

96TH CONGRESS
2D SESSION

H. R. 6581

To protect agricultural producers from the adverse effects of the embargo on the export of agricultural commodities to the Soviet Union and to authorize the Secretary of Agriculture to purchase and distribute food as needed to assist other nations to meet urgent humanitarian and other food needs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 22, 1980

Mr. WAMPLER (for himself, Mr. SEBELIUS, Mr. SYMMS, Mr. MADIGAN, Mr. GRASSLEY, Mr. HAGEDORN, Mr. HOPKINS, and Mr. THOMAS) introduced the following bill; which was referred jointly to the Committees on Agriculture and Foreign Affairs

A BILL

To protect agricultural producers from the adverse effects of the embargo on the export of agricultural commodities to the Soviet Union and to authorize the Secretary of Agriculture to purchase and distribute food as needed to assist other nations to meet urgent humanitarian and other food needs, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Agriculture Protection
- 4 Act of 1980".

FINDINGS AND DECLARATIONS

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SEC. 2. The Congress hereby finds and declares that—

(1) on January 4, 1980, the President announced an embargo of all grain exports to the Soviet Union in excess of the eight million metric tons the United States is obligated to supply;

(2) such embargo was imposed on the basis of urgent reasons of national security and foreign policy in response to the Soviet Union's invasion of Afghanistan;

(3) at the time of the embargo the President announced that the Government would take whatever steps were necessary to neutralize the effect of the embargo on American agriculture and that the quantities of grain that would have been shipped to the Soviet Union would be isolated from the market;

(4) although the administration has taken a number of actions to alleviate the impact of the embargo on farmers, farm prices for the major grains are still below the levels immediately prior to the suspension, many economists forecast continued low prices, and farmers are facing the largest feed-grain carryover since 1963; and

(5) since the administration has not lived up to its commitment, it is necessary to enact legislation to re-

1 quire the Secretary of Agriculture to purchase and iso-
2 late the grain which would have been shipped to the
3 Soviet Union, to divert land from production of the
4 1980 crops of wheat and feed grains to reduce the car-
5 ryover of these crops, and to make other changes in
6 the basic farm programs.

7 **TITLE I—FOOD SECURITY FUND**

8 **SEC. 101.** This title may be cited as the “Food Security
9 Fund Act of 1980”.

10 **SEC. 102.** The Congress hereby declares it to be the
11 policy of the United States that in order to meet urgent hu-
12 manitarian needs for wheat in foreign nations and to comply
13 with international obligations to provide such assistance, ade-
14 quate financial resources should be placed at the President’s
15 disposal in order to meet these objectives within the frame-
16 work of a market economy. It is further the policy of the
17 United States that governmental acquisition and perpetual
18 maintenance of large additional stocks of a wheat reserve
19 solely to provide for emergency food needs in developing
20 countries would depress producer prices, destroy production
21 incentives, disrupt markets, impair the capacity of the United
22 States to meet the urgent humanitarian and foreign policy
23 objectives of this Act, and require the expenditure of large
24 sums of public moneys for the storage and handling of such
25 wheat.

1 SEC. 103. (a) Wheat may be acquired through pur-
2 chases in the open market in the United States in such
3 manner as the Secretary of Agriculture (hereinafter referred
4 to as the "Secretary") determines will not unduly disrupt the
5 market.

6 (b) Notwithstanding any other provision of law, for such
7 purposes as set forth in section 104 of this Act, the Secretary
8 shall formulate and administer a program whereby he may
9 purchase, on a voluntary basis, wheat held in the producer
10 storage program for wheat provided for in section 110 of the
11 Agricultural Act of 1949, as amended, as the Secretary de-
12 termines will not unduly disrupt the market: *Provided, That*
13 if there is wheat held in the producer storage program which
14 the Secretary may purchase on a voluntary basis to meet the
15 objectives of this Act, but such wheat is not available in the
16 amounts and locations which the Secretary determines are
17 sufficient to meet the urgent purposes of section 104 of this
18 Act, the Secretary may utilize stocks of wheat acquired by
19 the Commodity Credit Corporation to meet such needs only if
20 the Secretary promptly replaces such Commodity Credit Cor-
21 poration stocks with wheat held in the producer storage pro-
22 gram.

23 SEC. 104. (a) Notwithstanding any other provision of
24 law, the Secretary may acquire wheat under this Act for do-

1 nation for the following purposes as determined by the
2 President:

3 (1) to provide urgent humanitarian relief in any
4 foreign country which suffers a major disaster as deter-
5 mined by the President and whose needs for relief
6 cannot be satisfied in a timely manner under the Agri-
7 cultural Trade Development and Assistance Act of
8 1954;

9 (2) to assist any developing country to meet its
10 food requirements at any time that the domestic supply
11 of wheat in the United States is so limited that quanti-
12 ties of the commodity cannot be made available for
13 such disposition under the criteria of section 401(a) of
14 the Agricultural Trade Development and Assistance
15 Act of 1954, as amended; and

16 (3) to fulfill any lawful international obligation.

17 (b) Nothing in this Act shall be construed to limit the
18 authority of the Secretary to make wheat available to eligible
19 foreign nations under the terms of the Agricultural Trade
20 Development and Assistance Act of 1954.

21 SEC. 105. (a) Upon determination by the President
22 under section 104 that wheat is needed to meet the objec-
23 tives of this Act the Secretary is authorized to make all nec-
24 essary arrangements for the purchase and disposition thereof
25 on such terms and conditions as the Secretary determines

1 will effectuate the purposes of this Act. Wheat acquired
2 under this Act may be processed in the United States and
3 shipped pursuant to section 104 in the form of wheat flour
4 when conditions in the recipient country require.

5 (b) The Secretary is authorized to pay, with respect to
6 stocks of wheat acquired for donation under this Act for costs
7 of processing, transportation, handling and other incidental
8 costs to designated points abroad.

9 SEC. 106. Wheat acquired under this Act shall not be
10 subject to any quantitative limitations on export which may
11 be imposed pursuant to section 3(2)(C) of the Export Admin-
12 istration Act of 1979.

13 SEC. 107. (a) Notwithstanding any other provision of
14 law, effective upon enactment of this Act, the funds, not to
15 exceed \$500,000,000 which are to be accounted for in a spe-
16 cially designated account, and authorities of the Commodity
17 Credit Corporation shall be utilized by the Secretary in car-
18 rying out this Act.

19 (b) The Commodity Credit Corporation is hereby au-
20 thorized to be reimbursed for funds expended in carrying out
21 the provisions of this Act. Such reimbursement shall be made
22 on the basis of actual costs incurred by the Commodity
23 Credit Corporation with respect to such wheat or the export
24 market price of wheat, as determined by the Secretary, as of
25 the time the wheat is acquired for donation and such reim-

1 bursement may be made from funds appropriated for that
2 purpose in subsequent years.

3 SEC. 108. The Secretary may issue such rules and reg-
4 ulations as may be necessary to carry out the provisions of
5 this Act and any determination by the President or the Sec-
6 retary under this Act shall be final.

7 TITLE II—ISOLATION OF EMBARGOED GRAIN

8 ISOLATION OF GRAIN

9 SEC. 201. (a) Notwithstanding any other provision of
10 law, the Commodity Credit Corporation shall purchase and
11 take title to and possession of all grain the export of which to
12 the Union of Soviet Socialist Republics was blocked by the
13 President in retaliation for the invasion by that country of
14 Afghanistan, and, except as provided in subsection (b), the
15 Commodity Credit Corporation may not sell any of such
16 grain at a price less than parity, or otherwise dispose of any
17 such grain for value that is less than the equivalent of parity.

18 (b) Whenever the Secretary determines that the car-
19 ryover of a particular commodity at the end of a marketing
20 year of such commodity will be less than the average car-
21 ryover for the three marketing years immediately preceding
22 such marketing year and the Secretary determines that sale
23 or other disposition would not unduly depress the market
24 price of such commodity, the Commodity Credit Corporation
25 may sell or otherwise dispose of a quantity, not to exceed 10

1 per centum during each marketing year, of the commodity
2 acquired pursuant to subsection (a) of this section without
3 regard to the restriction of that subsection, but in accordance
4 with other applicable provisions of law: *Provided*, That an
5 additional 10 per centum may be sold or disposed of in any
6 marketing year if the Secretary determines that such sale or
7 disposition would not depress the market price of such com-
8 modity and the Secretary submits a report to the House
9 Committee on Agriculture and the Senate Committee on Ag-
10 riculture, Nutrition, and Forestry thirty days prior to any
11 such disposal action with respect to such determination. The
12 Commodity Credit Corporation may also sell or dispose of
13 grain, without regard to the restriction in subsection (a), as
14 may be necessary to avoid spoilage or deterioration: *Pro-*
15 *vided*, That unless sold or disposed of pursuant to the first
16 sentence of this subsection, any quantity of grain sold at a
17 price less than parity to avoid spoilage or deterioration shall
18 be promptly replaced with an equivalent amount.

19 (c) For purposes of this section, the term "grain" shall
20 mean wheat, corn, grain sorghum, soybeans, oats, rye,
21 barley, rice, and flaxseed.

1 RELEASE AND CALL LEVELS FOR FEED GRAINS; RESTRIC-
 2 TIONS ON SALE OF COMMODITY CREDIT CORPORA-
 3 TION STOCKS

4 SEC. 202. (a) Subsection (b) of section 110 of the Agri-
 5 cultural Act of 1949 (7 U.S.C. 1445e(b)) is amended by—

6 (1) adding before the semicolon at the end of
 7 clause (5) the following: “, but not less than 125 per
 8 centum of the then current level of price support for
 9 feed grains”; and

10 (2) adding before the period at the end of the sub-
 11 section the following: “, but not less than 145 per
 12 centum of the then current level of price support for
 13 feed grains”.

14 (b) Subsection (d) of section 110 of the Agricultural Act
 15 of 1949 (7 U.S.C. 1445e(d)) is amended in the matter preced-
 16 ing clause (1) by inserting after the phrase “feed grains” the
 17 following: “at less than 10 per centum above the level at
 18 which the Secretary may call for the repayment of loans
 19 under subsection (b) or”.

20 TITLE III—LAND DIVERSION PROGRAMS

21 FEED GRAIN DIVERSION PAYMENT PROGRAM

22 SEC. 301. Section 105A(f) of the Agricultural Act of
 23 1949 (7 U.S.C. 1444c(f)) is amended—

24 (1) in the first sentence of paragraph (2) by strik-
 25 ing out “(2) The” and inserting in lieu thereof the fol-

1 lowing: “(2)(A) Except as provided in subparagraph (B)
2 for the 1980 crop of feed grains, the”; and

3 (2) by adding after such paragraph the following
4 new subparagraph:

5 “(B)(i) The Secretary shall establish and announce, not
6 later than March 1, 1980, a program under which a land
7 diversion payment shall be made by the Secretary to a pro-
8 ducer of feed grains if such producer is eligible for such pay-
9 ment under this subparagraph. Such program shall apply
10 only with respect to the 1980 crop of feed grains and shall be
11 designed to divert from production twelve million metric tons
12 of feed grains.

13 “(ii) A producer of feed grains shall be eligible for a land
14 diversion payment under this subparagraph if such producer
15 devotes to approved conservation uses, in accordance with a
16 land diversion contract entered into by the Secretary with
17 such producer, an amount of cropland not less than 10 per
18 centum of the acreage planted or which would be planted to
19 the 1980 crop of feed grains of such producer. Such payment
20 shall be computed by multiplying (I) the payment rate, as set
21 forth in clause (iii), by (II) the farm program payment yield
22 for the crop of feed grains, by (III) the total acreage diverted
23 to such uses.

24 “(iii) For purposes of computing any amounts payable
25 under this subparagraph, the payment rate for corn shall be

1 not less than \$1.00 per bushel, and the payment rate for all
2 other feed grains shall be such rate as the Secretary deter-
3 mines to be fair and reasonable in relation to such payment
4 rate for corn.”.

5 WHEAT DIVERSION PAYMENT PROGRAM; WHEAT GRAZE-
6 OUT PROGRAM

7 SEC. 302. (a) Section 107A(f)(2) of the Agricultural Act
8 of 1949 (7 U.S.C. 1445b(f)(2)) is amended—

9 (1) by striking out “(2) The” and inserting in lieu
10 thereof the following: “(2)(A) Except as provided in
11 subparagraph (B) for the 1980 crop of wheat, the”;
12 and

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

14 “(B)(i) The Secretary shall establish and announce, not
15 later than March 1, 1980, a program under which a land
16 diversion payment shall be made by the Secretary to a pro-
17 ducer of wheat if such producer is eligible for such payment
18 under this subparagraph. Such program shall apply only with
19 respect to the 1980 crop of wheat and shall be designed to
20 divert from production four million metric tons of wheat.

21 “(ii) A producer of wheat shall be eligible for a land
22 diversion payment under this subparagraph if such producer
23 devotes to approved conservation uses, in accordance with a
24 land diversion contract entered into by the Secretary with
25 such producer, an amount of cropland not less than 10 per

1 centum of the acreage planted or which would be planted to
 2 the 1980 crop of wheat of such producer. Such payment shall
 3 be computed by multiplying (I) not less than \$1.25 per
 4 bushel, as determined by the Secretary, by (II) the farm pro-
 5 gram payment yield for the crop of wheat, by (III) the total
 6 acreage diverted to such uses.”.

7 (b) Section 109(c) of the Agricultural Act of 1949 (7
 8 U.S.C. 1445d(c)) is amended by inserting the following
 9 before the period at the end of the first sentence: “: *Provided,*
 10 That for the 1980 crop of wheat the rate of payment shall
 11 not be less than \$0.50 per bushel”.

12 TITLE IV—MISCELLANEOUS

13 PARTIAL ELIGIBILITY FOR PRICE SUPPORT LOANS WITH 14 RESPECT TO THE 1979 CROP OF CORN

15 SEC. 401. Effective with respect to the 1979 crop of
 16 corn, the Agricultural Act of 1949 is amended by inserting
 17 immediately after section 105A a new section 105B as
 18 follows:

19 “PARTIAL ELIGIBILITY FOR PRICE SUPPORT LOANS WITH 20 RESPECT TO THE 1979 CROP OF CORN

21 “SEC. 105B. (a) Notwithstanding any other provision of
 22 law, the Secretary may make available to any producer who
 23 did not file a timely agreement to participate in the 1979 feed
 24 grain set-aside program under section 105A of this Act loans
 25 and purchases, not to exceed a total of \$100,000, under sec-

1 tion 105A(a)(1) of this Act, on corn produced in the 1979
2 crop year on the producer's acreage normally planted to
3 crops designated by the Secretary under section 1001(a) of
4 the Food and Agriculture Act of 1977.

5 “(b) The Secretary is authorized to issue such regula-
6 tions as the Secretary determines to be necessary to carry
7 out the provisions of this section.”.

8 **SALE OF COMMODITY CREDIT CORPORATION STOCKS OF**
9 **CORN FOR USE AS ALCOHOL FEEDSTOCK**

10 **SEC. 402.** Section 110(d) of the Agricultural Act of
11 1949 (7 U.S.C. 1445e(d)) is amended by—

12 (1) striking out “and” at the end of clause (1);

13 (2) striking out the period at the end of clause (2)
14 and inserting in lieu thereof a semicolon and “and”;
15 and

16 (3) adding at the end thereof a new clause (3)
17 reading as follows:

18 “(3) sales of corn for use in the production of al-
19cohol for motor fuel at facilities that began operation
20 after January 4, 1980, such sales to be at prices not
21 less than the prevailing market prices for corn in the
22 normal marketing area of the facility.”.

1 LOAN LEVELS WHEN EXPORT SALES OF CERTAIN
2 AGRICULTURAL COMMODITIES ARE SUSPENDED

3 SEC. 403. Section 1002(a) of the Food and Agriculture
4 Act of 1977 is amended to read as follows:

5 “(a) Notwithstanding any other provision of law, when-
6 ever the President of the United States or any other member
7 of the executive branch of the Federal Government, either
8 directly or indirectly, suspends or causes to be suspended the
9 export sales of any commodity as defined in subsection (c) to
10 any country or area with which the United States otherwise
11 continues commercial trade, the Secretary of Agriculture
12 shall, on the day the suspension is initiated, set the loan level
13 for such commodity under the Agricultural Act of 1949, as
14 amended, if a loan program is in effect for the commodity, at
15 90 per centum of the parity price for the commodity, as such
16 parity price is determined on the day the suspension is initiat-
17 ed: *Provided, however,* That if such suspension is based on
18 reasons of national security or foreign policy, the loan level
19 for such commodity may be set at a level not less than the
20 average market price for such commodity during the thirty
21 marketing days immediately preceding such suspension.”.

22 MINIMUM DONATIONS UNDER PUBLIC LAW 480

23 SEC. 404. Paragraphs (1), (2), and (3) of section 201(b)
24 of the Agricultural Trade Development and Assistance Act of
25 1954 (7 U.S.C. 1721(b)) are amended to read as follows:

1 “(1) for fiscal years 1978 through 1979 shall be
2 1,600,000 metric tons, of which not less than
3 1,300,000 metric tons shall be distributed through non-
4 profit voluntary agencies and the World Food Pro-
5 gram;

6 “(2) for fiscal year 1980 shall be 1,650,000
7 metric tons, of which not less than 1,300,000 metric
8 tons shall be distributed through nonprofit voluntary
9 agencies and the World Food Program; and

10 “(3) for fiscal year 1981 and each fiscal year
11 thereafter shall be 1,800,000 metric tons, of which not
12 less than 1,350,000 metric tons shall be distributed
13 through nonprofit voluntary agencies and the World
14 Food Program;”.