negotiations can play a key role
11 in breaking down barriers to United States agricul-
12 tural exports;

13 “(5) the Uruguay Round Agreement on Agri-
14 culture made significant progress in the attainment
15 of increased market access opportunities for United
16 States exports of agricultural products, for the first
17 time—

18 “(A) restraining foreign trade-distorting do-
19 mestic support and export subsidy programs;
20 and

21 “(B) developing common rules for the appli-
22 cation of sanitary and phytosanitary restric-
23 tions;

1 that should result in increased exports of United
2 States agricultural products, jobs, and income
3 growth in the United States;

4 “(6) the Uruguay Round Agreement on Agri-
5 culture did not succeed in completely eliminating
6 trade distorting domestic support and export sub-
7 sidies by—

8 “(A) allowing the European Union to con-
9 tinue unreasonable levels of spending on export
10 subsidies; and

11 “(B) failing to discipline monopolistic state
12 trading entities, such as the Canadian Wheat
13 Board, that use nontransparent and discrimina-
14 tory pricing as a hidden de facto export sub-
15 sidy;

16 “(7) during the period 1996 through 2002, there
17 will be several opportunities for the United States to
18 negotiate fairer trade in agricultural products, in-
19 cluding further negotiations under the World Trade
20 Organization, and steps toward possible free trade
21 agreements of the Americas and Asian-Pacific Eco-
22 nomic Cooperation (APEC); and

23 “(8) the United States should aggressively use
24 these opportunities to achieve more open and fair
25 opportunities for trade in agricultural products.

1 “(b) GOALS OF THE UNITED STATES IN AGRICUL-
2 TURAL TRADE NEGOTIATIONS.—The objectives of the
3 United States with respect to future negotiations on agri-
4 culture trade include—

5 “(1) increasing opportunities for United States
6 exports of agricultural products by eliminating tariff
7 and nontariff barriers to trade;

8 “(2) leveling the playing field for United States
9 producers of agricultural products by limiting per
10 unit domestic production supports to levels that are
11 no greater than those available in the United States;

12 “(3) ending the practice of export dumping by
13 eliminating all trade distorting export subsidies and
14 disciplining state trading entities so that they do not
15 (except in cases of bona fide food aid) sell in foreign
16 markets at below domestic market prices nor their
17 full costs of acquiring and delivering agricultural
18 products to the foreign markets; and

19 “(4) encouraging government policies that avoid
20 price-depressing surpluses.”.

21 **SEC. 479. POLICY ON UNFAIR TRADE PRACTICES.**

22 Section 1164 of the Food Security Act of 1985
23 (Public Law 99–198; 99 Stat. 1499) is repealed.

1 **SEC. 480. AGRICULTURAL AID AND TRADE MISSIONS.**

2 (a) IN GENERAL.—The Agricultural Aid and Trade
3 Missions Act (7 U.S.C. 1736bb et seq.) is repealed.

4 (b) CONFORMING AMENDMENT.—Section 7 of Public
5 Law 100–277 (7 U.S.C. 1736bb note) is repealed.

6 **SEC. 481. ANNUAL REPORTS BY AGRICULTURAL ATTACHES.**

7 Section 108(b)(1)(B) of the Agricultural Act of
8 1954 (7 U.S.C. 1748(b)(1)(B)) is amended by striking
9 “including fruits, vegetables, legumes, popcorn, and
10 ducks”.

11 **SEC. 482. WORLD LIVESTOCK MARKET PRICE INFORMAT-**
12 **ION.**

13 Section 1545 of the Food, Agriculture, Conservation,
14 and Trade Act of 1990 (Public Law 101–624; 7 U.S.C.
15 1761 note) is repealed.

16 **SEC. 483. ORDERLY LIQUIDATION OF STOCKS.**

17 Sections 201 and 207 of the Agricultural Act of
18 1956 (7 U.S.C. 1851 and 1857) are repealed.

19 **SEC. 484. SALES OF EXTRA LONG STAPLE COTTON.**

20 Section 202 of the Agricultural Act of 1956 (7
21 U.S.C. 1852) is repealed.

22 **SEC. 485. REGULATIONS.**

23 Section 707 of the Freedom for Russia and Emerg-
24 ing Eurasian Democracies and Open Markets Support
25 Act of 1992 (Public Law 102–511; 7 U.S.C. 5621 note)
26 is amended by striking subsection (d).

1 **SEC. 486. EMERGING MARKETS.**

2 (a) PROMOTION OF AGRICULTURAL EXPORTS TO
3 EMERGING MARKETS.—

4 (1) EMERGING MARKETS.—Section 1542 of the
5 Food, Agriculture, Conservation, and Trade Act of
6 1990 (Public Law 101–624; 7 U.S.C. 5622 note) is
7 amended—

8 (A) in the section heading, by striking
9 **“EMERGING DEMOCRACIES”** and in-
10 serting **“EMERGING MARKETS”**;

11 (B) by striking “emerging democracies” each
12 place it appears in subsections (b), (d), and (e)
13 and inserting “emerging markets”;

14 (C) by striking “emerging democracy” each
15 place it appears in subsection (e) and inserting
16 “emerging market”; and

17 (D) by striking subsection (f) and inserting
18 the following:

19 “(f) EMERGING MARKET.—In this section and sec-
20 tion 1543, the term ‘emerging market’ means any coun-
21 try that the Secretary determines—

22 “(1) is taking steps toward a market-oriented
23 economy through the food, agriculture, or rural busi-
24 ness sectors of the economy of the country; and

25 “(2) has the potential to provide a viable and sig-
26 nificant market for United States agricultural com-

1 modities or products of United States agricultural
2 commodities.”.

3 (2) FUNDING.—Section 1542 of the Food, Agri-
4 culture, Conservation, and Trade Act of 1990 is
5 amended by striking subsection (a) and inserting the
6 following:

7 “(a) FUNDING.—The Commodity Credit Corporation
8 shall make available for fiscal years 1996 through 2002
9 not less than \$1,000,000,000 of direct credits or export
10 credit guarantees for exports to emerging markets under
11 section 201 or 202 of the Agricultural Trade Act of 1978
12 (7 U.S.C. 5621 and 5622), in addition to the amounts
13 acquired or authorized under section 211 of the Act (7
14 U.S.C. 5641) for the program.”.

15 (3) AGRICULTURAL FELLOWSHIP PROGRAM.—Sec-
16 tion 1542 of the Food, Agriculture, Conservation,
17 and Trade Act of 1990 is amended—

18 (A) in subsection (b), by striking the last
19 sentence and inserting the following: “The
20 Commodity Credit Corporation shall give prior-
21 ity under this subsection to—

22 “(A) projects that encourage the privatiza-
23 tion of the agricultural sector or that benefit
24 private farms or cooperatives in emerging mar-
25 kets; and

1 “(B) projects for which nongovernmental per-
2 sons agree to assume a relatively larger share
3 of the costs.”; and

4 (B) in subsection(d)—

5 (i) in the matter preceding paragraph
6 (1), by striking “the Soviet Union” and in-
7 serting “emerging markets”;

8 (ii) in paragraph (1)—

9 (I) in subparagraph (A)(i)—

10 (aa) by striking “1995” and
11 inserting “2002”; and

12 (bb) by striking “those sys-
13 tems, and identify” and inserting
14 “the systems, including potential
15 reductions in trade barriers, and
16 identify and carry out”;

17 (II) in subparagraph (B), by strik-
18 ing “shall” and inserting “may”;

19 (III) in subparagraph (D), by in-
20 serting “(including the establishment
21 of extension services)” after “tech-
22 nical assistance”;

23 (IV) by striking subparagraph (F);

1 (V) by redesignating subparagraphs
2 (G)(H), and (I) as subparagraphs
3 (F), (G), and (H), respectively; and

4 (VI) in subparagraph (H) (as re-
5 designated by subclause (V)), by strik-
6 ing “\$10,000,000” and inserting
7 “\$20,000,000”;

8 (iii) in paragraph (2)—

9 (I) by striking “the Soviet Union”
10 each place it appears and inserting
11 “emerging markets”;

12 (II) in subparagraph (A), by strik-
13 ing “a free market food production
14 and distribution system” and insert-
15 ing “free market food production and
16 distribution systems”;

17 (III) in subparagraph (B)—

18 (aa) in clause (i), by striking
19 “Government” and inserting
20 “governments”;

21 (bb) in clause (iii)(II), by
22 striking “and” at the end;

23 (cc) in clause (iii)(III), by
24 striking the period at the end
25 and inserting “; and”; and

1 (dd) by adding at the end of
 2 clause (iii) the following:

3 “(IV) to provide for the exchange of
 4 administrators and faculty members
 5 from agricultural and other institu-
 6 tions to strengthen and revise edu-
 7 cational programs in agricultural eco-
 8 nomics, agribusiness, and agrarian
 9 law, to support change towards a free
 10 market economy in emerging mar-
 11 kets.”;

12 (IV) by striking subparagraph (D);
 13 and

14 by redesignating subparagraph (E)
 15 as subparagraph (D); and

16 (iv) by striking paragraph (3).

17 (4) UNITED STATES AGRICULTURAL COMMOD-
 18 ITY.—Subsections (b) and (c) of section 1542 of the
 19 Food, Agriculture, Conservation, and Trade Act of
 20 1990 are amended by striking “section 101(6)” each
 21 place it appears and inserting “section 102(7)”.

22 (5) REPORT.—The first sentence of section
 23 1542(e)(2) of the Food, Agriculture, Conservation,
 24 and Trade Act of 1990 is amended by striking
 25 “Not” and inserting “Subject to section 217 of the

1 Department of Agriculture Reorganization Act of
2 1994 (7 U.S.C. 6917), not”.

3 (b) AGRICULTURAL FELLOWSHIP PROGRAM FOR
4 MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES,
5 AND EMERGING MARKETS.—Section 1543 of the Food,
6 Agriculture, Conservation, and Trade Act of 1990 (7
7 U.S.C. 3293) is amended—

8 (1) in the section heading, by striking “**MID-**
9 **DLE INCOME COUNTRIES AND EMERG-**
10 **ING DEMOCRACIES**” and inserting “**MID-**
11 **DLE INCOME COUNTRIES, EMERGING**
12 **DEMOCRACIES, AND EMERGING MAR-**
13 **KETS**”;

14 (2) in subsection (b), by adding at the end the fol-
15 lowing:

16 “(5) EMERGING MARKET.—Any emerging market,
17 as defined in section 1542(f).”; and

18 (3) in subsection (c)(1), by striking “food needs”
19 and inserting “food and fiber needs”.

20 (c) CONFORMING AMENDMENTS.—

21 (1) Section 501 of the Agricultural Trade Devel-
22 opment and Assistance Act of 1954 (7 U.S.C. 1737
23 is amended—

1 (A) in subsection (a), by striking “emerging
2 democracies” and inserting “emerging mar-
3 kets”; and

4 (B) in subsection (b), by striking paragraph
5 (1) and inserting the following:

6 “(1) EMERGING MARKET.—The term ‘emerging
7 market’ means any country that the Secretary deter-
8 mines—

9 (A) is taking steps toward a market-oriented
10 economy through the food, agriculture, or rural
11 business sectors of the economy of the country;
12 and

13 “(B) has the potential to provide a viable and
14 significant market for United States agricul-
15 tural commodities or products of United States
16 agricultural commodities.”.

17 (2) Section 201(d)(1)(C)(ii) of the Agricultural
18 Trade Act of 1978 (7 U.S.C. 5621(d)(1)(C)(ii)) is
19 amended by striking “emerging democracies” and
20 inserting “emerging markets”.

21 (3) Section 202(d)(3)(B) of the Agricultural
22 Trade Act of 1978 (7 U.S.C. 5622(d)(3)(B)) is
23 amended by striking “emerging democracies” and
24 inserting “emerging markets”.

1 **SEC. 487. IMPLEMENTATION OF COMMITMENTS UNDER**
2 **URUGUAY ROUND AGREEMENTS.**

3 Part III of subtitle A of title IV of the Uruguay
4 Round Agreements Act (Public Law 103–465; 108 Stat.
5 4964) is amended by adding at the end the following:

6 **“SEC. 427. IMPLEMENTATION OF COMMITMENTS UNDER**
7 **URUGUAY ROUND AGREEMENTS**

8 “Not later than September 30 of fiscal year, the
9 Secretary of Agriculture shall determine whether the obli-
10 gations undertaken by foreign countries under the Uru-
11 guay Round Agreement on Agriculture are being fully
12 implemented. If the Secretary of Agriculture determines
13 that any foreign country, by not implementing the obliga-
14 tions of the country, is significantly constraining an op-
15 portunity for United States agricultural exports, the Sec-
16 retary shall—

17 “(1) submit to the United States Trade Representa-
18 tive a recommendation as to whether the President
19 should take action under any provision of law; and

20 “(2) transmit a copy of the recommendation to
21 the Committee on Agriculture, the Committee on
22 International Relations, and the Committee on Ways
23 and Means, of the House of Representatives and the
24 Committee on Agriculture, Nutrition, and Forestry,
25 and the Committee on Finance, of the Senate.”.

1 **SEC. 488. SENSE OF CONGRESS CONCERNING MULTILAT-**
2 **ERAL DISCIPLINES ON CREDIT GUARANTEES.**

3 It is the sense of Congress that—

4 (1) in negotiations to establish multilateral dis-
5 ciplines on agricultural export credits and credit
6 guarantees, the United States should not agree to
7 any arrangement that is incompatible with the provi-
8 sions of United States law that authorize agricul-
9 tural export credits and credit guarantees;

10 (2) in the negotiations (which are held under the
11 auspices of the Organization for Economic Coopera-
12 tion and Development), the United States should not
13 reach any agreement that fails to impose disciplines
14 on the practices of foreign government trading enti-
15 ties such as the Australian Wheat Board and Cana-
16 dian Wheat Board; and

17 (3) the disciplines should include greater openness
18 in the operations of the entities as long as the enti-
19 ties are subsidized by the foreign government or
20 have monopolies for exports of a commodity that are
21 sanctioned by the foreign government.

22 **SEC. 489. FOREIGN MARKET DEVELOPMENT COOPERATOR**
23 **PROGRAM.**

24 The Agricultural Trade Act of 1978 (7 U.S.C. 5601
25 et seq.) is amended by adding at the end the following:

1 **“TITLE VII—FOREIGN MARKET**
2 **DEVELOPMENT COOPERATOR**
3 **PROGRAM**

4 **“SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZA-**
5 **TION.**

6 “In this title, the term ‘eligible trade organization’
7 means a United States trade organization that—

8 “(1) promotes the export of 1 or more United
9 States agricultural commodities or products; and

10 “(2) does not have a business interest in or re-
11 ceive remuneration from specific sales of agricultural
12 commodities or products.

13 **“SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR**
14 **PROGRAM.**

15 “(a) IN GENERAL.—The Secretary shall establish
16 and, in cooperation with eligible trade organizations,
17 carry out a foreign market development cooperator pro-
18 gram to maintain and develop foreign markets for United
19 States agricultural commodities and products.

20 “(b) ADMINISTRATION.—Funds made available to
21 carry out this title shall be used only to provide—

22 “(1) cost-share assistance to an eligible trade or-
23 ganization under a contract or agreement with the
24 organization; and

1 “(2) assistance for other costs that are necessary
 2 or appropriate to carry out the foreign market devel-
 3 opment cooperator program, including contingent li-
 4 abilities that are not otherwise funded.

5 **“SEC. 703. AUTHORIZATION OF APPROPRIATIONS.**

6 “There are authorized to be appropriated to carry
 7 out this title such sums as may be necessary for each of
 8 fiscal years 1996 through 2002.”.

9 **Subtitle E—Dairy Exports**

10 **SEC. 491. DAIRY EXPORT INCENTIVE PROGRAM**

11 (a) IN GENERAL.—Section 153(c) of the Food Se-
 12 curity Act of 1985 (15 U.S.C. 713a–14(c)) is amended—

13 (1) by striking “and” at the end of paragraph
 14 (1);

15 (2) by striking the period at the end of para-
 16 graph (2) and inserting ”;”; and

17 (3) by adding at the end the following new
 18 paragraphs:

19 “(3) the maximum volume of dairy product ex-
 20 ports allowable consistent with the obligations of the
 21 United States as a member of the World Trade Or-
 22 ganization are exported under the program each
 23 year (minus the volume sold under section 1163 of
 24 the Food Security Act of 1985 (7 U.S.C. 1731 note)
 25 during that year), except to the extent that the ex-

1 port of such a volume under the program would, in
2 the judgment of the Secretary, exceed the limitations
3 on the value set forth in subsection (f); and

4 “(4) payments may be made under the program
5 for exports to any destination in the world for the
6 purpose of market development, except a destination
7 in a country with respect to which shipments from
8 the United States are otherwise restricted by law.”.

9 (b) SOLE DISCRETION.—Section 153(b) of the
10 Food Security Act of 1985 (15 U.S.C. 713a–14(b)) is
11 amended by inserting “sole” before “discretion”.

12 (c) MARKET DEVELOPMENT.—Section 153(e)(1)
13 of the Food Security Act of 1985 (15 U.S.C. 713a–
14 14(e)(1)) is amended—

15 (1) by striking “and” and inserting “the”; and

16 (2) by inserting before the period the following:
17 ”, and any additional amount that may be required
18 to assist in the development of world markets for
19 United States dairy products”.

20 (d) MAXIMUM ALLOWABLE AMOUNTS.—Section
21 153 of the Food Security Act of 1985 (15 U.S.C. 713a–
22 14) is amended by adding at the end the following:

23 “(f) REQUIRED FUNDING.—The Commodity
24 Credit Corporation shall in each year use money and
25 commodities for the program under this section in the

1 maximum amount consistent with the obligations of the
2 United States as a member of the World Trade Organi-
3 zation, minus the amount expended under section 1163
4 of the Food Security Act of 1985 (7 U.S.C. 1731 note)
5 during that year. However, the Commodity Credit Cor-
6 poration may not exceed the limitations specified in sub-
7 section (c)(3) on the volume of allowable dairy product
8 exports.”.

9 (e) CONFORMING AMENDMENT.—Section 153(a)
10 of the Food Security Act of 1985 (15 U.S.C. 713a–
11 14(a)) is amended by striking “2001” and inserting
12 “2002”.

13 **SEC. 492. AUTHORITY TO ASSIST IN ESTABLISHMENT AND**
14 **MAINTENANCE OF EXPORT TRADING COM-**
15 **PANY.**

16 The Secretary of Agriculture shall, consistent with
17 the obligations of the United States as a member of the
18 World Trade Organization, provide such advice and as-
19 sistance to the United States dairy industry as may be
20 necessary to enable that industry to establish and main-
21 tain an export trading company under the Export Trad-
22 ing Company Act of 1982 (15 U.S.C. 4001 et seq.) for
23 the purpose of facilitating the international market devel-
24 opment for and exportation of dairy products produced in
25 the United States.

1 **SEC. 493. STANDBY AUTHORITY TO INDICATE ENTITY BEST**
2 **SUITED TO PROVIDE INTERNATIONAL MAR-**
3 **KET DEVELOPMENT AND EXPORT SERVICES.**

4 (a) INDICATION OF ENTITY BEST SUITED TO AS-
5 SIST INTERNATIONAL MARKET DEVELOPMENT FOR AND
6 EXPORT OF UNITED STATES DAIRY PRODUCTS.—If—

7 (1) the United States dairy industry has not es-
8 tablished an export trading company under the Ex-
9 port Trading Company Act of 1982 (15 U.S.C. 4001
10 et seq.) for the purpose of facilitating the inter-
11 national market development for an exportation of
12 dairy products produced in the United States on or
13 before June 30, 1996; or

14 (2) the quantity of exports of United States
15 dairy products during the 12-month period preced-
16 ing July 1, 1997 does not exceed the quantity of ex-
17 ports of United States dairy products during the 12-
18 month period preceding July 1, 1996 by 1.5 billion
19 pounds (milk equivalent, total solids basis);

20 the Secretary of Agriculture is directed to indicate which
21 entity autonomous of the Government of the United States
22 is best suited to facilitate the international market devel-
23 opment for and exportation of United States dairy prod-
24 ucts.

25 (b) FUNDING OF EXPORT ACTIVITIES.—The Sec-
26 retary shall assist the entity in identifying sources of

1 funding for the activities specified in subsection (a) from
2 within the dairy industry and elsewhere.

3 (c) APPLICATION OF SECTION.—This section shall
4 apply only during the period beginning on July 1, 1997
5 and ending on September 30, 2000.

6 **SEC. 494. STUDY AND REPORT REGARDING POTENTIAL IM-**
7 **PACT OF URUGUAY ROUND ON PRICES, IN-**
8 **COME AND GOVERNMENT PURCHASES.**

9 (a) STUDY.—The Secretary of Agriculture shall
10 conduct a study, on a variety by variety of cheese basis,
11 to determine the potential impact on milk prices in the
12 United States, dairy producer income, and Federal dairy
13 program costs, of the allocation of additional cheese
14 granted access to the United States as a result of the ob-
15 ligations of the United States as a member of the world
16 Trade Organization.

17 (b) REPORT.—Not later than June 30, 1997, the
18 Secretary shall report to the Committees on Agriculture
19 of the Senate and the House of Representatives the re-
20 sults of the study conducted under this section.

21 (c) RULE OF CONSTRUCTION.—Any limitation im-
22 posed by Act of Congress on the conduct or completion
23 of studies or reports to Congress shall not apply to the
24 study and report required under this section unless such
25 limitation explicitly references this section in doing so.

1 **SEC. 495. PROMOTION OF UNITED STATES DAIRY PROD-**
 2 **UCTS IN INTERNATIONAL MARKETS**
 3 **THROUGH DAIRY PROMOTION PROGRAM.**

4 Section 113(e) of the Dairy Production Stabiliza-
 5 tion Act of 1983 (7 U.S.C. 4504(e)) is amended by add-
 6 ing at the end the following new sentence: “For each of
 7 the fiscal years 1996 through 2000, the Board’s budget
 8 shall provide for the expenditure of not less than 10 per-
 9 cent of the anticipated revenues available to the Board to
 10 develop international markets for, and to promote within
 11 such markets, the consumption of dairy products pro-
 12 duced in the United States from milk produced in the
 13 United States.”.

14 **TITLE V—MISCELLANEOUS**

15 **SEC. 501. CROP INSURANCE.**

16 (a) CATASTROPHIC RISK PROTECTION.—Section
 17 508(b) of the Federal Crop Insurance Act (7 U.S.C.
 18 1508(b)) is amended—

19 (1) in paragraph (4), by adding at the end the
 20 following:

21 “(C) DELIVERY OF COVERAGE.—

22 “(i) IN GENERAL.—In full consulta-
 23 tion with approved insurance providers, the
 24 Secretary may continue to offer cata-
 25 strophic risk protection in a State (or a
 26 portion of a State) through local offices of

1 the Department if the Secretary deter-
2 mines that there is an insufficient number
3 of approved insurance providers operating
4 in the State or portion to adequately pro-
5 vide catastrophic risk protection coverage
6 to producers.

7 “(ii) COVERAGE BY APPROVED INSUR-
8 ANCE PROVIDERS.—To the extent that cat-
9 astrophic risk protection coverage by ap-
10 proved insurance providers is sufficiently
11 available in a State as determined by the
12 Secretary, only approved insurance provid-
13 ers may provide the coverage in the State.

14 “(iii) CURRENT POLICIES.—Subject to
15 clause (ii), all catastrophic risk protection
16 policies written by local offices of the De-
17 partment shall be transferred to the ap-
18 proved insurance provider for performance
19 of all sales, service, and loss adjustment
20 functions. Any fees in connection with such
21 policies that are not yet collected at the
22 time of the transfer shall be payable to the
23 approved insurance providers assuming the
24 policies.”; and

1 (2) in paragraph (7), by striking subparagraph
2 (A) and inserting the following:

3 “(A) IN GENERAL.—Effective for the
4 spring-planted 1996 and subsequent crops, to
5 be eligible for any payment or loan under title
6 I of the Agricultural Market Transition Act or
7 the Agricultural Adjustment Act of 1938 (7
8 U.S.C. 1281 et seq.), for the conservation re-
9 serve program, or for any benefit described in
10 section 371 of the Consolidated Farm and
11 Rural Development Act (7 U.S.C. 2008f), a
12 person shall—

13 “(i) obtain at least the catastrophic
14 level of insurance for each crop of eco-
15 nomic significance in which the person has
16 an interest; or

17 “(ii) provide a written waiver to the
18 Secretary that waives any eligibility for
19 emergency crop loss assistance in connec-
20 tion with the crop.”.

21 (b) COVERAGE OF SEED CROPS.—Section
22 519(a)(2)(B) of the Act (7 U.S.C. 1519(a)(2)(B)) is
23 amended by inserting “seed crops,” after “turfgrass sod,”.

1 **SEC. 502. COLLECTION AND USE OF AGRICULTURAL QUAR-**
2 **ANTINE AND INSPECTION FEES.**

3 Subsection (a) of section 2509 of the Food, Agri-
4 culture, Conservation, and Trade Act of 1990 (21 U.S.C.
5 136a) is amended to read as follows:

6 “(a) QUARANTINE AND INSPECTION FEES.—

7 “(1) FEES AUTHORIZED.—The Secretary of Ag-
8 riculture may prescribe and collect fees sufficient—

9 “(A) to cover the cost of providing agricul-
10 tural quarantine and inspection services in con-
11 nection with the arrival at a port in the cus-
12 toms territory of the United States, or the
13 preclearance or preinspection at a site outside
14 the customs territory of the United States, of
15 an international passenger, commercial vessel,
16 commercial aircraft, commercial truck, or rail-
17 road car;

18 “(B) to cover the cost of administering this
19 subsection; and

20 “(C) through fiscal year 2002, to maintain
21 a reasonable balance in the Agricultural Quar-
22 antine Inspection User Fee Account established
23 under paragraph (5).

24 “(2) LIMITATION.—In setting the fees under
25 paragraph (1), the Secretary shall ensure that the
26 amount of the fees are commensurate with the costs

1 of agricultural quarantine and inspection services
2 with respect to the class of persons or entities pay-
3 ing the fees. The costs of the services with respect
4 to passengers as a class includes the costs of related
5 inspections of the aircraft or other vehicle.

6 “(3) STATUS OF FEES.—Fees collected under
7 this subsection by any person on behalf of the Sec-
8 retary are held in trust for the United States and
9 shall be remitted to the Secretary in such manner
10 and at such times as the Secretary may prescribe.

11 “(4) LATE PAYMENT PENALTIES.—If a person
12 subject to a fee under this subsection fails to pay the
13 fee when due, the Secretary shall assess a late pay-
14 ment penalty, and the overdue fees shall accrue in-
15 terest, as required by section 3717 of title 31, Unit-
16 ed States Code.

17 “(5) AGRICULTURAL QUARANTINE INSPECTION
18 USER FEE ACCOUNT.—

19 “(A) ESTABLISHMENT.—There is estab-
20 lished in the Treasury of the United States a
21 no-year fund, to be known as the ‘Agricultural
22 Quarantine Inspection User Fee Account’,
23 which shall contain all of the fees collected
24 under this subsection and late payment pen-

alties and interest charges collected under paragraph (4) through fiscal year 2002.

“(B) USE OF ACCOUNT.—For each of the fiscal years 1996 through 2002, funds in the Agricultural Quarantine Inspection User Fee Account shall be available, in such amounts as are provided in advance in appropriations Acts, to cover the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. Amounts made available under this subparagraph shall be available until expended.

“(C) EXCESS FEES.—Fees and other amounts collected under this subsection in any of the fiscal years 1996 through 2002 in excess of \$100,000,000 shall be available for the purposes specified in subparagraph (B) until expended, without further appropriation.

“(6) USE OF AMOUNTS COLLECTED AFTER FISCAL YEAR 2002.—After September 30, 2002, the unobligated balance in the Agricultural Quarantine Inspection User Fee Account and fees and other amounts collected under this subsection shall be credited to the Department of Agriculture accounts that incur the costs associated with the provision of

1 agricultural quarantine and inspection services and
2 the administration of this subsection. The fees and
3 other amounts shall remain available to the Sec-
4 retary until expended without fiscal year limitation.

5 “(7) STAFF YEARS.—The number of full-time
6 equivalent positions in the Department of Agri-
7 culture attributable to the provision of agricultural
8 quarantine and inspection services and the adminis-
9 tration of this subsection shall not be counted to-
10 ward the limitation on the total number of full-time
11 equivalent positions in all agencies specified in sec-
12 tion 5(b) of the Federal Workforce Restructuring
13 Act of 1994 (Public Law 103–226; 5 U.S.C. 3101
14 note) or other limitation on the total number of full-
15 time equivalent positions.”.

16 **SEC. 503. COMMODITY CREDIT CORPORATION INTEREST**
17 **RATE.**

18 Notwithstanding any other provision of law, the
19 monthly Commodity Credit Corporation interest rate ap-
20 plicable to loans provided for agricultural commodities by
21 the Corporation shall be 100 basis points greater than the
22 rate determined under the applicable interest rate formula
23 in effect on October 1, 1995.

1 **SEC. 504. ESTABLISHMENT OF OFFICE OF RISK MANAGE-**
2 **MENT.**

3 (a) ESTABLISHMENT.—The Department of Agri-
4 culture Reorganization Act of 1994 is amended by insert-
5 ing after section 226 (7 U.S.C. 6932) the following new
6 section:

7 **“SEC. 226A. OFFICE OF RISK MANAGEMENT.**

8 “(a) ESTABLISHMENT.—Subject to subsection (e),
9 the Secretary shall establish and maintain in the Depart-
10 ment an independent Office of Risk Management.

11 “(b) FUNCTIONS OF THE OFFICE OF RISK MANAGE-
12 MENT.—The Office of Risk Management shall have juris-
13 diction over the following functions:

14 “(1) Supervision of the Federal Crop Insurance
15 Corporation.

16 “(2) Administration and oversight of all as-
17 pects, including delivery through local offices of the
18 Department, of all programs authorized under the
19 Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

20 “(3) Any pilot or other programs involving reve-
21 nue insurance, risk management savings accounts,
22 or the use of the futures market to manage risk and
23 support farm income that may be established under
24 the Federal Crop Insurance Act or other law.

25 “(4) Such other functions as the Secretary con-
26 siders appropriate.

1 “(c) ADMINISTRATOR.—

2 “(1) The Office of Risk Management shall be
3 headed by an Administrator who shall be appointed
4 by the Secretary.

5 “(2) The Administrator of the Office of Risk
6 Management shall also serve as Manager of the Fed-
7 eral Crop Insurance Corporation.

8 “(d) RESOURCES.—

9 “(1) FUNCTIONAL COORDINATION.—Certain
10 functions of the Office of Risk Management, such as
11 human resources, public affairs, and legislative af-
12 fairs, may be provided by a consolidation of such
13 functions under the Under Secretary of Agriculture
14 for Farm and Foreign Agricultural Services.

15 “(2) MINIMUM PROVISIONS.—Notwithstanding
16 paragraph (1) or any other provision of law or order
17 of the Secretary, the Secretary shall provide the Of-
18 fice of Risk Management with human and capital re-
19 sources sufficient for the Office to carry out its
20 functions in a timely and efficient manner.”.

21 (b) FISCAL YEAR 1996 FUNDING.—From funds ap-
22 propriated for the salaries and expenses of the Consoli-
23 dated Farm Service Agency in the Agriculture, Rural De-
24 velopment, Food and Drug Administration, and Related
25 Agencies Appropriations Act, 1996 (Public Law 104–37),

1 the Secretary of Agriculture may use such sums as nec-
2 essary for the salaries and expenses of the Office of Risk
3 Management established under subsection (a).

4 (c) CONFORMING AMENDMENT.—Section 226(b) of
5 the Act (7 U.S.C. 6932(b)) is amended by striking para-
6 graph (2).

7 **SEC. 505. BUSINESS INTERRUPTION INSURANCE PROGRAM.**

8 (a) ESTABLISHMENT OF PROGRAM.—Not later than
9 December 31, 1996, the Secretary of Agriculture shall im-
10 plement a program (to be known as the “Business Inter-
11 ruption Insurance Program”), under which the producer
12 of a contract commodity could elect to obtain revenue in-
13 surance coverage to ensure that the producer receives an
14 indemnity payment if the producer suffers a loss of reve-
15 nue. The nature and extent of the program and the man-
16 ner of determining the amount of an indemnity payment
17 shall be established by the Secretary.

18 (b) REPORT ON PROGRESS AND PROPOSED EXPAN-
19 SION.—Not later than January 1, 1998, the Secretary
20 shall submit to the Commission on 21st Century Produc-
21 tion Agriculture the data and results of the program
22 through October 1, 1997. In addition, the Secretary shall
23 submit information and recommendations to the Commis-
24 sion with respect to the program that will serve as the
25 basis for the Secretary to offer revenue insurance to agri-

1 cultural producers, at one or more levels of coverage,
2 that—

3 (1) is in addition to, or in lieu of, catastrophic
4 and higher levels of crop insurance;

5 (2) is offered through reinsurance arrange-
6 ments with private insurance companies;

7 (3) is actuarially sound; and

8 (4) requires the payment of premiums and ad-
9 ministrative fees by participating producers.

10 (c) CONTRACT COMMODITY DEFINED.—In this sec-
11 tion, the term “contract commodity” means a crop of
12 wheat, corn, grain sorghum, oats, barley, upland cotton,
13 or rice.

14 **SEC. 506. CONTINUATION OF OPTIONS PILOT PROGRAM.**

15 During the 1996 through 2002 crop years, the Sec-
16 retary of Agriculture may continue to conduct the options
17 pilot program authorized by the Options Pilot Program
18 Act of 1990 (subtitle E of title XI of Public Law 101–
19 624; 104 Stat. 3518; 7 U.S.C. 1421 note). To the extent
20 that the Secretary decides to continue the options pilot
21 program, the Secretary shall modify the terms and condi-
22 tions of the pilot program to reflect the changes to law
23 made by this Act.

1 **SEC. 507. EVERGLADES AGRICULTURAL AREA.**

2 (a) IN GENERAL.—On July 1, 1996, out of any
3 funds in the Treasury not otherwise appropriated, the
4 Secretary of the Treasury shall provide \$210,000,000 to
5 the Secretary of the Interior to carry out this section.

6 (b) ENTITLEMENT.—The Secretary of the Interior—

7 (1) shall accept the funds made available under
8 subsection (a):

9 (2) shall be entitled to receive the funds; and

10 (3) shall use the funds to conduct restoration ac-
11 tivities in the Everglades ecosystem, which may in-
12 clude acquiring private acreage in the Everglades
13 Agricultural Area including approximately 52,000
14 acres that is commonly known as the “Talisman
15 tract”.

16 (c) TRANSFERRING FUNDS.—The Secretary of the
17 Interior may transfer funds to the Army Corps of Engi-
18 neers, the State of Florida, or the South Florida Water
19 Management District to carry out subsection (b)(3).

20 (d) DEADLINE.—Not later than December 31, 1999,
21 the Secretary of the Interior shall utilize the funds for
22 restoration activities referred to in subsection (b)(3).

1 **SEC. 508. SENSE OF CONGRESS REGARDING PURCHASE OF**
 2 **AMERICAN-MADE EQUIPMENT AND PROD-**
 3 **UCTS; REQUIREMENT REGARDING NOTICE.**

4 (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND
 5 PRODUCTS.—In the case of any equipment or products
 6 that may be authorized to be purchased with financial as-
 7 sistance provided under this Act or amendments made by
 8 this Act, it is the sense of the Congress that persons re-
 9 ceiving such assistance should, in expending the assist-
 10 ance, purchase only American-made equipment and prod-
 11 ucts.

12 (b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In
 13 providing financial assistance under this Act or
 14 amentments made by this Act, the Secretary of Agri-
 15 culture shall provide to each recipient of the assistance
 16 a notice describing the statement made in subsection (a)
 17 by the Congress.

18 **TITLE VI—COMMISSION ON 21ST**
 19 **CENTURY PRODUCTION AGRI-**
 20 **CULTURE**

21 **SEC. 601. ESTABLISHMENT.**

22 There is hereby established a commission to be known
 23 as the “Commission on 21st Century Production Agri-
 24 culture” (in this title referred to as the “Commission”).

1 **SEC. 602. COMPOSITION.**

2 (a) MEMBERSHIP AND APPOINTMENT.—The Com-
3 mission shall be composed of 11 members, appointed as
4 follows:

5 (1) Three members shall be appointed by the
6 President.

7 (2) Four members shall be appointed by the
8 Chairman of the Committee on Agriculture of the
9 House of Representatives in consultation with the
10 ranking minority member of the Committee.

11 (3) Four members shall be appointed by the
12 Chairman of the Committee on Agriculture, Nutri-
13 tion, and Forestry of the Senate in consultation with
14 the ranking minority member of the Committee.

15 (b) QUALIFICATIONS.—At least one of the members
16 appointed under each of the paragraphs (1), (2), and (3)
17 of subsection (a) shall be an individual who is primarily
18 involved in production agriculture. All other members of
19 the Commission shall be appointed from among individ-
20 uals having knowledge and experience in agricultural pro-
21 duction, marketing, finance, or trade.

22 (c) TERM OF MEMBERS; VACANCIES.—Members of
23 the Commission shall be appointed for the life of the Com-
24 mission. A vacancy on the Commission shall not affect its
25 powers, but shall be filled in the same manner as the origi-
26 nal appointment was made.

1 (d) TIME FOR APPOINTMENT; FIRST MEETING.—

2 The members of the Commission shall be appointed not
3 later than October 1, 1997. The Commission shall convene
4 its first meeting to carry out its duties under this Act 30
5 days after six members of the Commission have been ap-
6 pointed.

7 (e) CHAIRMAN.—The chairman of the Commission
8 shall be designated jointly by the Chairman of the Com-
9 mittee on Agriculture of the House of Representatives and
10 the Chairman of the Committee on Agriculture, Nutrition,
11 and Forestry of the Senate from among the members of
12 the Commission.

13 **SEC. 603. COMPREHENSIVE REVIEW OF PAST AND FUTURE**
14 **OF PRODUCTION AGRICULTURE.**

15 (a) INITIAL REVIEW.—The Commission shall conduct
16 a comprehensive review of changes in the condition of pro-
17 duction agriculture in the United States since the date of
18 the enactment of this Act and the extent to which such
19 changes are the result of the amendments made by this
20 Act. The review shall include the following:

21 (1) An assessment of the initial success of pro-
22 duction flexibility contracts under section 103 in
23 supporting the economic viability of farming in the
24 United States.

1 (2) An assessment of the food security situation
2 in the United States in the areas of trade, consumer
3 prices, international competitiveness of United
4 States production agriculture, food supplies, and hu-
5 manitarian relief.

6 (3) An assessment of the changes in farmland
7 values and agricultural producer incomes since the
8 date of the enactment of this Act.

9 (4) An assessment of the extent to which regu-
10 latory relief for agricultural producers has been en-
11 acted and implemented, including the application of
12 cost/benefit principles in the issuance of agricultural
13 regulations.

14 (5) An assessment of the extent to which tax
15 relief for agricultural producers has been enacted in
16 the form of capital gains tax reductions, estate tax
17 exemptions, and mechanisms to average tax loads
18 over high and low income years.

19 (6) An assessment of the effect of any Govern-
20 ment interference in agricultural export markets,
21 such as the imposition of trade embargoes, and the
22 degree of implementation and success of inter-
23 national trade agreements.

1 (7) An assessment of the likely affect of the
2 sale, lease, or transfer of farm poundage quota for
3 peanuts across State lines.

4 (b) SUBSEQUENT REVIEW.—The Commission shall
5 conduct a comprehensive review of the future of produc-
6 tion agriculture in the United States and the appropriate
7 role of the Federal Government in support of production
8 agriculture. The review shall include the following:

9 (1) An assessment of changes in the condition
10 of production agriculture in the United States since
11 the initial review conducted under subsection (a).

12 (2) Identification of the appropriate future rela-
13 tionship of the Federal Government with production
14 agriculture after 2002.

15 (3) An assessment of the personnel and infra-
16 structure requirements of the Department of Agri-
17 culture necessary to support the future relationship
18 of the Federal Government with production agri-
19 culture.

20 (c) RECOMMENDATIONS.—In carrying out the subse-
21 quent review under subsection (b), the Commission shall
22 develop specific recommendations for legislation to achieve
23 the appropriate future relationship of the Federal Govern-
24 ment with production agriculture identified under sub-
25 section (a)(2).

1 **SEC. 604. REPORTS.**

2 (a) REPORT ON INITIAL REVIEW.—Not later than
3 June 1, 1998, the Commission shall submit to the Presi-
4 dent, the Committee on Agriculture of the House of Rep-
5 resentatives, and the Committee on Agriculture, Nutrition,
6 and Forestry of the Senate a report containing the results
7 of the initial review conducted under section 603(a).

8 (b) REPORT ON SUBSEQUENT REVIEW.—Not later
9 than January 1, 2001, the Commission shall submit to
10 the President and the congressional committees specified
11 in subsection (a) a report containing the results of the
12 subsequent review conducted under section 603(b).

13 **SEC. 605. POWERS.**

14 (a) HEARINGS.—The Commission may, for the pur-
15 pose of carrying out this Act, conduct such hearings, sit
16 and act at such times, take such testimony, and receive
17 such evidence, as the Commission considers appropriate.

18 (b) ASSISTANCE FROM OTHER AGENCIES.—The
19 Commission may secure directly from any department or
20 agency of the Federal Government such information as
21 may be necessary for the Commission to carry out its du-
22 ties under this Act. Upon request of the chairman of the
23 Commission, the head of the department or agency shall,
24 to the extent permitted by law, furnish such information
25 to the Commission.

1 (c) MAIL.—The Commission may use the United
2 States mails in the same manner and under the same con-
3 ditions as the departments and agencies of the Federal
4 Government.

5 (d) ASSISTANCE FROM SECRETARY.—The Secretary
6 of Agriculture shall provide to the Commission appropriate
7 office space and such reasonable administrative and sup-
8 port services as the Commission may request.

9 **SEC. 606. COMMISSION PROCEDURES.**

10 (a) MEETINGS.—The Commission shall meet on a
11 regular basis (as determined by the chairman) and at the
12 call of the chairman or a majority of its members.

13 (b) QUORUM.—A majority of the members of the
14 Commission shall constitute a quorum for the transaction
15 of business.

16 **SEC. 607. PERSONNEL MATTERS.**

17 (a) COMPENSATION.—Each member of the Commis-
18 sion shall serve without compensation, but shall be allowed
19 travel expenses including per diem in lieu of subsistence,
20 as authorized by section 5703 of title 5, United States
21 Code, when engaged in the performance of Commission
22 duties.

23 (b) STAFF.—The Commission shall appoint a staff
24 director, who shall be paid at a rate not to exceed the
25 maximum rate of basic pay under section 5376 of title

1 5, United States Code, and such professional and clerical
2 personnel as may be reasonable and necessary to enable
3 the Commission to carry out its duties under this Act
4 without regard to the provisions of title 5, United States
5 Code, governing appointments in the competitive service,
6 and without regard to the provisions of chapter 51 and
7 subchapter III of chapter 53 of such title, or any other
8 provision of law, relating to the number, classification, and
9 General Schedule rates. No employee appointed under this
10 subsection (other than the staff director) may be com-
11 pensated at a rate to exceed the maximum rate applicable
12 to level GS-15 of the General Schedule.

13 (c) DETAILED PERSONNEL.—Upon request of the
14 chairman of the Commission, the head of any department
15 or agency of the Federal Government is authorized to de-
16 tail, without reimbursement, any personnel of such depart-
17 ment or agency to the Commission to assist the Commis-
18 sion in carrying out its duties under this section. The de-
19 tail of any such personnel may not result in the interrup-
20 tion or loss of civil service status or privilege of such per-
21 sonnel.

22 **SEC. 608. TERMINATION OF COMMISSION.**

23 The Commission shall terminate upon submission of
24 the final report required by section 604.

1 **TITLE VII—EXTENSION OF**
2 **CERTAIN AUTHORITIES**

3 **SEC. 701. EXTENSION OF AUTHORITY UNDER PUBLIC LAW**

4 **480.**

5 Section 408 of the Agricultural Trade Development
6 and Assistance Act of 1954 (7 U.S.C. 1736b) is amended
7 by striking “1995” and inserting “1996”.

8 **SEC. 702. EXTENSION OF FOOD FOR PROGRESS PROGRAM.**

9 Section 1110 of the Food Security Act of 1985 (7
10 U.S.C. 1736o), also known as the Food for Progress Act
11 of 1985, is amended—

12 (1) in subsection (k), by striking “1995” and
13 inserting “1996”; and

14 (2) in subsection (l), by striking “1995” and in-
15 serting “1996”.

 Passed the House of Representatives February 29,
1996.

Attest:

Clerk.