

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2263

To compensate agricultural producers in the United States for damages incurred as a result of trade embargoes that include agricultural commodities and products produced in the United States among the prohibited trade items.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 6, 1995

Mrs. CHENOWETH introduced the following bill; which was referred to the  
Committee on Agriculture

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## A BILL

To compensate agricultural producers in the United States for damages incurred as a result of trade embargoes that include agricultural commodities and products produced in the United States among the prohibited trade items.

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

3       **SECTION 1. COMPENSATION FOR FARMERS FOR DAMAGES**

4                       **FROM TRADE EMBARGOES.**

5       (a) **COMPENSATION REQUIRED.**—In connection with  
6 any trade embargo imposed by the President after the  
7 date of the enactment of this Act, or any retaliatory em-

1 bargo imposed by a foreign country in response to such  
2 an embargo, the Secretary of Agriculture shall compensate  
3 producers of each agricultural commodity produced in the  
4 United States and included among the prohibited trade  
5 items for damages incurred by the producers as a result  
6 of lost sales or reduced market price of the commodity  
7 due to the initial or retaliatory embargo. This section shall  
8 not apply in the case of a trade embargo imposed by the  
9 President that prohibits all trade with the country subject  
10 to the embargo, if the Congress passes a law approving  
11 of the embargo.

12 (b) FILING OF CLAIM.—To obtain compensation  
13 under subsection (a), a producer shall file a claim with  
14 the Secretary of Agriculture specifying the amount of the  
15 damages incurred by the producer as a result of an embar-  
16 go described in subsection (a).

17 (c) CALCULATION OF DAMAGES.—For each agricul-  
18 tural commodity produced in the United States and sub-  
19 ject to an embargo described in subsection (a), the Sec-  
20 retary of Agriculture shall determine the difference, if any,  
21 between the average price of the agricultural commodity  
22 for the 12-month period ending on the date the agricul-  
23 tural commodity became subject to the embargo and the  
24 average price of the agricultural commodity for the 12-  
25 month period immediately after that date. The Secretary

1 shall adjust the amount determined under the preceding  
2 sentence to reflect only the amount of the price reduction  
3 resulting from the embargo. Producers shall use the ad-  
4 justed amount to calculate their damages. If the embargo  
5 extends beyond the first year, the Secretary shall redeter-  
6 mine the difference between the average prices during  
7 each subsequent 12-month period.

8 (d) PAYMENT.—The Secretary of Agriculture shall  
9 forward the producer’s claim to the Commodity Credit  
10 Corporation, which shall pay the producer, from funds  
11 available to the Corporation, an amount equal to—

12 (1) three times the amount of the damages de-  
13 termined under subsection (c), in the case of an ag-  
14 ricultural commodity subject to a trade embargo im-  
15 posed by the President; or

16 (2) the amount of the damages determined  
17 under subsection (c), in the case of an agricultural  
18 commodity subject to a retaliatory embargo imposed  
19 by a foreign country in response to the President’s  
20 embargo.

21 (e) REIMBURSEMENT.—The Secretary of the Treas-  
22 ury shall reimburse the Commodity Credit Corporation,  
23 from funds in the Treasury not otherwise appropriated,  
24 for all payments made by the Corporation under sub-  
25 section (d).

1 (f) ADJUDICATION OF DISPUTES.—In the case of a  
2 dispute arising in connection with a claim under this sec-  
3 tion, the United States Court of Federal Claims shall have  
4 jurisdiction to adjudicate the claim and enter judgment  
5 accordingly. If the Court enters judgment on behalf of the  
6 producer, the United States shall be responsible for the  
7 costs incurred by the producer to pursue the claim.

8 (g) NOTIFICATION OF CONGRESS.—As soon as pos-  
9 sible after the President imposes an embargo described in  
10 subsection (a) or is informed of a retaliatory embargo, the  
11 President shall notify the Congress regarding—

12 (1) the agricultural commodities subject to the  
13 embargo;

14 (2) the amount of damages to agricultural pro-  
15 ducers estimated as likely to result from the embar-  
16 go; and

17 (3) the source of funds to be used to provide  
18 compensation to such producers under subsection  
19 (a).

20 (h) ASSISTANCE FOLLOWING EMBARGO.—During  
21 the one-year period following the lifting of any trade em-  
22 bargo described in subsection (a) with respect to an agri-  
23 cultural commodity, the Secretary of Agriculture shall pro-  
24 vide assistance to producers of the agricultural commodity  
25 in order to assist such producers to regain market share

1 lost as a result of the embargo. The Secretary shall pro-  
2 vide such assistance in such manner and under such terms  
3 as the Secretary considers appropriate.

4 (i) AGRICULTURAL COMMODITY DEFINED.—For pur-  
5 poses of this section, the term “agricultural commodity”  
6 means—

7 (1) any agricultural commodity planted and  
8 produced in the United States by annual tilling of  
9 the soil (including tilling by one-trip planters), such  
10 as wheat, corn, grain sorghum, barley, oats, rye, cot-  
11 ton, soybeans, peanuts, tobacco, sugar beets, pota-  
12 toes, and vegetables;

13 (2) sugar cane and rice planted and produced  
14 in the United States;

15 (3) milk, fruits, and honey produced in the  
16 United States;

17 (4) beef and other livestock, poultry, and  
18 aquacultural species raised in the United States; and

19 (5) timber and fiber crops produced in the  
20 United States.

21 Such term also includes any integral input into the pro-  
22 duction of an agricultural commodity, such as seed crops,  
23 crop nutrients, or crop protection products.

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